

AGENDA

MEETING OF THE
UTAH STATE BOARD OF REGENTS

September 9-10, 2004

**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**

STATE BOARD OF REGENTS MEETING
WEBER STATE UNIVERSITY, OGDEN UTAH
SHEPARD UNION BUILDING
SEPTEMBER 2004

AGENDA

Thursday, September 9

11:30 a.m. - LUNCHEON MEETING – STATE BOARD OF REGENTS, WEBER STATE UNIVERSITY
1:00 p.m. BOARD OF TRUSTEES, PRESIDENT MILLNER, COMMISSIONER KENDELL
Room 325

1. Open Discussion
2. Executive Session

12:00 noon - Luncheon – All Others
1:00 p.m. Buffet in Ballroom C

1:00 p.m. - MEETINGS OF BOARD COMMITTEES
2:30 p.m.

Academic, Career and Technical Education, and Student Success Committee
Rooms 347-348

ACTION:

1. Program Review Committee's Recommendation to Lift Moratorium on New Academic Programs Tab A

CONSENT:

2. University of Utah – Eunice Kennedy Shriver National Center for Community of Caring Tab B
within the Department of Special Education, College of Education

DISCUSSION:

3. Measuring Utah Higher Education 2004 Tab C
4. Policy Issues for Regents' Consideration Tab D

Finance, Facilities and Accountability Committee
Rooms 338-340

ACTION:

1. USHE – Proposed Revisions to Policy R565, *Audit Committees* Tab E
2. USHE – Proposed Revisions to Policy R854, *Regents Professorships* Tab F
3. Weber State University – Campus Master Plan Tab G
4. Salt Lake Community College – Lease of Space to the Museum of Utah Art and History (MUAH) Tab H

CONSENT:

5. Consent Calendar Tab I
 - A. UofU and USU – Capital Facilities Delegation Reports

- B. Utah College of Applied Technology
 - i. Tuition Rate Exception for SEATC CDL Trucking/Heavy Equipment Program
 - ii. Tuition Rate Exception for MATC Regional Learning Center Program
 - iii. Tuition Rate Exception for OWATC Apprenticeship Program

INFORMATION/DISCUSSION:

- 6. UHEAA Board of Directors Report Tab J
- 7. USHE – 2005-2006 Budget Priorities Tab K

2:30 p.m. - COMMITTEE OF THE WHOLE
 5:00 p.m. Ballrooms A & B

- 1. Swearing In of New Regents
- 2. USHE – Capital Development Projects Tab L
- 3. USHE – “Other Funds” Capital Development Projects Tab M

6:30 p.m. DINNER FOR REGENTS AND PRESIDENTS
 (by invitation)

Friday, September 10

8:00 a.m. - JOINT BREAKFAST MEETING – STATE BOARD OF REGENTS Tab N
 10:00 a.m. AND STATE BUILDING BOARD
 Ballroom C
 (Breakfast buffet for others in Rooms 338-340)

10:00 a.m. - REGULAR BUSINESS MEETING OF THE STATE BOARD OF REGENTS
 12:00 noon Ballrooms A & B

- 1. Report of the Chair
- 2. Report of the Commissioner
- 3. Reports of Board Committees
 - Accounting Committee -- Tabs A - D
 - Finance Committee – Tab E - K
- 4. General Consent Calendar Tab O
- 5. USHE – 2005-2006 Budget Priorities (Tab K)

12:00 noon Cold Buffet – The Junction (Second Floor)
 Presidents – Room 352

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Projected times for the various meetings are estimates only. The Board Chair retains the right to take action on either day. 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 (801-321-7135), at least three working days prior to the meeting. TDD # 801-321-7130.

September 1, 2004

To: State Board of Regents

From: Richard E. Kendell

Subject: Program Review Committee Recommendation to Lift Program Moratorium—Action Item

Issue

In response to the economic challenges faced by the state of Utah in the first quarter of 2002, the Regents placed a moratorium on all new instructional programs beginning July, 2002. The Regents' Program Review Committee (PRC) has carefully monitored the program review process during the last two years. After careful consideration, and in harmony with some progress in Utah's economy, the PRC now recommends that the moratorium be lifted.

Background

The moratorium on new programs was instituted in 2002 at a time when the state's budget was declining and institutions were experiencing substantial growth. Adding additional instructional programs during this time of economic challenge was of great concern. The Program Review Committee, established in May of 2002 as a standing committee of the Academic and Applied Technology Committee, was charged with carefully reviewing all proposed programs being planned at USHE institutions.

Since May 2002, the PRC developed four exceptions to the moratorium to allow institutions to meet critical program needs at their institutions. The Letter of Intent, which was also new to the program approval process in 2002, has given the PRC critical information in helping guide program development. At the request of the Regents, elements of the "exceptions to the moratorium" have now been incorporated into the Approval of New Programs, Program changes, and Discontinued Programs policy (R401). Although R401 is continuing to be examined and streamlined, the enhanced program review process has given the PRC and the Regents as a whole, better tools to guide and evaluate the growth of instructional programs at USHE institutions.

The Program Review Committee recommends that the Regents:

1. Lift the current moratorium and use policy R401 as the mechanism for reviewing new program requests for USHE institutions.
2. Retain the PRC with its current role.
3. Receive recommendations from the Chief Academic Officers, under the direction of the Associate Commissioner for Academic Affairs, concerning additional refinements to the R401 Policy.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Regents lift the moratorium on new programs as of September 15, 2004, and adopt the recommendations of the Regent's Program Review Committee.

REK/GW

Richard E. Kendell, Commissioner

September 1, 2004

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

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

The following request has been submitted by the University of Utah for consideration by the Regents on the Consent Calendar of the Academic, Applied Technology, and Student Success Committee:

A. University of Utah

Request. The University of Utah requests temporary approval to establish the Eunice Kennedy Shriver National Center for Community of Caring within the Department of Special Education, College of Education. Placing this National Center at the University of Utah has enormous benefit because of its visibility and fundraising potential. The Community of Caring program has a proven track record, with a 22-year history of helping more than 1,500 schools nationwide and in Canada fulfill their goals in character development. Over 200 Community of Caring schools are located in Utah and six school districts have adopted the program district-wide.

Need. Community of Caring is a successful character education program that has had a collaborative relationship with the UofU Department of Special Education for some time. The program's emphasis is on disabilities, with research and curriculum development that integrates the values of caring, respect, responsibility, trust, and family into every aspect of school life. These non-controversial and non-political components of character education are well suited for a university setting where the emphasis is on scholarly inquiry, with new opportunities for service and outreach. The Kennedy Foundation and Community of Caring seek to locate the national center at the University of Utah because of faculty expertise and ongoing relationships developed over many years. Interdisciplinary research, instruction, and service in character education is an important element in education related to disabilities and other aspects of education. There are no programs similar to Community of Caring in any other Utah institutions or in the Intermountain Region.

Institutional Impact. Establishment of this National Center at the UofU will not affect the level of enrollments but will increase the likelihood that more qualified students will apply to existing programs in the College of Education. Center activities will be housed in the Department of Special Education and coordinated with the Dean's Office of the College of Education, enhancing interdisciplinary collaboration and college fundraising. The Center will not involve changes in program offerings.

Finances. Core operational costs for the first two years of the National Center at the UofU are provided through Community of Caring, Inc. (CCI) as part of the legal agreement transferring assets and trademark licensing prerogatives to the University. Beyond the two-year period Center staff will work with the College of Education and the Department of Special Education in an integrated fundraising effort to sustain the Center and see that it thrives as a part of the University. Services provided to public schools will be offered on a fee-for-service basis and will therefore represent a self-sustaining outreach activity. No budgetary impact is expected on other programs or units within the University.

More information about the UofU request and the Eunice Kennedy Shriver National Center for Community of Caring is on file in the Commissioner's Office.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Regents authorize temporary approval of the Eunice Kennedy Shriver National Center for Community of Caring at the University of Utah for a two-year period, as described on the Consent Calendar of the Academic, Applied Technology, and Student Success Committee.

Richard E. Kendell, Commissioner

REK:DAC

September 1, 2004
MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Discussion: Measuring Utah Higher Education, 2004

Attached is a copy of the latest draft of **Measuring Utah Higher Education, 2004**, an Accountability Report prepared by a USHE workgroup and the Commissioner's Office. Several key legislators have also participated. Graphs in the report have been divided into three sections – Access and Preparation, Quality, and Efficiency and Finance. Data have come largely from the USHE Data Book, augmented by institutional reports and other sources, as indicated. The graphs reflect systemwide data and are not institution specific. More detailed institutional enrollment and financial information can be found in the USHE Data Book compiled annually by the Commissioner's Office.

This report is submitted for review and discussion of the Regents. The graphs describe ongoing enrollment growth at each type of institution in the Utah System, increases in participation rates, and growth in technologically-delivered courses, while college completion rates trail the national average. However, the total number of degrees and certificates earned at USHE institutions continues to climb, and pass rates on professional certification and licensure exams remain high. Utah scores well on ACT and AP exams, but enrollments in remedial education have increased.

The graphs also show that institutions have addressed state funding reductions through increases in student-to-faculty ratios and increased reliance on part-time adjunct faculty. Tuition as a percent of total instructional costs has risen during a period of decreasing state support. Meanwhile, state need-based student financial aid in Utah is among the lowest in the country. Utah ranks 45th nationally in total funding per FTE student, but has recently moved from 11th to 5th among the states in funding per \$1,000 of personal income in support of higher education. This Utah paradox shows a high level of effort to fund higher education but a minimum amount of money available per student.

Faculty compensation lags national averages for each type of institution in Utah, but high faculty productivity at the UofU and USU has led to record levels of research grants and contracts, totaling nearly \$500 million. The state initiative for engineering, computer science, and related technology fields has increased the number of degrees awarded in these fields at all levels.

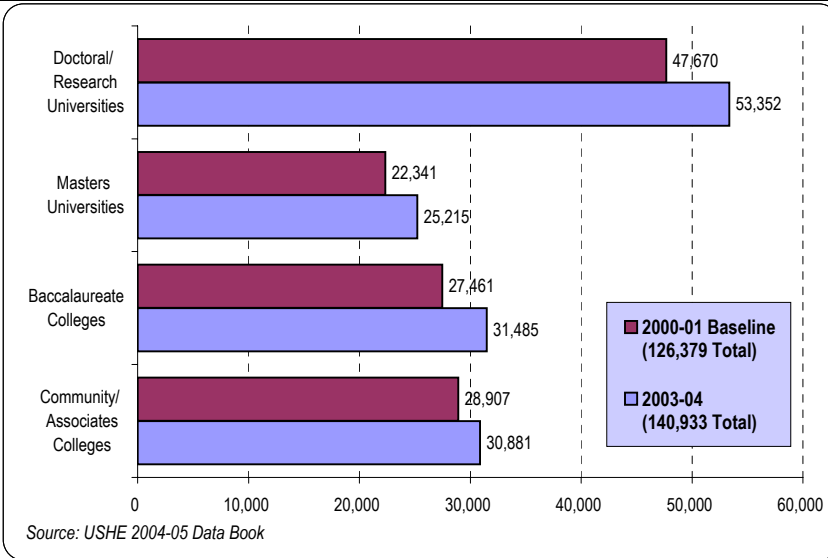
Regent discussion and comments regarding this report are invited. No Board action is required.

REK:DAC

Richard E. Kendell, Commissioner

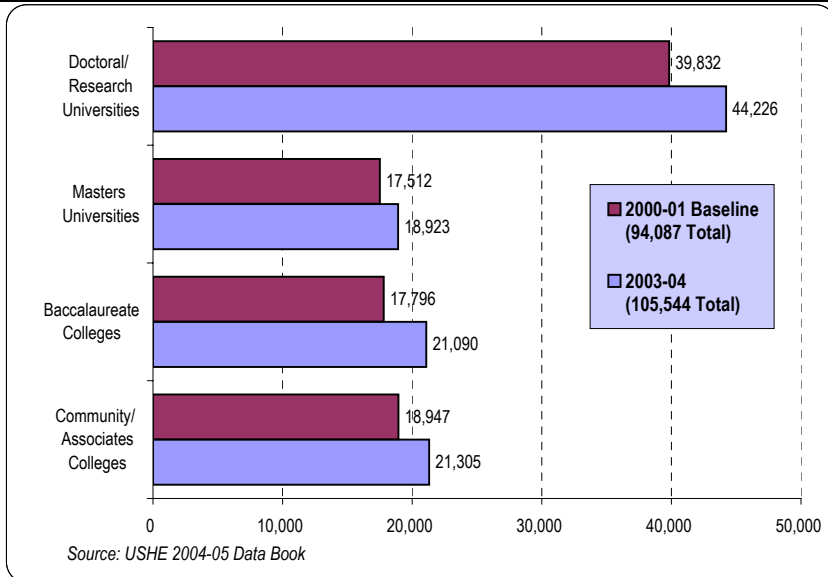
1. Fall Headcount Enrollment

Headcount enrollments, or the number of students enrolled at the third week of fall semester, continue to climb for all institutional types, growing in total by 11.5% over 3 years.



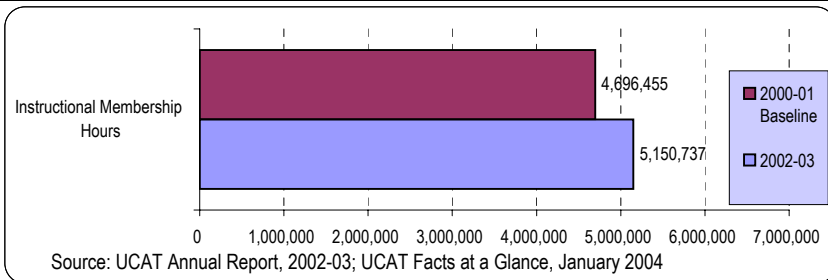
2. Annual Budget-related FTE Enrollment

Full-time equivalent enrollments also grew over this period. FTE enrollment is a measure of the number of instructional hours completed by students over an entire academic year. Budget-related enrollments include those instructional programs and courses eligible for state-funding. From 2000-01 to 2003-04, USHE budget-related FTE grew 12.2%.

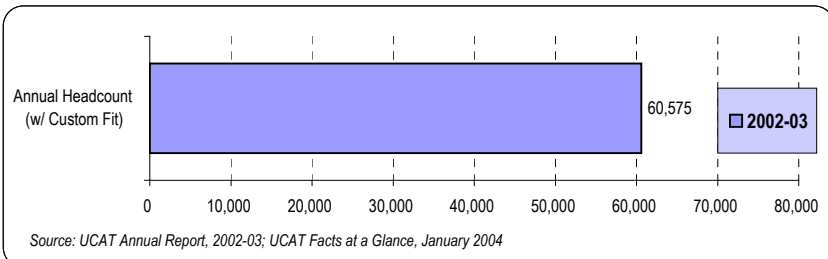


3. Utah College of Applied Technology Enrollment

UCAT enrollment is measured differently than other USHE institutions. Instructional activity is measured in membership hours rather than credits. The number of membership hours grew by 9.7% from 2000-01 to 2002-03.

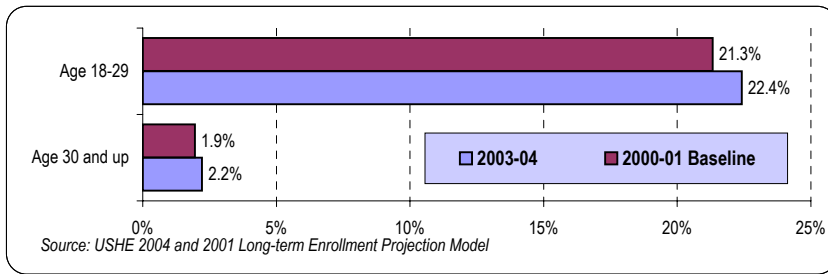


UCA I participation is measured in annual headcount, or the number of students served over an entire year. In 2002-03, total unduplicated headcount enrollment reached 60,575. Due to a change in reporting requirements, comparable data are not available.



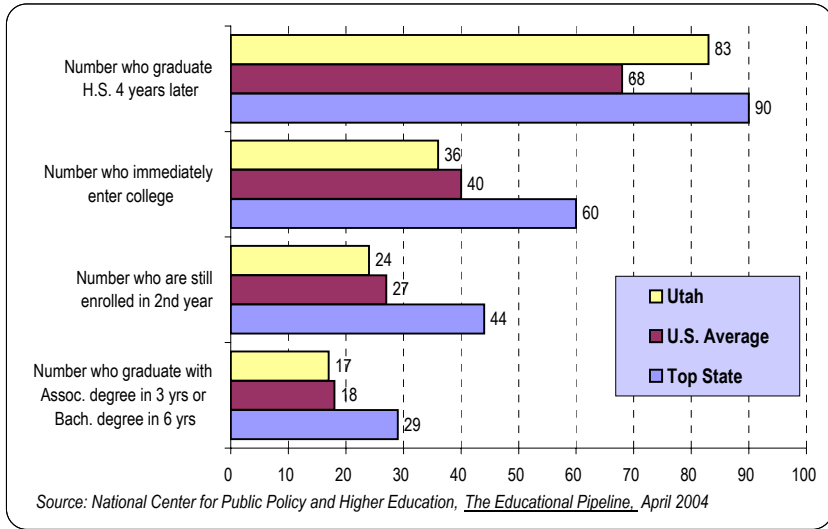
4. USHE Participation Rates

Participation rates measured in the USHE Long Term Enrollment projection model compare all USHE enrollment to the total Utah population by age group. Growing participation rates, combined with demographic increases, continue to fuel enrollment growth in Utah.



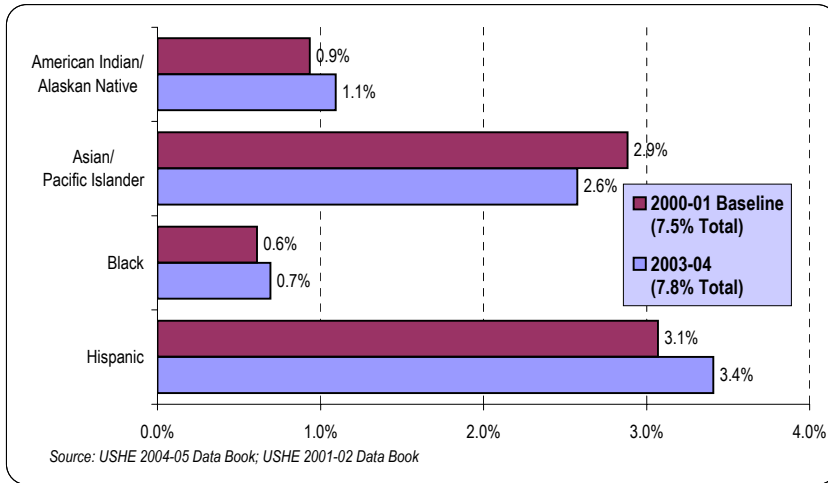
5. Education Pipeline 2002: Of every 100 ninth grade students...

Utah's college pipeline begins relatively high compared to the rest of the nation based on high school graduates. However, the number of students who immediately enter college, remain enrolled in the 2nd year, and who graduate with an Associate's degree after three years or Bachelor's degree after six years, trails the national average. Contributing factors include large number of working and part-term students, earlier marriages, and the Utah missionary phenomenon.



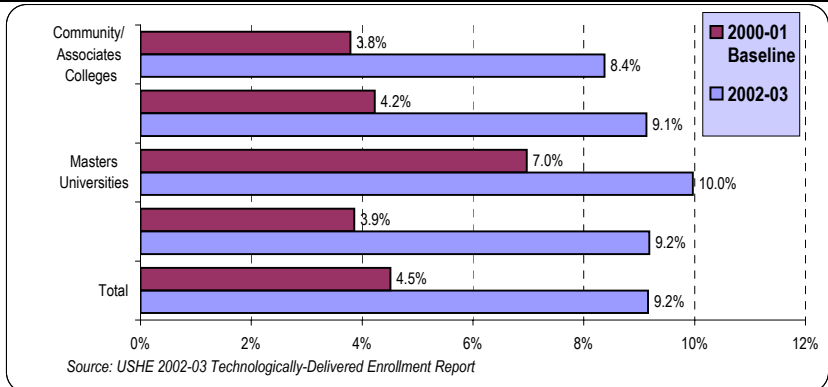
6. Enrollment Diversity, Percent of Fall Headcount Enrollment

While diversity in Utah's college enrollment is growing, the relatively small number of minority students still trail the diversity of the entire state population.



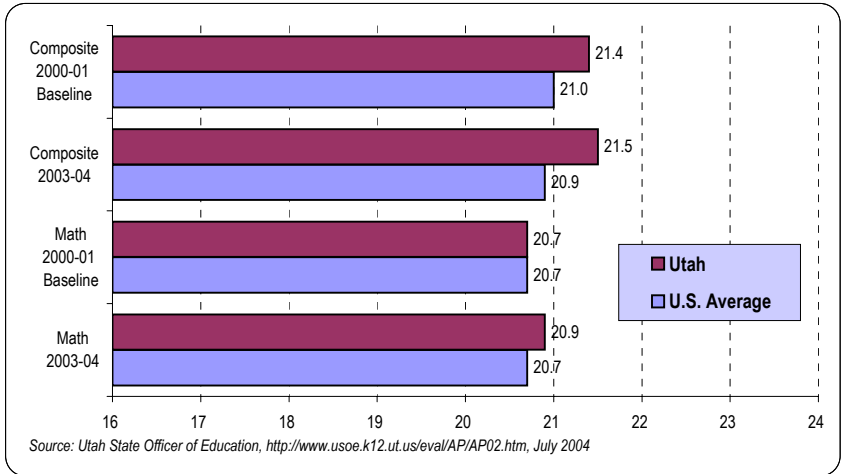
7. Technologically-delivered Instruction, % of Total FTE delivered via technology

Growth in technologically-delivered courses continues to expand rapidly at all institutional types.



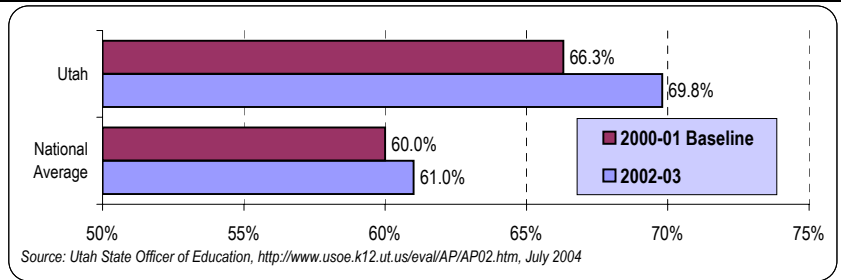
1. ACT Test Scores

The scores from Utah high school students who take ACT exams are slightly higher than the national average.



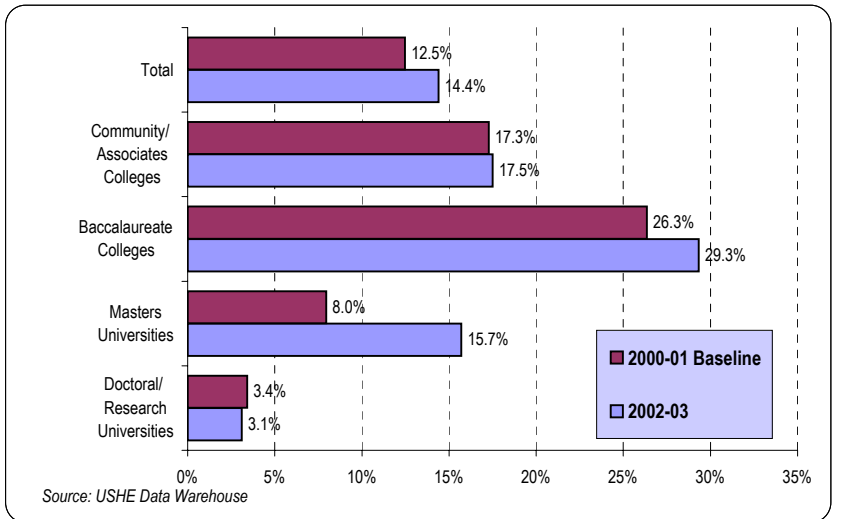
2. Advanced Placement Percentage Qualifying

The percent of Utah high school students who qualify for college credit through AP exams continues to exceed the national average.



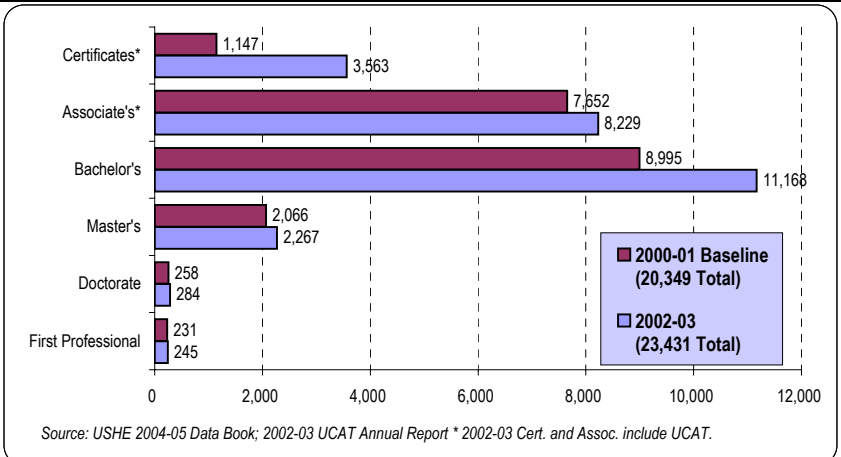
3. Percent of First-time Freshman Enrolled within 12 months of High School who take at least One Remedial Course

Finding ways to improve the articulation from K-12 to college is a necessary initiative to offset the need for remedial and developmental education.



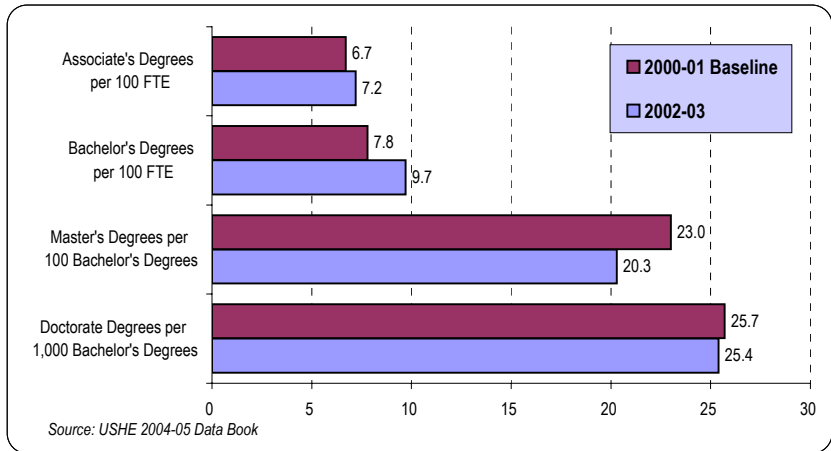
4. Postsecondary Degrees and Awards

The number of credentials earned at USHE institutions continues to climb. The inclusion of UCAT data for the first time in 2002-03 explains much of the increase in the number of certificates awarded.



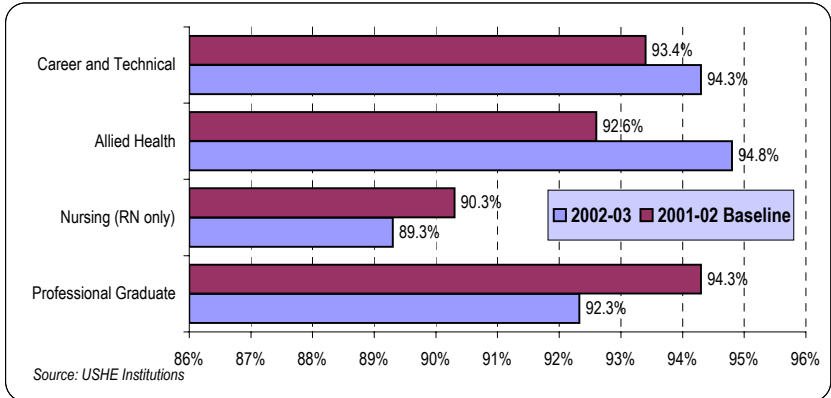
5. Degree Production

Measures of degree production based on ratios with other activities, such as FTE enrollment or lower level degrees, is a suggested measure to monitor the efficiency of degree completion over time. This measure indicates a greater return for undergraduate degrees on the number of FTE over a three-year period.



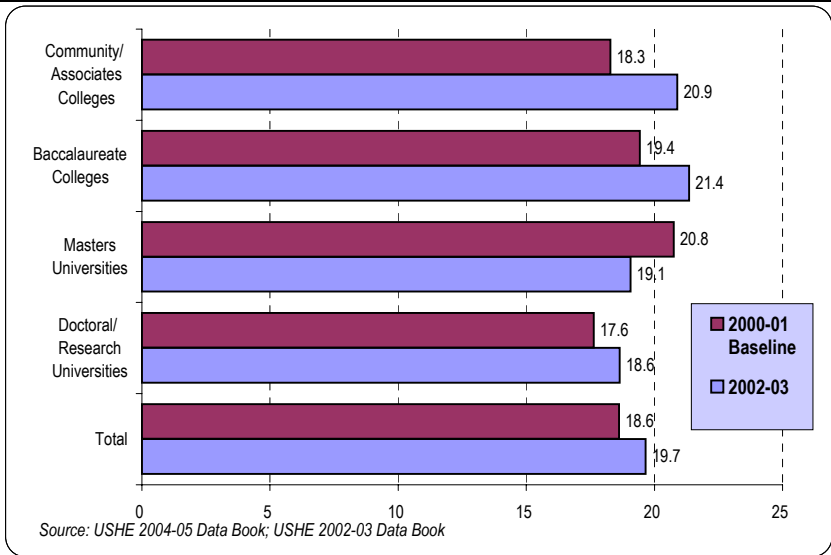
6. Pass Rates on Professional Certification and Licensure Exams

One available measure of student-learning is to track performance on professional certification and licensure exams. While exams cover a wide variety of disciplines, this measure consolidates data for all institutions into four common categories.



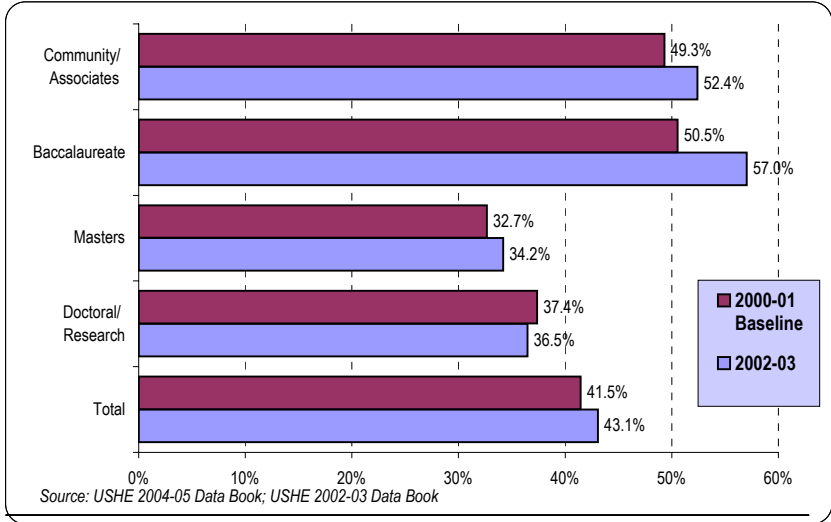
7. Student-to-faculty Ratio

Increases in student-to-faculty ratios are an indicator of how USHE institutions addressed tax fund reductions between 2000-01 and 2002-03.



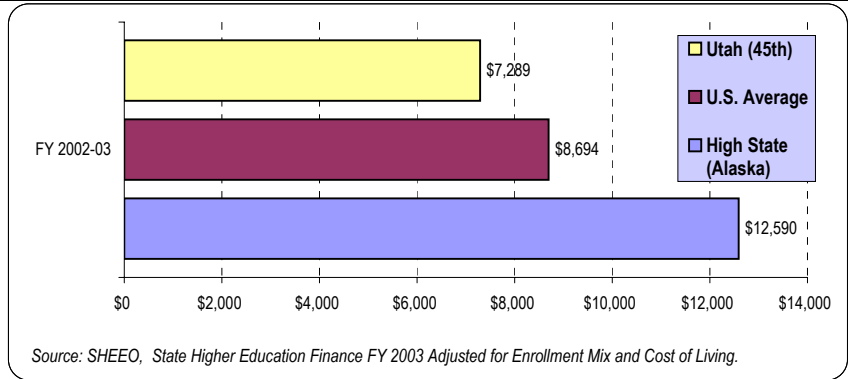
8. Faculty Credentials - Percentage of Student Credit Hours Delivered by Part-time Faculty

Like student-to-faculty ratios, increases in the usage of part-time faculty indicate how institutions adapted to budget reductions.



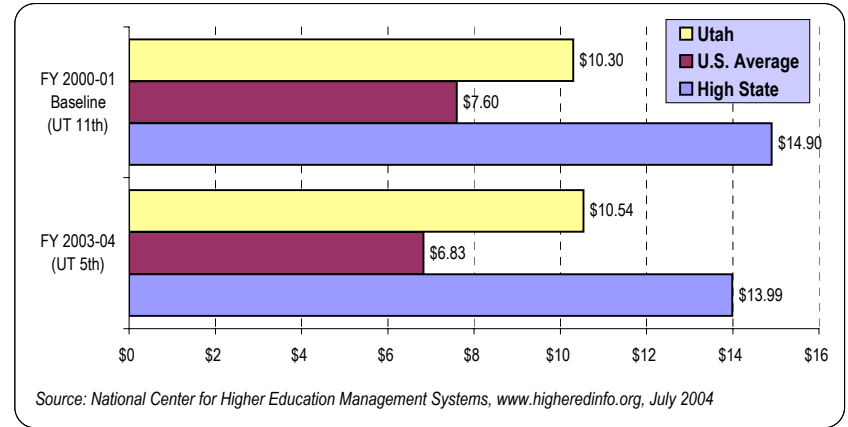
1. Total Educational Funding per FTE

Total Educational Funding per FTE measures the amount of state tax appropriations and net tuition sources available per FTE student. Utah ranks 45th nationally in the recent *State Higher Education Finance, FY 2003* report.



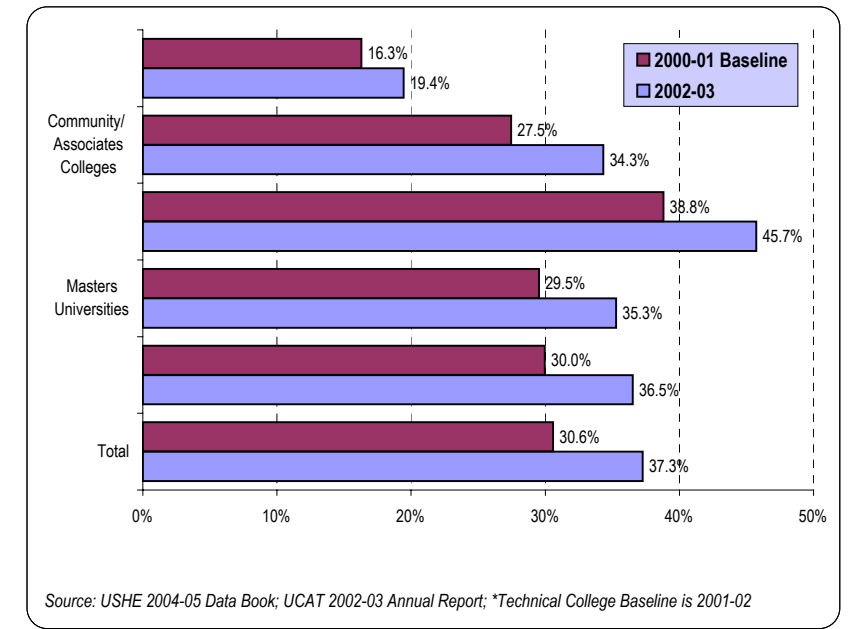
2. Higher Education Tax Funds per \$1,000 of Personal Income

Contrary to funding per student, funding per \$1,000 of personal income for higher education in Utah ranks among the highest in the country, moving up from 11th in FY 2000-01 to 5th in FY 2003-04. This is known as the Utah paradox, which shows a high effort for education funding but a minimum amount per student spread across the large number of participants coming from Utah's demographics.



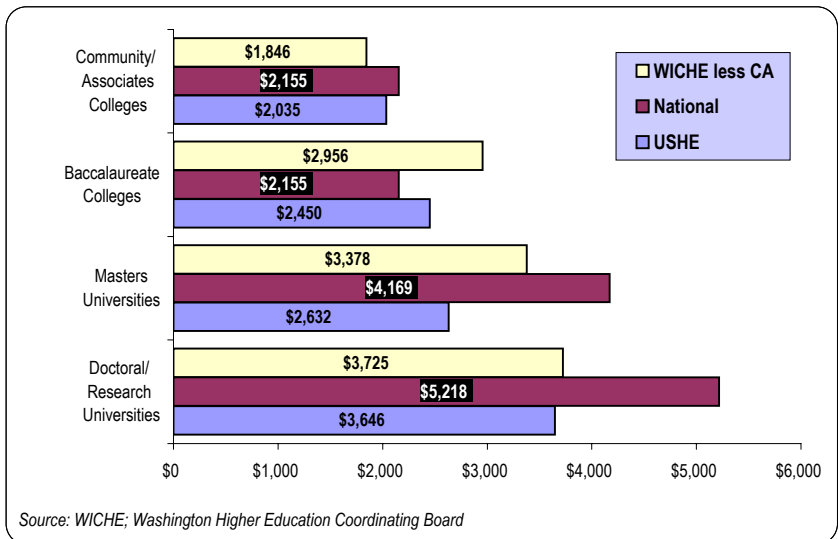
3. Tuition as Percent of Total Instructional Costs

Tuition as a percent of total instructional costs provides an indication of how much students are paying for the complete costs of their education. Over a period of constant or decreasing tax funds and significant tuition increases, the proportion covered by tuition increased at all institutions. The amount for technical colleges (UCAT) has been adjusted to reflect the funding only for postsecondary students, excluding secondary students who are supported 100% by state funds.



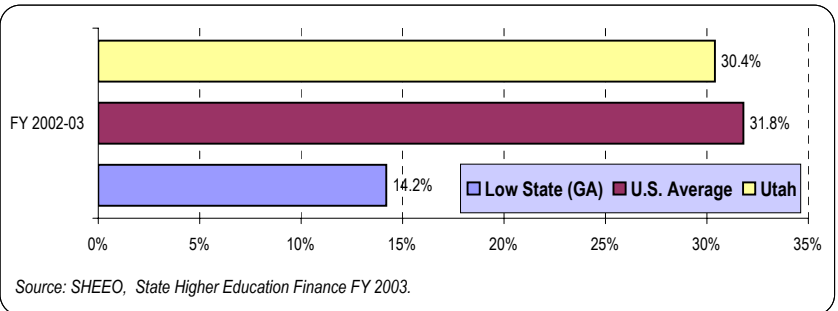
4. Resident Undergraduate Tuition and Fee Comparisons, 2003-04

Comparison of tuition and fees to regional and national benchmarks provides a relative indicator of price and affordability for Utah higher education.



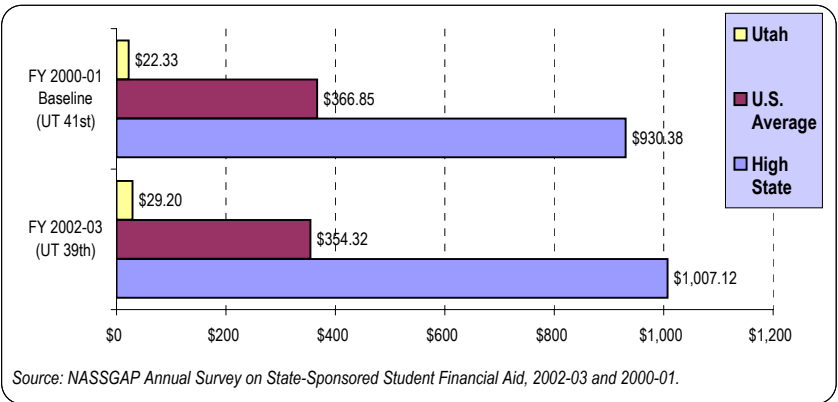
5. State Reliance on Net Tuition as a Public Higher Education Revenue Source, FY 2002-03

State reliance on net tuition revenue is adjusted to reflect the impact of state-funded grant programs. Because of its large amount of financial aid support, Georgia ranks as the state that is least reliant on net tuition. Utah is just below the national average. Utah amounts have been adjusted to exclude the secondary student impact of UCAT.



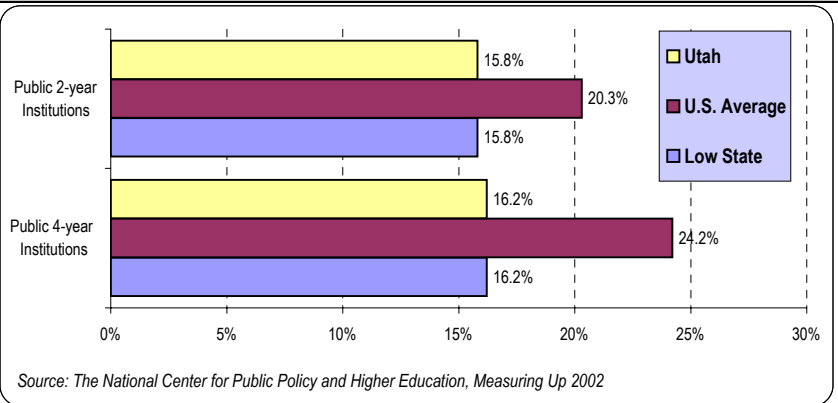
6. State Need-based Student Financial Aid

Utah's relatively small student financial aid program provides among the lowest levels of state-based support in the country. Lower tuition levels help to offset some of the need. These amounts do not reflect state authorized tuition waivers.



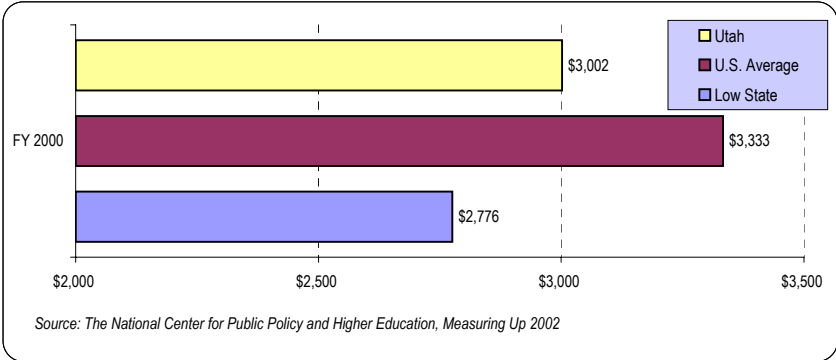
7. Percent of Family Income Needed to Pay for College, 2001

The percentage of family income required for college in Utah is the lowest in the nation. However, Utah's propensity to have multiple college-going students in one family can offset the low levels of required family income.



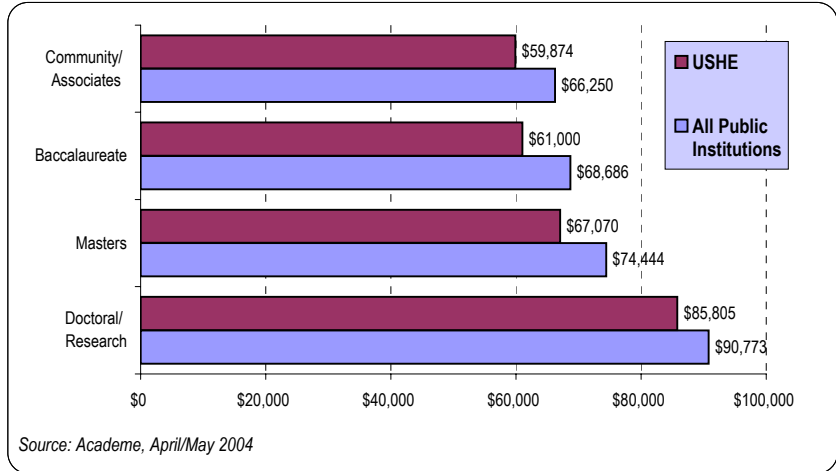
8. Average Loan Amount Students Borrow Each Year, 2000

The average loan amount Utah students borrow each year is 10 percent below the national average. Again, this is related to lower than average tuition levels at Utah institutions.



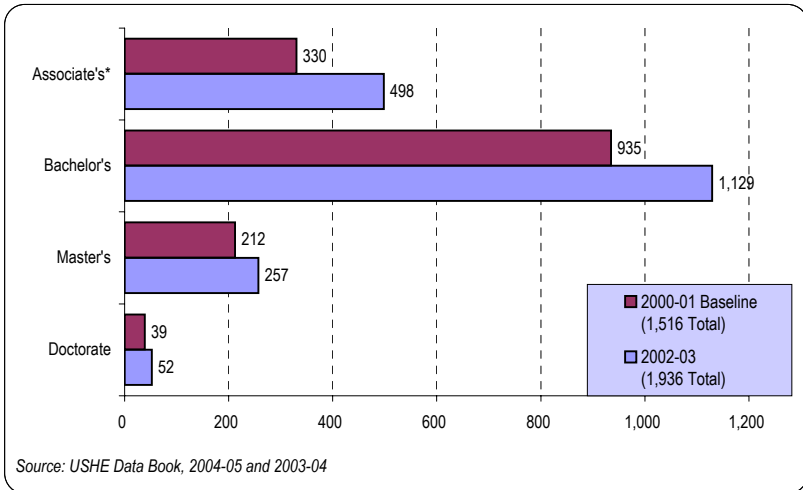
9. Faculty Compensation Compared to Peer Institutions

As an indicator of the ability of institutions to compete for quality faculty in the competitive market-place, total faculty compensation in Utah lags public institution national averages in every institutional category .



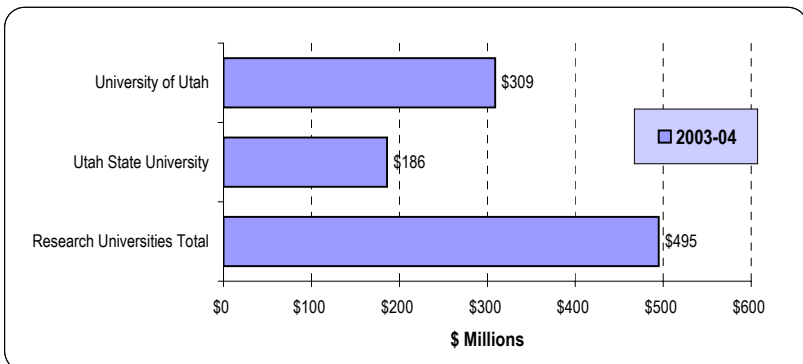
10. Economic Impact of Higher Education - Degrees in Engineering and Related Technology and Computer and Information Sciences

Driven by the state initiative to increase the number of engineering, computer science, and related-technology graduates to improve the state's economy, the number of degrees awarded in these programs is increasing.



11. Research Grants and Contracts

A record level of research grants and contracts, totaling nearly \$500 million, was garnered by the University of Utah and Utah State University during FY 2003-04.



September 3, 2004

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Policy Issues for Regents' Consideration

Issue

As the Regents set their agenda for this coming academic year, several issues that were raised by Board members and by members of the Utah Legislature might be considered. These issues could impact Regents' policy and, possibly, State policy. At the same time, the Chief Academic Officers (CAOs) are establishing their agenda which includes many of the issues listed below, in addition to reviewing state and regional needs assessments that would better inform their institutional program development choices. Following a retreat to deliberate the issues, the CAOs expect to generate several position papers that would assist the Regents in considering several of the issues listed below together with others identified by both the Regents and CAOs.

Articulation of Higher Education with the K-12 System

The current disconnect between the K-12 and postsecondary systems is a major reason why so many students must take remedial courses in basic math and language. The National Governors Association has indicated "...the single most powerful change that states could make in these graduation requirements and in their system of standards and assessment of student outcomes would be to align secondary exit requirements with postsecondary requirements for placement into credit-granting degree programs. Specific plans and strategies to accomplish the goal need to be discussed by the Committee and advanced to the full Board of Regents. Such strategies might include the development of institutional academic expectations for college success (not just entry requirements). This information could be sent to every high school sophomore in the State and to the students, their parents and to school counselors.

- A specific high school diploma might be developed that would clearly signify college readiness. This idea has had discussion but no specific plan has been approved.
- The existing U-PASS program could be better articulated with the academic expectations of college success. Perhaps the use of the PSAT exam for all high school sophomores, for example, may be included.

Remedial/Developmental Education

The Office of the Commissioner continues to collect data that address the degree of success students experience as they continue their education following their remedial classes. Once these data are collected and analyzed, the Regents will be given the findings which will assist them in making informed decisions.

Disadvantaged Students and Students of Color

Strategies, policies, and processes need to be developed for narrowing the gaps of opportunities and achievement for disadvantaged students and students of color.

Transfer of Credit

USHE faculty, the Statewide Articulation Committee, and the Office of the Commissioner continue to expand and monitor lower-division transfer courses. Legislative H.B. 320 called for common course numbers for those courses that are similar in content, rigor, and standard. Over 400 such courses were identified by system faculty and will be in place in institutional catalogs beginning either 2005 or 2006. Common course prefixes were identified in many of the departments that are common across the system. The USHE Transfer Guide, an online tool that shows the transfer of almost all lower-division courses, continues to be updated to reflect accurate transfer information. Additionally, the results of this process will be monitored and needed modifications will be made.

Accumulation of Additional Credits to Graduation

A study is underway to determine the number of students who accumulate 35% more credits than those typically required for completion of associates' (69) and baccalaureate (126) degrees. A 35% increase in the number of credits for associates' degrees is 93 and for baccalaureate degrees, 170 credits. Also under study are the academic degrees accumulated by these same graduates. Once the data are collected and analyzed, they, together with recommendations from the CAOs, will be presented to the Regents for discussion and further action.

Retention, Persistence, and Completion

These issues are being considered across the country as costs of a college education continue to rise. The CAOs, who have placed this issue on their agenda, will identify existing programs that appear to show promise together with best practices which increase retention and improve completion rates. In addition, national data will assist in framing the discussion. Regents' policies are likely to be reviewed to determine if they support student retention, persistence, and completion. Revisions will be suggested as needed.

Technology Delivered Courses

Technology-delivered courses are believed to add efficiency to course and program completion. More needs to be learned on the best uses of technology to assist students toward completion. Policies that advance the use of the Utah Electronic College and other forms of technology delivered instruction will be proposed with clear plans and implications for instruction.

Measuring Utah Higher Education 2004

This new report is an attempt to convey important information about the status of higher education in Utah and the progress being made in achieving important goals. The Committee will review the report, advance it with suggested changes, and approve a version for Board of Regents' approval.

UCAT

Important changes in the structure and function of UCAT have been approved. However, the processes for approving certificate and degree programs at the regional levels must be developed. Moreover, there remains a significant amount of policy work (rules and regulations) to be written, reviewed, and approved to support the new directions for UCAT.

Commissioner's Recommendation

The Commissioner recommends that the Regents discuss the merits of each issue, add to the list if necessary, and determine those issues that ought to be deliberated by the Regents during this next year.

Richard E. Kendell, Commissioner

REK/LTS/PCS/GSW

September 2, 2004

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Revisions to Policy R565 (Audit Committees)

Issue

Regent Policy R565 (Audit Committees) needs to be updated with respect to required committee composition and committee authority. Current policy language is not sufficient to determine whether Regent and Trustee audit committees are "public bodies" and therefore subject to Utah's Open and Public Meeting laws. Revisions related to committee composition represent actual changes to the policy, while revisions related to committee authority represent only clarifications to the intent of the original language.

Background

Regent Policy R565 governs the creation of both Regent and Trustee audit committees. As currently configured, policy directs that audit committees consist of at least four and no more than six members. In the case of institutional Boards of Trustees (with ten members each), an audit committee with six members has the potential (depending on committee makeup) to inadvertently constitute a quorum of the full Board of Trustees. The Attorney General has suggested that R565 be revised to direct that audit committees consist of at least three and no more than five members. Under this scenario, even the largest possible audit committee would not include enough Board members to ever constitute a quorum of the full Board.

In addition, current policy language does not clearly specify that audit committees have no authority to make decisions regarding the public's business. Audit committees are advisory groups, and exist only to provide advice and recommendations to the full Board. All decisions regarding the public's business are to be made by the full Board. The proposed policy revisions serve to reinforce these points, thereby ensuring that audit committee actions are consistent with their charter and appropriate to their level of oversight.

With these changes in place, audit committee meetings and related activities will more closely align with original Regent intent.

Recommendation

It is the recommendation of the Commissioner that the Board approve the proposed revisions to Regent Policy R565 (Audit Committees).

Richard E. Kendell, Commissioner

REK/MHS/BRF
Attachments

R565, Audit Committees

R565-1. Purpose

To provide for the functions and responsibilities of Audit Committees within the Utah System of Higher Education (System).

R565-2. References

2.1. Utah Code [§53B-6-102](#) (Standardized Systems Prescribed by the Board)

2.2. Utah Code [§53B-7-101](#) (Financial Affairs Under the General Supervision of the Board)

2.3. Utah Code [Title 52, Chapter 4](#) (Utah Open and Public Meeting Act)

2.4. Policy and Procedures [R561](#), Accounting and Financial Controls

2.5. Policy and Procedures [R567](#), Internal Audit Program

R565-3. Creation of Audit Committees

3.1 Creation of Regent Audit Committee - There is hereby created a Regent Audit Committee as a standing subcommittee of the Finance, Facilities and Accountability Committee.

3.2 Creation of Trustee Audit Committees - Each Board of Trustees will create a standing Audit Committee to assist the full board in fulfilling its oversight responsibilities for financial matters.

R565-4. Regent and Trustee Audit Committee Charters

4.1 Purpose

4.1.1 Regent Audit Committee - To assist the Board of Regents in fulfilling its oversight responsibilities for the financial reporting processes, the system of internal control, audit processes, and processes for monitoring compliance with laws and regulations. This includes assessing each institution's control environment.

4.1.2 Trustee Audit Committee -The Board of Trustees Audit Committee is constituted to assist the full Board of Trustees in fulfilling its oversight responsibilities for financial reporting processes, the system of internal control, audit processes, and processes for monitoring compliance with laws and regulations. This includes assessing the institution's control environment.

4.2 Authority

4.2.1 Regent Audit Committee - **In fulfilling its role of assisting the full Board of Regents in the Board's oversight responsibilities for financial reporting processes, internal control, audit processes, and monitoring compliance with laws and regulations, the Regent Audit Committee shall obtain pertinent information, become knowledgeable, and provide advice and recommendations to the full Board of Regents with regard to financial oversight of each institution. The Regent Audit Committee is not vested with any decision making authority on behalf of the full Board of Regents. However, the** The Regent Audit Committee has authority to:

4.2.1.1 ~~Collaborate~~ **Consult** with the State Auditors ~~in~~ **on** the appointment of principal external auditor(s)

4.2.1.2 Seek information from institutional trustee audit committees and administrations, all of whom are directed to cooperate with Committee requests

4.2.1.3 Meet with external auditors, legal counsel, or others as necessary

4.2.2 Trustee Audit Committee - **In fulfilling its role of assisting the full Board of Trustees in the Board's oversight responsibilities for financial reporting processes, internal control, audit processes, and monitoring compliance with laws and regulations, the Trustee Audit Committee shall obtain pertinent information, become knowledgeable, and provide advice and recommendations to the full Board of Trustees with regard to financial oversight of the institution. The Trustee Audit Committee is not vested with any decision making authority on behalf of the full Board of Trustees. However, the** The Trustee Audit Committee has authority to:

4.2.2.1 Meet with institutional officers, external auditors or legal counsel as considered necessary.

4.2.2.2 ~~Coordinate the work of~~ **Provide coordination and assistance to** the principal external auditor(s) to conduct the annual audit(s).

4.2.2.3 ~~Mediate~~ **Assist all parties in resolving** any disagreements between the administration and the principal external auditor(s) regarding financial reporting.

4.2.2.4 Seek information from the administration, faculty, or staff - all of whom are directed to cooperate with Committee requests - or external parties.

4.2.2.5 ~~Conduct or authorize investigations into any matters considered necessary to achieve its purpose.~~ **Advise the Board of Trustees with regard to conducting or authorizing audit investigations.**

4.3 Composition

4.3.1 Regent Audit Committee - The Regent Audit Committee will consist of at least ~~four~~ **three** and no more than ~~six~~ **five** members of the Board of Regents. The members, individually, will be independent and free from any relationship the Board of Regents believes would interfere with the exercise of each member's judgment as a member of the Committee. The Committee members will be appointed by the Chair of the Regents. Unless a Committee chair is appointed by the Board chair, the members of the Committee may designate a Chair by majority vote.

4.3.2 Trustee Audit Committee - The Audit Committee will consist of at least ~~four~~ **three** and no more than ~~six~~ **five** members, at least three of whom are members of the Board of Trustees, each of whom shall be independent and free from any relationship that, in the opinion of the Board of Trustees, would interfere with the exercise of his or her independent judgment as a member of the Committee. The Committee members will be appointed by the Chair of the Trustees. Unless a Committee chair is appointed by the Board chair, the members of the Committee may designate a Chair by majority vote.

4.4 Meetings

4.4.1 Regent Audit Committee - The Committee will meet as needed to review audit and financial information of USHE institutions. The Committee may, as needed, meet with each institution's Trustees Audit Committee. It may also meet separately with institutional administrators, internal auditors, or external auditors. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. **Informal** minutes will be prepared.

4.4.2 Trustee Audit Committee - The Committee shall meet at least three times a year, with ~~authority to convene~~ additional meetings as ~~required~~ **needed**. The Committee will invite members of the administration, auditors or others to attend meetings and provide pertinent information. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. **Informal** minutes will be prepared.

4.5 Responsibilities

4.5.1 External Audits and Financial Statements

4.5.1.1 Regent Audit Committee

4.5.1.1.1 ~~Ensure there is regular, independent communication and information flow between the Regent Audit Committee and principal external auditors. The Committee will schedule~~ **Schedule** such meetings ~~or~~ and correspondence **as** necessary to **maintain regular, independent communication and information flow between the Regent Audit Committee and principal external auditors**, whether or not irregularities or other problems have been identified.

4.5.1.1.2 Review each USHE institution's Financial Statement as well as other significant accounting and reporting issues and understand their impact on the financial statements.

4.5.1.1.3 Review with institutional administrators and principal external auditor(s) the results of each annual external audit, including any difficulties encountered. This review will include the audit scope and approach, any restrictions on the independent auditor's activities or on access to requested information, and any significant disagreements with institutional administration.

4.5.1.2 Trustee Audit Committee

4.5.1.2.1 ~~Ensure there is regular, independent communication and information flow between the Trustee Audit Committee and principal external auditor(s). The Committee will schedule~~ **Schedule** such meetings ~~or~~ and correspondence **as** necessary to **maintain regular, independent communication and information flow between the Trustee Audit Committee and principal external auditor(s)**, whether or not irregularities or problems have been identified.

4.5.1.2.2 Review the institution's financial statement as well as other significant accounting and reporting issues and understand their impact on the financial statements. This includes reviewing the administration's discussion and analysis of the financial statements, along with any analyses prepared by institutional administration and/or external auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements.

4.5.1.2.3 Review with the administration and the principal external auditor(s) the results of the annual external audit, including any difficulties encountered. This review will include identification of any restrictions on the scope of the auditor's activities, access to requested information, and any significant disagreements with the administration.

4.5.2 Internal Control

4.5.2.1 Regent Audit Committee

4.5.2.1.1 Review reports from institutions regarding the quality of their respective systems of internal control - as defined by the Committee of Sponsoring Organizations (COSO). This includes ~~assessing~~ **providing the Board of Regents with information**

concerning the institution's control environment, means of communicating standards of conduct, and practices with respect to risk assessment and risk management.

4.5.2.1.2 Review reports from external and internal auditors regarding the quality of institutional systems of internal control.

4.5.2.1.3 Ensure that an appropriate process exists for the receipt, retention, and treatment of complaints, including anonymous complaints, received by any institution regarding accounting, internal controls, or auditing matters.

4.5.2.2 Trustee Audit Committee

4.5.2.2.1 Review the quality of the institution's system of internal control - as defined by the Committee of Sponsoring Organizations (COSO). This includes ~~assessing~~ **providing the Board of Trustees with information concerning** the institution's control environment, means of communicating standards of conduct, and practices with respect to risk assessment and risk management.

4.5.2.2.2 ~~Receive and review~~ **Review** reports from external and internal auditors regarding the quality of institutional systems ~~the of~~ internal control.

4.5.2.2.3 Ensure that an appropriate process exists for the receipt, retention, and treatment of complaints, including anonymous complaints, regarding accounting, internal controls, and auditing matters.

4.5.3 Compliance

4.5.3.1 Regent Audit Committee

4.5.3.1.1 Review reports from institutional administrators regarding the effectiveness of their system for monitoring compliance with laws and regulations.

4.5.3.1.2 Obtain regular updates from institutional administrators and/or institutional legal counsel regarding instances of noncompliance with material implications for the System.

4.5.3.2 Trustee Audit Committee

4.5.3.2.1 Review the administration's system for monitoring compliance with laws and regulations.

4.5.3.2.2 Obtain regular updates from the administration and/or institutional legal counsel regarding instances of noncompliance with material implications for the institution.

4.5.4 Internal Audit

4.5.4.1 Regent Audit Committee

4.5.4.1.1 Receive summary reports from chief internal audit executives and the Trustee Audit Committee, at least annually, regarding the results of the internal auditing program at each institution.

4.5.4.1.2 ~~Evaluate whether~~ **Ensure** there are ~~any~~ **no** unjustified restrictions or limitations on internal auditing programs.

4.5.4.1.3 ~~Review and concur in~~ **Advise the Board of Regents regarding** the appointment, **replacement**, or dismissal of the chief internal audit executive in the Office of the Commissioner (OCHE).

4.5.4.1.4 ~~Ensure there is regular, independent communication and information flow between the Committee and the OCHE chief internal audit executive. The Committee will schedule~~ **Schedule** such meetings ~~or~~ and correspondence **as necessary to maintain regular, independent communication and information flow between the Committee and the OCHE chief internal audit executive**, whether or not any irregularities or other problems have been identified.

4.5.4.2 Trustee Audit Committee

4.5.4.2.1 Review with the administration and the chief internal audit executive the charter, plans, activities, staffing and organizational structure of the internal audit function.

4.5.4.2.2 Ensure there are no unjustified restrictions or limitations on internal auditing programs.

4.5.4.2.3 ~~Review and concur in~~ **Advise the Board of Trustees regarding** the appointment, replacement, or dismissal of the institution's chief internal audit executive.

4.5.4.2.4 Receive and review internal audit reports and/or periodic summaries of internal audit activities prepared by the chief internal audit executive.

4.5.4.2.5 ~~Ensure there is regular, independent communication and information flow between the Committee and the institution's chief internal audit executive. Such~~ **Schedule** meetings ~~or~~ and correspondence **as necessary to maintain regular, independent communication and information flow between the Committee and the institution's chief internal audit executive**, regardless of the identification of any irregularities or problems.

4.6 Reporting

4.6.1 Regent Audit Committee

4.6.1.1 At least annually, the Committee will provide a report or minutes of meetings to the full Board of Regents detailing the Committee's activities and recommendations.

4.6.2 Trustee Audit Committee

4.6.2.1 At least annually, the Audit Committee shall provide a report or minutes of meetings to the full Board of Trustees detailing the Committee's activities and recommendations - and forward this report to the Regents Audit Committee.

R565-5 Necessary Actions Not Contemplated by R565-4

5.1 To assure appropriate institutional or System governance, the Regent Audit Committee is authorized, as directed by the chair of the Board of Regents, to pursue other actions which the Committee believes are needed, **so long as the Regent Audit Committee is not vested with any authority to make decisions regarding the public's business.**

5.2 The Trustee Audit Committee may pursue other courses of action, as directed by the chair of the Board of Trustees, which the Committee believes are needed, **so long as the Trustee Audit Committee is not vested with any authority to make decisions regarding the public's business.**

Revised and approved September 9, 2004.

September 10, 2004

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Revisions of Policies R854 and R853

Background

The Board of Regents has requested that I review the current provisions for granting transition time to presidents following their term of service as president (R853) and to clarify some of the ambiguous provisions in the Regent Professorship policy (R854).

Issue

Questions have been raised as to whether presidents seeking a transition to a position other than president are eligible for transition leave, the Regents Professorship, or both. Additionally, some of the provisions in the Regents Professorship are unclear and require revision.

Recommendation

Both policies in question have been reviewed and, in the case of the Regents Professorship, revised. Following is a summary of the pertinent points:

1. Retiring Presidents are eligible for both transition leave and the Regents Professorship; however, both benefits must be granted by the Board of Regents.
2. A provision has been added, indicating that the Board may wish to combine the transition leave with the Regents Professorship so that the combined transition/professorship period does not exceed a total of three years. This does not prevent the possibility that both benefits are provided.
3. The Regents Professorship has been revised to limit the term to three years. A president may continue as a professor, but not under the terms of the Regents Professor policy.
4. Compensation for the Regents Professor has been clarified.

5. The new amendments apply to presidents and commissioners appointed after October 1, 2004. Sitting Presidents and the Commissioner will be subject to the provisions of both policies as they applied at the date of their appointment

The Commissioner recommends approval of these changes.

Richard E. Kendell, Commissioner

RK:jc
Attachments (R853 and R854)

R853, Transition and Retirement Provisions for Chief Executive Officers

R853-1. Purpose

To provide for the orderly transition from executive positions or for the retirement of the Chief Executive Officers of the State Board of Regents.

R853-2. References

2.1. Utah Code [§53B-1-105](#) (Appointment of Commissioner of Higher Education)

2.2. Utah Code [§53B-2-102](#) (Board to Appoint President of Each Institution)

2.3. Policy and Procedures [R208](#), Annual Chief Executive Officers Performance Review

2.4. Policy and Procedures [R209](#), Appraisal of Chief Executive Officers

2.5. Policy and Procedures [R851](#), Guidelines for Retirement Programs

R853-3. Definitions

3.1. Chief Executive Officers - The "Chief Executive Officers" of the State Board of Regents consist of the Commissioner and the Presidents of member institutions of the Utah System of Higher Education.

R853-4. Policy

4.1. Term of Office - Chief Executive Officers are, under law, appointed by and "serve at the pleasure of the Board at such salary as it may determine and fix." The length of time that a Chief Executive Officer shall be asked to serve will vary both with the individual and with the unique circumstances at a given institution. The Board's decision on retention of a Chief Executive Officer shall not be based solely upon adequacy of performance but upon a finding that the Chief Executive Officer is excelling in his or her duties and that the institution continues to benefit from outstanding leadership and from distinguished service.

4.2. Appraisal and Review - Chief Executive Officers serve extended and continuous appointments with the understanding that the Board, upon the review or appraisal of a chief executive officer pursuant to Policy and Procedures [R208](#) and [R209](#), may initiate an agreement for annual renewal of the Chief Executive Officer's appointment.

4.3. Involuntary Termination or Retirement - A decision to involuntarily terminate the executive appointment or retire a Chief Executive Officer will always be made by the full Board, after confidential consultation with the institutional Board of Trustees, and, at the option of the Board, with staff, faculty

and community leaders. If the Chief Executive Officer so desires, he or she shall have an opportunity to make a case for retention.

4.4. Assistance with Relocation - Chief Executive Officers, both those leaving voluntarily and those departing involuntarily, may be appointed to other executive posts or assume professorial or other duties in a System institution authorized by the Board. In effectuating such arrangements, consultation shall be undertaken with the Presidents and institutional Boards of Trustees of the institutions involved or affected by such reassignments, to determine the salary and other terms of the appointment.

4.5. Reorientation Leave at the End of the Chief Executive Officer's Service - The Board will, after consultation with the institutional Board of Trustees, provide a Chief Executive Officer up to a year's leave for reorientation to the appropriate discipline or field of service, at such level of compensation from institutional funds as shall be set by the Board at the time the leave is granted, when:

4.5.1. the Chief Executive Officer's service ends after three or more years;

4.5.2. the Board has received the performance appraisal called for in [R209](#), Appraisal of Chief Executive Officers; and

4.5.3. the Chief Executive Officer plans to assume a faculty or other professional position.

4.6. Limitations on Reorientation Leave - Reorientation leaves are subject to the following limitations:

4.6.1. In the event a Chief Executive Officer accepts other compensated employment during such a period of reorientation leave, the Board shall make appropriate offsetting adjustments to the level of leave compensation.

4.6.2. Chief Executive Officers involuntarily terminated for cause are ineligible for reorientation leave.

4.7. Post Retirement Benefits and Privileges - Chief Executive Officers retiring from executive duties, including those relinquishing posts as set forth in paragraphs 4.3 and 4.4, except when terminated for cause, are to be eligible for office, part-time secretarial assistance, parking, library, travel, and faculty privileges; and participation in insurance, hospitalization, and other programs available at the institution or under Board policies as they may be eligible.

4.8. Board May Adjust Salary, Annuities and Retirement Benefits - Under the authority conferred by law to contract and be contracted with, the Board may adjust salary arrangements with appointees, and contract for the purchase of annuities or other retirement benefits.

(Approved February 25, 1976, amended January 26, 1990; December 13, 1994; November 3, 1995, and March 12, 2004.)

R854, Regents Professorships

R854-1. Purpose

To establish and provide guidelines for the administration of Regents Professorships for outgoing Presidents and Commissioners of the Utah System of Higher Education. Amendments of September 10, 2004 shall be effective October 1, 2004 and shall apply to Presidents and Commissioners hired after that date. Sitting Presidents and Commissioners appointed prior to October 1, 2004 shall be covered under the Regents Professorship policies in effect at the date of their appointment.

R854-2. References

- 2.1. Utah Code §53B-1-105 (Appointment of Commissioner of Higher Education)
- 2.2. Utah Code §53B-2-102 (Board to Appoint President of Each Institution)
- 2.3. Policy and Procedures R209, Appraisal of Chief Executive Officers
- 2.4. Policy and Procedures R481, Academic Freedom, Professional Responsibility and Tenure
- 2.5. Policy and Procedures R851, Guidelines for Retirement Programs
- 2.6. Policy and Procedures R853, Transition and Retirement Provisions for Chief Executive Officers

R854-3. Policy

3.1. Eligibility – The Board may award the title of Regents Professor to a President or Commissioner who elects to assume or resume a faculty position after serving as President or Commissioner for a period of at least seven years.

3.2. Appointment and Term of Service – With the agreement of the Board, the receiving institution, and the receiving department, an eligible individual may be appointed a Regents Professor by the Board for a period of three years, ~~with renewal subject to institutional post-tenure review policies and procedures, consistent with Regents policy R481.~~ The Board may choose to add a three-year Regents Professorship to the one year of Reorientation Leave provided in Regents policy R853 or combine the two provisions so that the combined benefit does not exceed a three-year period.

3.2.1. Terms – The Regents Professorship provides an office, telephone, personal computer, allowances for supplies and travel, and other privileges of an active faculty member. Regents Professors shall provide an annual report of their activities to appropriate campus officers, the Commissioner's office, and the Board of Regents.

3.2.2. Budget – The salary and benefits of Regents Professorships shall be borne by the Utah System of Higher Education institutions where the individual served as President or as Commissioner. and Funding shall be transferred to the receiving institution for the term of service of the Regents Professor. Support and office costs of the Regents Professorship shall be borne by the institution receiving service.

3.2.3. Salary – A Regents Professor shall receive an academic year salary, not to exceed the level of a ~~leading senior~~ academic faculty member in the ~~field or discipline~~ department or college to which the outgoing President/Commissioner will be assigned, ~~or a leading faculty salary on the institutional salary schedule, for the university or community college of assignment, respectively.~~ The Commissioner may be required to estimate, based upon information from other Utah System of Higher Education institutions, what the salary level should be in cases where there are no academic faculty members in the unit to which the outgoing president/commissioner will be reassigned, whose seniority and career accomplishments match those of the outgoing president/commissioner. In cases where there are no academic faculty members in the unit to which the outgoing President/Commissioner will be reassigned, the Commissioner may be required to estimate the salary, based upon information from other Utah System of Higher Education institutions, including the academic year salaries of senior faculty in disciplines related to the President's/Commissioner's field of expertise. In no instance would this salary amount exceed 70% of the President's/Commissioner's salary for the year prior to the effective date of the Regents Professorship.

3.3. Transition – An outgoing President/Commissioner preparing to assume a Regents Professorship may request a period of professional development in which to prepare to return to the duties of a full-time academic faculty member as provided in R853, Transition and Retirement Provisions for Chief Executive Officers. In addition to the provisions of R853, the outgoing President/Commissioner is subject to the following:

3.3.1. Activity Plan and Agreement to Perform – The President/Commissioner shall submit a proposal for the Board's review and approval describing a plan of activity during the leave, together with a written commitment agreeing to the performance of academic duties in the academic faculty position for at least one (1) year after completion of the professional development period.

3.3.2. Terms of Transition Leave - Perquisites associated with the office of President/Commissioner, including but not limited to automobile, housing and host allowances, shall not be continued during the period of professional development. The costs, salary and benefits payable to the outgoing President/Commissioner during the transition leave shall be borne by the outgoing President's/Commissioner's budgetary unit.

September 2, 2004

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Weber State University - Campus Master Plan

Issue

As indicated in the attached letter, Weber State University officials are requesting approval for the updated master plan for Weber State University. Vice President for Administrative Services Norm Tarbox and Assistant Vice President for Facilities Management Kevin Hansen will be available at the Board meeting to review the plan approved by the Board of Trustees.

Recommendation

It is the recommendation of the Commissioner that the Regents approve the current Weber State University campus master plan.

Richard E. Kendell, Commissioner

REK/MS/JV
Attachments

September 2, 2004

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Salt Lake Community College - Lease of Space to the Museum of Utah Art and History (MUAH)

Issue

Salt Lake Community College requests Regents' approval to enter into a long-term lease of space in the Main Street Center to the Museum of Utah Art and History (MUAH).

Background

The College has previously indicated its interest in leasing space in the Main Street Center (formerly called the Metro Learning Center) to entities external to the College. College officials had hoped that potential lessees would be non-profit to avoid certain tax issues.

MUAH now occupies property immediately south of SLCC's Main Street Center. MUAH anticipates the need for additional space, approximately 20,000 square feet, and has been talking for some time with SLCC officials regarding a lease of space. The proposed leasing price is \$8.00 per square foot for an initial period of 15 years. The lease would be renewable for four ten-year periods and will use an agreed upon index for annual increases. The final version of the proposed lease was not available prior to mailing the agenda materials. If the lease is available for review by the Commissioner, and is approved by the SLCC Board of Trustees at their meeting on September 8, 2004, it will be presented for approval by the Regents.

Recommendation

It is the recommendation of the Commissioner that the Board of Regents review the lease of space at the SLCC Main Street Center to the Museum of Utah Art and History, address any questions which may arise, and if satisfied with the lease provisions approve the lease.

REK/MHS
Attachment

Richard E. Kendell, Commissioner

September 2, 2004

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
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:

1) USHE – UofU and USU – Capital Facilities Delegation Reports (Attachment 1). 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.

2) UCAT – Approved Tuition Rate Exceptions. Similar in concept to the decision tree for other USHE institutions that determines whether a course is budget-related or self-supporting, UCAT has developed a decision tree to determine the budget status of its courses and programs. One qualification that must be met for a UCAT course or program to be budget-related is that at least the approved UCAT tuition rate is charged for the membership hours taken by an adult student. If the tuition rate charged is lower than the UCAT approved rate, an exception must be approved by both the UCAT Board of Trustees and the State Board of Regents before the UCAT campus can classify the course or program as budget-related. There are three programs for which the UCAT Board of Trustees is asking the State Board of Regents to grant Tuition Rate Exceptions. Using the exception process identified in the UCAT Membership Hour Decision Tree, SEATC, OWATC, and MATC brought forth requests for an exception to the approved UCAT tuition rate at the April 2004 UCAT Board of Trustees meeting, the exception requests were approved and recommended to be forwarded to the State Board of Regents for their approval. Utah Statute grants final authority for UCAT tuition approvals to the Board of Regents. Regents are asked to provide final approval of the following UCAT campus exception requests.

- i. **MATC Learning Lab** – Prior to FY 2003 the Learning Lab was provided as a no-cost remediation resource. As a result of funding changes in 2002, a nominal \$10 monthly tuition was implemented in FY 2003 to partially cover lab costs while minimizing the impact on students and keeping the highly accessible and flexible structure needed for students requiring math and communications remediation. In FY 2004, the tuition was raised to \$20 a month for unlimited access to the lab after it was determined that the impact of the \$10 per month tuition had been minimal. If MATC were to impose the full UCAT Tuition Rate of \$1.15 per hour to these students, it would create an adverse impact on the program. Most students currently access the lab fewer than 11 hours per week, and many would cease to enroll if they were required to pay a tuition rate nearly four times what they are required to pay at this time. Receiving approval from the UCAT Board of Trustees, MATC is now seeking approval from the State Board of Regents to charge students at the MATC Learning Lab a flat \$20 per month tuition rate rather than the approved \$1.15 per hour UCAT Rate.

- ii. **OWATC Apprenticeship Math Course** – OWATC currently offers a lockstep 13 week evening course (3 hours per week) apprenticeship math course that coincides with the apprenticeship 13 week term. This is a required course for apprentices needing additional support in applied math concepts. Students taking this course prior to beginning their apprenticeship courses are currently charged the approved UCAT tuition rate, which equates to approximately \$247. However, students who are taking the course concurrent with their apprenticeship program are charged a flat tuition rate of \$198 for the apprenticeship courses and then \$49 for the same math course for the same number of membership hours. Without an approved exception for this program to charge a flat tuition rate of \$49, apprenticeship students needing math would have to pay the \$198 tuition for apprenticeship and then an additional \$247 for a 3 hour a week math course totaling \$445, which is higher than the approved UCAT Tuition rate and would negatively impact the enrollment in the apprenticeship courses at OWATC. The UCAT Board of Trustees approved the tuition rate exception and is forwarding its recommendation to the State Board of Regents to approve the exception and allow OWATC to change the approved tuition rate for the apprenticeship math course to a flat \$49.
- iii. **SEATC CDL Trucking and Heavy Equipment Program** – The CDL Trucking and Heavy Equipment Program is a partnership effort between CEU and SEATC. The students are paying full tuition to CEU and related program fees. No additional tuition is charged by SEATC. SEATC’s investment of instructional and equipment dollars has allowed the program to provide an additional 150 hours of practical “hands-on” training for students. Only the additional 10 hours per student per week are counted with the ATC budget related membership hours. SEATC would like to continue to not charge students for the “hands-on” training component to the CEU/SEATC program since students already pay a significant program fee to CEU. The UCAT Board of Trustees has approved the \$0 tuition rate for this program and is asking the State Board of Regents to also approve this exception.

Richard E. Kendell, Commissioner

September 2, 2004

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: INFORMATION: UHEAA--Board of Directors Report

The UHEAA Board of Directors met on June 22, 2004. A copy of the agenda and the approved minutes for the June 22, 2004 meeting are attached. At the June 22, 2004 UHEAA Board meeting, Chairman Pitcher expressed his confidence in Dr. Mark Spencer, who has been appointed as UHEAA's Acting Executive Director. The UHEAA Board took the following actions:

1. Approved resolutions of appreciation in recognition of the dedicated service of John B. Goddard and Chalmers Gail Norris. Mr. Goddard served as a member of the UHEAA Board of Directors and as Chairman of the State Board of Regents (SBR) Student Finance Committee from September 1, 1993 through March 16, 2004. Mr. Norris served as Associate Commissioner for Student Financial Aid and as Executive Director of UHEAA for fourteen years before his death on May 18, 2004.
2. Approved Money Management Investment Reports for the months of February, March, and April 2004 and for the quarter ending March 31, 2004 for the SBR Loan Purchase Program (LPP), the Student Loan Guarantee Program (LGP), 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. Approved a reduction in UESP fees for Utah residents, eliminating the administrative fee of \$5 per \$1,000 of account balance up to a maximum of \$25 annually. The fee reduction, which applies only to Utah residents, reduces UESP fee revenue by approximately \$140,000 annually.
4. Approved a UESP pilot outreach program to encourage low-income Utah families to participate in the college savings plan. Under phase one of the pilot, 50 qualifying low-income families will receive \$300 in UESP matching funds per year for up to four years.
5. Approved fiscal year 2005 operating budgets for LPP, LGP, and UESP.
6. Amended the administrative rule for the Utah Centennial Opportunity Program for Education (UCOPE) to implement provisions of the Cesar Chavez Scholarship Program, which was passed by the 2004 Utah State Legislature.
7. Approved a report and reviewed the minutes from the UHEAA Audit Committee meeting held on March 16, 2004. The Board approved an internal review of LPP's Loan Transfer Process.

8. Received two additional information reports–
 - A. "Student Loan Interest Rates at Historic Lows" showing the Stafford loan in-repayment rate for fiscal 2005 at a record low of 3.37%.
 - B. "*Wall Street Journal* Article: UHEAA Borrower Benefits Mentioned," in which UHEAA's borrower benefit program was noted as "one of the best discount programs."

Richard E. Kendell, Commissioner

Attachments

REK/MHS/DAF

PUBLIC MEETING NOTICE

AGENDA

**MEETING OF
THE UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY
BOARD OF DIRECTORS**

**BOARD OF REGENTS BUILDING, THE GATEWAY
60 SOUTH 400 WEST
FIFTH FLOOR BOARD ROOM
SALT LAKE CITY, UTAH**

**Tuesday, June 22, 2004
11:00 A.M. - 1:00 P.M.**

**In compliance with the Americans with Disabilities Act (ADA),
individuals needing special accommodations, including
auxiliary communicative aids and services, during this
meeting should notify Becky Hudson, ADA Coordinator, at the
Board of Regents Building, The Gateway, 60 South 400 West,
Salt Lake City, UT 84101 or at 321-7211 at least
three working days prior to the meeting.**

- 1. Calling of the Roll, Welcome, and Introductions**
- 2. Chairman's Oral Report**
- 3. Acting Executive Director's Oral Report**
- 4. Minutes of the March 16, 2004 Meeting**
- 5. Motion for Executive Session at Next Meeting**
- 6. Consideration of Action Reports**
 - #1 Resolution of Appreciation: John B. Goddard**
 - #2 Resolution of Appreciation: Chalmers Gail Norris**
 - #3 Money Management Investment Reports**
 - #4 Reduction in UESP Fees for Utah Residents**

- #5 UESP Pilot Outreach Program
- #6 Fiscal Year 2005 Operating Budget SBR Loan Purchase Program (LPP)
- #7 Fiscal Year 2005 Operating Budget Utah Student Loan Guarantee Program (LGP)
- #8 Fiscal Year 2005 Operating Budget Utah Educational Savings Plan Trust (UESP)
- #9 Cesar Chavez Scholarship Program: Proposed Administrative Rule

7. Committee Reports

- #10 Report of the Audit Committee

8. Informational Items

- A. Student Loan Interest Rates at Historic Lows
- B. *Wall Street Journal Article: UHEAA Borrower Benefits Mentioned*

NOTE: UHEAA Board of Directors Audit Committee meets at approximately 1:00 p.m.

NEXT MEETING: August 31, 2004 at 10:00 a.m.

**UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY
BOARD OF DIRECTORS
MINUTES**

**Board of Regents Building, The Gateway
60 South 400 West
Salt Lake City, UT 84101-1284
June 22, 2004**

Members Present

Ms. Ali Abegg
Mr. Edward Alter
Mr. Paul Conrad
Mr. Khay Douangdara
Mr. Walt Gnemi
Mr. Brent Hoggan
Mr. Fred Hunsaker
Dr. Richard Kendall
Ms. Peggy Leavitt
Mr. Jed Pitcher
Dr. Mark Spencer
Mr. Fred Stringham
Ms. Maria Sweeten
Dr. Norm Tarbox

UHEAA Staff Present

Mr. Richard Davis
Mr. Harden Eyring
Mr. David Feitz
Mr. Jim Ginos
Mr. Dale Hatch
Ms. Becky Hudson
Mr. Robert McRae
Mr. Paul Packard
Mr. David Schwanke

Others Present

Mr. William Evans,
Assistant Attorney General

Chairman Pitcher called the meeting of the UHEAA Board of Directors to order. He introduced Ms. Ali Abegg as a new student member of the UHEAA Board. He noted Ms. Leavitt was in attendance via telephone. He excused Mr. Combe and Mr. Grant.

Mr. Pitcher expressed his confidence in Dr. Spencer who has been appointed as UHEAA's Acting Executive Director.

Dr. Spencer expressed his appreciation to the UHEAA staff for helping his transition to Acting Executive Director. He noted that bonds have been issued to purchase the remainder of the Gateway building. Dr. Spencer indicated that some personnel changes have been made including the appointment of Harden Eyring as Director of Human Resources. Dr. Spencer indicated the staff will present a threat assessment at the August 2004 meeting of the UHEAA Board.

Mr. Pitcher asked the Board to consider the minutes of the March 16, 2004 Board of Directors Meeting.

It was moved by Mr. Gnemi and seconded by Mr. Douangdara to approve the minutes of

the March 16, 2004 meeting. The motion carried unanimously.

It was moved by Ms. Sweeten and seconded by Mr. Hunsaker to approve a Resolution for Executive Session, if needed, at the next regular meeting of the Board of Directors on August 31, 2004. The motion carried unanimously.

The first agenda item discussed was UHEAA Board Report #1, Resolution of Appreciation: John B. Goddard.

Mr. Feitz reviewed the resolution of appreciation to Mr. Goddard for his support of UHEAA and his service as a member of the UHEAA Board.

It was moved by Mr. Hoggan and seconded by Mr. Alter to approve the Resolution of Appreciation for Jack Goddard. The motion carried unanimously.

The second agenda item discussed was UHEAA Board Report #2, Resolution of Appreciation: Chalmers Gail Norris.

Mr. Feitz reviewed the resolution of appreciation to Gail Norris for his service to UHEAA.

It was moved by Mr. Stringham and seconded by Mr. Hunsaker to approve the Resolution of Appreciation for Chalmers Gail Norris. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report #3, Money Management Investment Reports.

Mr. Davis reviewed the investment reports for the Loan Purchase Program (LPP), Loan Guarantee Program (LGP), Utah Educational Savings Plan (UESP), the Utah Tuition Assistance Program, and the Utah Engineering and Computer Science Loan Forgiveness Program for the months of February, March and April 2004, and for the quarter ending March 31, 2004.

It was moved by Mr. Alter and seconded by Mr. Gnemi to approve the Money Management Investment Reports. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report #4, Reduction in UESP Fees for Utah Residents.

Mr. Hatch stated that the continued growth of UESP has moved the program to a point where a fee reduction for Utah residents is appropriate.

Mr. Gnemi asked if there were any legal reasons why UHEAA should not give the fee reduction to Utah residents.

Mr. Evans replied that he was unaware of any reason why UHEAA could not offer the fee reduction.

It was moved by Mr. Gnemi and seconded by Ms. Sweeten to approve the recommendation listed in Board Report #4. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report #5, UESP Pilot Outreach Program.

Mr. Hatch explained that to expand UESP and to help make multi-cultural and low-income populations aware of UESP, a matching program has been proposed. During its first year, the pilot program would match up to \$300 per year up to four years (\$1,200 total) for 50 low-income families. Phase two of the pilot program would expand the number of eligible families to 100. Following phase two, a final review and recommendation will be presented to the Board.

It was moved by Ms. Sweeten and seconded by Mr. Conrad to approve the recommendation listed in Board Report #5. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report #6, Fiscal Year 2005 Operating Budget SBR Loan Purchase Program (LPP).

Mr. Davis reviewed the proposed FY 2005 Operating Budget for LPP. Mr. Davis stated that UHEAA is projecting moderate increases in activity by purchasing \$245 million of loans and \$140 million in consolidation loans in the budget year 2005. Mr. Davis said that consolidation loans make up approximately 45% of UHEAA's total portfolio.

Mr. Davis stated that a 3% salary increase and associated benefit cost increases have been included in the budgets. After a discussion regarding the number of full-time employees, the Board directed UHEAA staff to create a consolidated budget to be presented at the August 31, 2004 meeting.

It was moved by Mr. Hunsaker and seconded by Mr. Stringham to approve the recommendation of the Acting Executive Director that the Board approve the FY 2005 Loan Purchase Program Operating Budget as presented in Schedules I through II-D and Exhibits A through G. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report #7, Fiscal Year 2005 Operating Budget, Utah Student Loan Guarantee Program (LGP).

Mr. Davis reviewed the proposed FY 2005 Operating Budget for LGP.

It was moved by Mr. Stringham and seconded by Mr. Alter to approve the recommendation made in Board Report #7. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report #8, Fiscal Year 2005 Operating Budget, Utah Educational Savings Plan Trust (UESP).

Mr. Davis reviewed the proposed FY 2005 Operating Budget for UESP.

It was moved by Dr. Tarbox and seconded by Mr. Hunsaker to approve the recommendation made in Board Report #8. The motion carried unanimously.

It was moved by Dr. Tarbox and seconded by Ms. Sweeten to have the UHEAA staff prepare a consolidated budget for the August 31, 2004 meeting. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report #9, Amendment to UCOPE to Provide for the Cesar Chavez Scholarship Program.

Mr. Feitz reviewed the proposed administrative rule which mirrors recent legislation implementing the Cesar Chavez Scholarship Program.

It was moved by Ms. Sweeten and seconded by Mr. Douangdara to approve the recommendation made in Board Report #9. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report #10, Report of the Audit Committee.

Mr. Gnemi stated that at its last meeting, the Audit Committee agreed to review internal and external audits and compliance reports, and then report its conclusions and recommendations to the Board of Directors for final action.

Mr. Gnemi stated that the Audit Committee reviewed a compliance report of UHEAA's Loan Purchase Program Loan Transfer Process. He explained the audit included two findings: the payment due dates on 63 loans had not been established in a timely basis in accordance with federal regulations, and adequate prior notice of payment due dates had not been made to 55 borrowers at least 30 days prior to the established first payment due date. Mr. Gnemi indicated there was no financial loss to LPP because of these findings. He reported the Audit Committee

was satisfied that reasonable new procedures were in place to prevent a recurrence of the problem.

It was moved by Mr. Gnemi and seconded by Mr. Stringham to approve the Internal Audit: Compliance Review of the Loan Purchase Program's (LPP) Loan Transfer Process (Issued February 9, 2004). The motion carried unanimously.

Mr. Gnemi stated that the Audit Committee reviewed the findings and status of four Department of Education audits of LPP and LGP. He noted UHEAA staff had responded to the Department of Education regarding each of the findings. He noted the Department of Education has accepted UHEAA's explanation of findings included in Audit Report #3 and has closed the audit. He explained the Department of Education has not yet responded to UHEAA's explanations concerning audit's #1, #2 and #4, and that those audits remain open. He indicated Mr. Packard was directed by the Audit Committee to monitor the progress made in resolving these audit findings, to treat the three reports as open audits and to make a report to the Audit Committee when additional information becomes available. No board action was requested.

The next agenda item discussed was Information Item A, Student Loan Interest Rates at Historic Lows.

Mr. Feitz explained that student loan interest rates will drop for the fourth year in a row to historic lows when the new rates take effect July 1, 2004. He noted the Stafford loan in-repayment rate will drop from the current 3.42% to 3.37% as of July 1, 2004.

Mr. Feitz explained the low interest rates continue to create strong demand for consolidation loans. He noted the number of UHEAA-guaranteed consolidation loans this year is up approximately 23% compared to last year. He indicated borrowers are consolidating at record levels to lock-in the historically low interest rates since consolidation loans have a fixed interest rate for the life of the loan.

The next agenda item discussed was Information Item B, Wall Street Journal Article: UHEAA Borrower Benefits Mentioned.

Mr. Feitz indicated UHEAA had received some favorable publicity in the June 2, 2004 edition of the *Wall Street Journal*. He indicated the article called UHEAA's borrower benefits "one of the best discount programs" for student loan borrowers.

The meeting adjourned at 1:14 p.m.

Secretary

Date

September 10, 2004

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: USHE - 2005-2006 Budget Priorities

Background

The attached budget summaries provide a basis for continuing discussion about the USHE budget request for 2005-2006. This discussion is an extension of the March 11, 2004 Regent Workshop, the Legislative Planning Meeting of May 20, 2004, the Regents' Retreat of August 13, 2004 and the several Council of Presidents meetings that have occurred in the interim.

Issue

The relationship between higher education and state government is changing. Some of the assumptions and approaches that have served us in the past may not work in the future. The budget outline is not a radical departure from past practices but does focus on tier two tuition as a significant source of revenue for enrollment growth, program improvement, and program expansion. The budget suggests several priorities that could be funded by the State, including compensation, operating costs, and strategic initiatives. Other priorities vary from one institution to the next. Funding growth may be most important to one institution; launching strategic improvements may be important to another. These priorities could be met with the flexibility provided by tier two tuition.

Recommendation

Final budget plans cannot be prepared for a few more weeks. The budget outline is intended for discussion. Please note that removing a funding request for new growth is a significant change from past practice. Nevertheless, funding growth has not been a high priority for the Legislature in recent years and there may be little likelihood of receiving such funding in the future. Additionally, individual institutions are best able to develop enrollment management plans and to make the tradeoffs among competing priorities. Growth is simply one priority among several others that need attention. Please review the attached budget summaries in light of the data presented August 13, 2004. Following the discussion and recommendations we will proceed in preparing the final budget plan for 2005-2006.

Richard E. Kendell, Commissioner

Attachments

USHE Budget Allocations by Funding Source (2004-05)

DESCRIPTION	TAX FUNDS	GROWTH TUITION	1ST-TIER TUITION	2ND-TIER TUITION	TOTALS
Engineering Initiative	500,000	-	-	-	500,000
Engineering Loan Repays	50,000	-	-	-	50,000
Climate Center	120,000	-	-	-	120,000
Nursing Initiative	675,000	-	-	-	675,000
UU Archaeology	200,000	-	-	-	200,000
Campus Compact	100,000	-	-	-	100,000
DSC Paleontologist	100,000	-	-	-	100,000
Enrollment Growth	4,600,000	2,600,600	-	-	7,200,600
ISF Rate Increases	62,500	-	49,700	-	112,200
1.00% Salary Increase	4,248,300	-	2,126,800	-	6,375,100
5.49% Health Increase	2,469,400	-	1,218,900	-	3,688,300
2.70% Dental Increase	116,700	-	58,100	-	174,800
1.68% Retirement Increase	1,323,300	-	661,200	-	1,984,500
Institution-Specific Requests	-	-	-	17,976,900	17,976,900
TOTALS	14,565,200	2,600,600	4,114,700	17,976,900	39,257,400

USHE Budget Requests by Funding Source (2005-06)

DESCRIPTION	TAX FUNDS	1ST-TIER TUITION	2ND-TIER TUITION	GROWTH TUITION	TOTALS
Compensation - 3.00% Salary ⁽¹⁾	15,217,721	5,072,574	~	~	20,290,294
Compensation - 10.00% Benefits ⁽¹⁾	5,977,525	1,992,508	~	~	7,970,033
Compensation - 2.00% Retirement ⁽¹⁾	1,500,000	500,000	~	~	2,000,000
Initiatives - Nursing ⁽²⁾	2,000,000	~	~	~	2,000,000
Initiatives - Engineering ⁽³⁾	1,500,000	~	~	~	1,500,000
Initiatives - Tech Delivered Courses	1,500,000	~	~	~	1,500,000
Initiatives - Need Based Student Aid	1,500,000	1,500,000	~	~	3,000,000
Operating - ISF Rate Increases ⁽⁴⁾	150,000	~	~	~	150,000
Operating - O&M (New Projects) ⁽⁵⁾	2,645,449	~	~	~	2,645,449
Operating - F&P (New Requests) ⁽⁵⁾	5,219,895	~	~	~	5,219,895
Other - Institutional Priorities ⁽⁶⁾	~	~	X,XXX,XXX	~	~
Other - Enrollment Growth ⁽⁷⁾	~	~	~	X,XXX,XXX	~
TOTALS	37,210,589	9,065,082	~	~	46,275,671

⁽¹⁾ Assumes 75/25 compensation split (to be negotiated in connection with "no growth" plan).

⁽²⁾ Private sector match of \$1,000,000 has been identified.

⁽³⁾ Private sector match of \$1,500,000 has been identified.

⁽⁴⁾ Assumes no ISF split (to be negotiated in connection with "no growth" plan).

⁽⁵⁾ Amount subject to change (still waiting for E forms from some schools).

⁽⁶⁾ Institutionally administered funds to provide for program expansion, quality enhancements, strategic initiatives, etc.

⁽⁷⁾ Institutionally administered funds to accommodate increases in student population.

USHE Unresolved Budget Issues by Funding Source

DESCRIPTION	TAX FUNDS	1ST-TIER TUIION	2ND-TIER TUIION	GROWTH TUIION	TOTALS
Operating - O&M (Old Projects) ⁽¹⁾	2,525,529	~	~	~	2,525,529
Operating - F&P (Past Deficits) ⁽¹⁾	16,521,394	~	~	~	16,521,394
Operating - F&P (Supplementals) ⁽¹⁾	4,554,824	~	~	~	4,554,824
Other - Enrollment Growth ⁽²⁾	28,153,100	~	~	~	28,153,100
TOTALS	51,754,847	~	~	~	51,754,847

⁽¹⁾ Amount subject to change (need to meet with institutions to discuss consistency of approach).

⁽²⁾ Tax funds share of growth backlog after 10% funding and 25% reallocation.

September 3, 2004

MEMORANDUM

TO: Utah State Board of Regents
FROM: Richard E. Kendell
SUBJECT: USHE Capital Development Projects

Issue

Attached for Regent consideration is a list of each USHE institution's top state-funded capital development priorities and land acquisition proposals for 2005-06. During the September 9 meeting, Presidents will briefly present the scope and need for these projects to the Regents. The final scoring from the Qualification and Prioritization (Q & P) Process, which is established by Regent policy to assist in prioritizing capital development projects, will be hand-carried to the meeting. At that time, Regents will be asked to take action to prioritize projects for 2005-06. The USHE prioritized list will then be presented to the State Building Board the morning of September 10. It will also be forwarded to the Governor and Legislature for consideration during the 2005 General Session.

Background

Each year USHE institutions submit capital development proposals for Regent consideration. An unprioritized summary of each institution's top priority for 2005-06 is shown in Attachment 1. Attachment 2 contains a brief narrative description for each project. At the board meeting, Presidents will briefly present the top state-funded capital development priority for their respective institutions. President Greg Fitch will also present the top priorities for UCAT. However, no Regent action is required for the UCAT projects due to the separate statutory authority that grants the UCAT Board of Trustees the ability to establish capital development priorities and forward them directly to the Building Board, Governor, and Legislature.

The results of the Q & P will also be presented as input for the Regents to help prioritize these projects. The Q & P process is outlined in Regent Policy R741 and described in Attachment 3. Policy R741 develops a nine-step point-scoring formula intended to help Regents weigh the relative need for various capital development projects. The formula attempts to balance two competing interests -- the need to accommodate growth and the need to care for existing facilities. This is done through consideration of the following factors: (1) space needs based on current inventories and projected enrollment levels, (2) institutional priorities, (3) outside funding, (4) life-safety issues, and (5) infrastructure needs.

The quantitative Q & P formula cannot account for all influential factors in prioritizing facilities. Concerning the Q & P, Policy R741 states, "The nine steps however do not replace Regental deliberations which take into account other factors which are not quantifiable but nevertheless important..." Visits by a group of Regents to each institution to view the top institutional priorities have occurred. The information obtained by Regents during these visits, along with institutional presentations and the results of the Q&P, provide a rich set of information to develop priorities for the 2005-06 capital development cycle.

The projects presented at this time do not represent all capital development needs in the USHE. Institutions submit only their top projects for consideration. Institutions have only submitted their highest priority project for scoring in the Q&P.

Four of these projects, each involving the renovation or replacement of existing space with life-safety issues, have received special review as required by Policy R741. These projects have been assessed based on facility condition analysis reports published by the Division of Facilities Construction and Management (DFCM) and the review of DFCM staff to determine the severity of life safety issues associated with the project. As outlined in the August Board meeting, life safety points are awarded in four categories: (a) structural and seismic (weighting of 1.5), (b) mechanical (weighting of 1.0), (c) electrical (weighting of 1.0), and (d) other life safety issues, e.g. fire suppression, egress, etc. (weighting of 1.0). A project that only involves the renovation of existing space would have to merit the highest score in all four categories to receive the full 25 points. In all cases, and in compliance with Policy R741, these projects will receive extra priority points due to their urgency.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Regents:

1. review the attached list of capital development priorities and land acquisition proposals for 2005-06,
2. receive presentations from the Presidents concerning the need for each project at the Board Meeting,
3. receive the results of the Q & P and hold "deliberations which take into account other factors which are not quantifiable but nevertheless important..." and
4. adopt a prioritized list of projects to be forwarded to the State Building Board, the Governor, and the Legislature for consideration.

Richard E. Kendell, Commissioner

REK/MHS/BLM
Attachments

September 2, 2004

MEMORANDUM

TO: Utah State Board of Regents
FROM: Richard E. Kendell
SUBJECT: USHE - "Other Funds" Capital Development Projects

Issue

Regents are requested to review and approve five 2005-06 "other funds" capital development projects. These are projects for which no state capital development funding is requested. Existing statute and Regent policy require appropriate approvals before construction can begin. Regents are also asked to make a determination concerning the eligibility of these five projects for state-supported operations and maintenance (O&M) funding. The table in Attachment 1 summarizes the key elements of the five projects.

Background

Since the 2000 General Session, USHE institutions have followed prescribed procedures to receive approval for capital projects built or acquired with non-state funds. Most "other funds" capital projects require approval from the Regents, State Building Board, and State Legislature. Some projects, however, no longer require the approval of all three bodies. Three different approval paths exist.

The 2005-06 other funds project descriptions which follow are segregated into categories identifying the applicable path to approval. Each category begins with an explanation as to why the projects presented in that category must follow that specific approval route. Once approved by the Regents, projects needing additional approvals will be forwarded to the appropriate body for consideration.

Projects Needing Regent, Building Board, and Legislative Approval

Projects in this category are major development projects that are being built on state land and for which state involvement will be needed in the future, i.e. funding for state operations and maintenance (O&M), capital improvements, or Legislative authorization to bond. All five projects being presented fall into this category. They are as follows:

UU College of Humanities Expansion Building Phase 1. This \$11,100,000 project will construct a 50,000 gross square foot (GSF) classroom building to relocate the Tanner Humanitarian Center, History Department, and three interdisciplinary programs from Carlson Hall to a new building near the College of Humanities headquarters in the Language and Communication Building. Funding sources for the project include private donations and university funds. Carlson Hall was originally constructed in 1937 as a women's dormitory. It is adjacent to the SJ Quinney College of Law on the extreme southwest corner of campus. The condition of the space in Carlson Hall inadequately serves the needs of the College of Humanities functions housed there. In addition, they are isolated from the rest of the College. Construction of a new building to house these facilities will not only serve to consolidate the College of Humanities and

improve the space for these departments, but it will also provide an opportunity for this Carlson Hall to receive required upgrades and renovations as an earmarked site for the expansion of the SJ Quinney College of Law. The University anticipates requesting \$234,600 in state funding for O&M on the building (\$4.69 per GSF).

UU College of Social Work Addition. Currently, all departments and administration for the College of Social Work are housed in a building constructed in 1970. The building consists of offices for department chairs, faculty, and staff; the Goodwill Initiatives offices; the Social Research Institute and their entities; an auditorium; classrooms; computer lab; research assistant stations; and conference rooms. The building is in good condition and is appropriate to serve as the center to the new addition. The 15,000 GSF proposed addition, estimated at \$3,200,000, will provide space for necessary departmental growth. Additional space needs include faculty offices, computer lab stations, and two clinical rooms for work by faculty and students as part of the Goodwill Initiative to expand humanitarian and training service space. Funding for the project is evenly divided between private donations (\$1,600,000) and university sources (\$1,600,000). Anticipated state funding for O&M is \$79,800 (\$5.32 per GSF).

UU Student Recreation Center. Extensive feasibility studies have demonstrated student need and support for a new student recreation center on the University campus. Currently, Campus Recreation Services is located in three separate facilities: the Outdoor Recreation Program Building, the Health, Physical Education and Recreation (HPER) Complex, and the Einar Nielsen Field House. Construction of a new student recreation center would free up the HPER complex for use by the Athletics Department and the College of Health. Campus Recreation Services has been the sole occupant of the 51,000 GSF field house since its renovation in 1978. Options for management of the field house are being explored.

Student survey results on need and fee tolerance indicate the proposed building should be approximately 157,000 GSF, with an estimated cost of \$32,840,359. Sites north of the current HPER complex are being explored, and \$1,000,000 is included for demolition and site preparation. No increase in state funding for O&M will be requested. The following types of functions would be included in the project:

- Aquatic Space -- lap and recreational swimming
- Recreation Space -- sport courts for basketball, volleyball, badminton, and indoor soccer; free weights; cardiovascular fitness; racquetball; climbing wall; running track; outdoor recreation; martial arts; aerobics
- Support Services -- locker rooms; rest rooms; storage; mechanical
- Wellness Services -- fitness testing; personal training; nutrition counseling
- Common Space -- lounge; wireless café; guest services; email stations
- Administrative Space -- administrative offices; work stations; meeting rooms

In 2004, a questionnaire was sent to a random sample of 3,500 students, or 700 from each class. A total of 830 surveys were returned. Sixty-six percent of the students supported raising their fees \$60 to support the project. Seventy-six percent supported raising their fees at least \$45. The feasibility study for a 157,000 GSF recreation center suggested a \$60 fee increase would be necessary. A facility of this size will allow for the consolidation of all campus recreation activities. The questionnaire indicated 65 percent of students do not use CRS facilities for reasons such as the facilities are too crowded, outdated, of poor quality, or too spread out on campus. Additionally, nearly 40% of students purchase private health club memberships off campus rather than use current University facilities.

UU University Hospital Expansion – West Wing. A 200,000 GSF expansion of the University Hospital is planned based largely on the relocation of the School of Medicine to the soon to be completed Health Sciences Education Building. Because the current School of Medicine facility adjoining the hospital has been determined to be seismically unsafe, the relocation of clinical ancillary and support programs housed in that facility are necessary. The total project is estimated to cost \$80,000,000, with \$70,000,000 for the hospital facility and \$10,000,000 for a parking facility. Sources of financing include \$30,000,000 from the hospital foundation, \$40,000,000 in revenue bonds, and \$10,000,000 from hospital operations. No additional state funding for O&M will be requested related to this project.

Economic viability of the project is based upon the transfer of existing programs to the facility. Detailed business plans demonstrating a positive gross margin to cover indirect costs, including debt service, are developed based on the consistent demand for the services that the University of Utah Hospital and Clinics provide. New construction will comprise five levels above grade and two below. The site will be north of the existing hospital. Major utility lines for the project have been accounted for through the master planning that occurred related to the construction of the Eccles Critical Care Pavilion. The site has been master planned to accommodate a mirror image of the Eccles Critical Care Pavilion. Programs and services to be housed in the new facility will include the following:

- Ambulatory Outpatient clinics -- Dermatology, Otolaryngology, OB/GYN, Pediatrics, Rehabilitation, and Surgery Clinics.
- Inpatient Services -- Adult Dialysis, In-patient Rehabilitation, Acute Psychiatry, Ancillary Services.
- Support Services -- Graduate Medical Education, Information Technology, Case Management, Volunteer Services and Executive Offices.
- Ancillary/Diagnostic Treatment -- EEG, Nuclear Medicine, Radiology Services, Vascular Lab, H & I Lab and Lung acquisition.
- Administrative Services -- cafeteria, facilities support, bio-medical engineering, security, linen and laundry, nutrition care services, pharmacy and telecommunications.

WSU Shepherd Union Building Renovation. The Shepherd Union Building consists of 174,816 GSF in two structures adjoined by a walkway. Construction on the buildings was completed in 1960 and 1969. No major renovations, with the exception of the bookstore, have occurred since that time. The building houses student programs, the office of student activities, the community service center, lounge and study areas, the bookstore, food service areas, student government, student communications, a theater, and space for student activities. The configuration and function of this facility does not fill the needs of WSU's current student population. In addition, a facility condition assessment by the Division of Facilities Construction and Management identified approximately \$8,000,000 in structural and life safety deficiencies. On March 27, 2004, the WSU Student Association passed a referendum to enact an increased fee schedule which will be phased in over three-years. The fee increase will provide a revenue stream to issue and retire revenue bonds which will finance the renovation of the Shepherd Union Building. The project encompasses three primary objectives: (a) address structural and life-safety deficiencies, (b) reconfigure existing spaces to improve functionality, and (c) enclose the walkway area, creating an addition of 12,000 GSF for student lounge, study, and gathering spaces. Total cost of the project, including the renovation of the existing facilities and 12,000 GSF addition, is estimated to be \$20,000,000. No increase in state funding for O&M will be associated with this project.

Projects Needing Regent and Building Board Approval

Projects in this category are development projects that are being built on state land and for which no legislative assistance will be sought for financing the project presently or in the future. No projects fall into this category for 2005-06.

Projects Needing Regent Approval Only

The final category for other funds projects includes acquisitions of existing facilities with non-state funds, or minor construction projects of less than \$250,000. The Regents may authorize such projects without review of the Building Board or Legislature, with the stipulation that if any of the projects authorized will require \$100,000 or more in state-funded O&M then legislative leadership must be notified in advance of the acquisition. No projects fall into this category for 2005-06.

Policy Implications

Regents Policy R710, Capital Facilities, makes specific distinction between facilities financed by other funds for which the Regents will request state-funded O&M and those for which the institution will need to find non-state sources for O&M. Three relevant categories of non-state funded facilities exist in R710: (1) facilities the Regents will automatically support for state-funded O&M, (2) facilities for which the Regents automatically require sources other than state funding for O&M, and (3) facilities that will be considered on a case-by-case basis.

State-funded O&M – Policy language related to the first O&M category is as follows:

An acquisition, construction, or remodeling project funded from private sources, or from a combination of private sources and other non-state appropriated funds will be eligible for state appropriated O&M when the use of the building is primarily for approved academic and training purposes and associated support and is consistent with the programmatic planning and facilities master plan requirements of the institutions.

Projects requesting O&M that fall under this category include: (a) UU College of Humanities Expansion Building Phase 1, and (b) UU College of Social Work Addition.

Non-state Funded O&M – The portion of R710 that disallows certain facilities from being supported by state-funded O&M reads as follows:

In most cases, if the acquisition, construction or remodeling project is not primarily for approved academic and training purposes or associated support, it will not be eligible for state appropriated O&M funding. Examples of such space might include research space not generating student credits or the equivalent thereto, football stadia, softball, baseball, soccer fields, basketball arenas, self-support auxiliary space, i.e., college bookstores, food service, student housing, recreational services, student organizations, private vendors and student health services spaces, etc.

Three projects fall into this category and do not seek state O&M support: (a) UU Student Recreation Center, (b) UU University Hospital Expansion – West Wing, and (3) WSU Shepherd Union Building Renovation.

Case-by-Case – A third part of Policy R710 allows for case-by-case exceptions for certain facilities:

The Board, on a case by case basis, may determine that an acquisition, construction or remodeling project to be used primarily for purposes other than approved academic and training purposes and associated support should be eligible for state appropriated O & M funds in whole or in part. Each request for such Board consideration must be accompanied by a detailed statement showing how space types included in the facility will relate to important institutional activities such as instruction, research generating student credits, and service within the institution's role statement. Examples of such space might include museums, theaters, community outreach and research spaces administered by academic units that generate academic student credits or the equivalent thereto, etc.

No projects requesting approval for 2005-06 require consideration for an exception to Policy R710.

Commissioner's Recommendation

The Commissioner recommends that the Regents review the five projects and:

1. Grant approval to the five other funds capital development projects presented in this tab.
2. Authorize the University of Utah to seek state-funded O&M for the following projects: UU College of Humanities Expansion Building Phase 1, and (b) UU College of Social Work Addition.

Richard E. Kendell, Commissioner

REK/MHS/BLM
Attachments

USHE "Other Funds" Capital Development Projects

Requests Requiring Approval for 2005-06

Project	Project Approvals Needed			Approval Needed		Source of Funding	Estimated Additional GSF	Estimated Project Amount	Estimated State O&M Request	R710 O&M Category		
	Regents	Building Board	Legis-lature	Regents	Legis-lature					State	Non-State	Excep-tion
UU College of Humanities Expansion Building Phase 1	✓	✓	✓			Donations/Institutional Funds	50,000	\$11,100,000	\$234,600	✓		
UU College of Social Work Addition	✓	✓	✓			Donations/Institutional Funds	15,000	\$3,200,000	\$79,800	✓		
UU Student Recreation Center	✓	✓	✓	✓	✓	Student Fees	157,000	\$32,840,359	\$0		✓	
UU University Hospital Expansion – West Wing	✓	✓	✓	✓	✓	Foundation/Operations	200,000	\$80,000,000	\$0		✓	
WSU Shepherd Union Building Renovation	✓	✓	✓	✓	✓	Student Fees	12,000 ⁽¹⁾	\$20,000,000	\$0		✓	
Totals							434,000	\$147,140,359	\$314,400			

2004-05 Regents Non-State Funded Projects Request:	1,002,508	\$142,040,000	\$1,562,400
2003-04 Regents Non-State Funded Projects Request:	19,980	\$7,650,000	\$51,400
2002-03 Regents Non-State Funded Projects Request:	324,700	\$63,000,000	\$693,300
2001-02 Regents Non-State Funded Projects Request:		\$262,840,000	\$3,033,900
2000-01 Regents Non-State Funded Projects Request:		\$81,250,000	\$846,400
1999-00 Regents Non-State Funded Projects Request:		\$105,412,000	\$1,193,050

Notes:

(1) The WSU Shepherd Union Building Renovation also includes the renovation of 174,816 GSF.

September 2, 2004

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: Joint Meeting of the Utah State Board of Regents, the Utah Legislature's Capital Facilities and Administrative Services Appropriation Committee and the Utah State Building Board

Background

This joint meeting allows the Regents an opportunity to visit with key legislators and the Utah State Building Board to discuss issues regarding the System's capital development needs.

Issue

Scheduled discussion topics include a summary of current USHE space, long -term enrollment projections, USHE's 20-year space projection, a review of the Q&P process and Regent priorities for capital development.

The Building Board and DFCM will review the new scoring system adopted by the Building Board for ranking statewide development needs. Further topics of discussion include USHE success in building public/private partnerships and efforts made toward extending the life of buildings through "operation and maintenance" funding and the capital improvement program

Supplemental information will be provided at the meeting. Key individuals expected to attend the meeting are listed below.

Capital Facilities and Administrative Services Appropriation Committee

Senator Beverly Evans, Co-Chair
Senator Mike Dmitrich
Senator Gregory S. Bell

Representative Stephen D. Clark, Co-Chair
Representative Ralph Becker
Representative DeMar "Bud" Bowman
D. Gregg Buxton
David Clark
Brent H. Goodfellow
Wayne A. Harper
Fred R. Hunsaker

Utah State Building Board Members

Larry Jardine, Chair
Kerry Casaday, Vice Chair
Cyndi W. Gilbert
Manuel T. Torres

Steve Bankhead
Darren Mansell
Katherina Holzhauser
Richard Ellis, Ex-officio

Key Staff

Department of Administrative Services
Camille Anthony, Executive Director
Office of the Legislative Fiscal Analyst
Steven Allred, Fiscal Analyst
Governor's Office of Planning and Budget
Randa Bezzant, Policy Analyst

Division of Facilities Construction and Management
Keith Stepan, Director
Kenneth Nye, Deputy Director
Kent Beers, Program Director
Blake Court, Program Director
Shannon Lofgreen, Administrative Assistant

Recommendation

Information only - no action necessary.

Richard E. Kendell, Commissioner

RK/KW

**Joint Meeting of the
Utah State Board of Regents and Utah State Building Board
Weber State University – Rooms 338 - 340
Friday, September 10, 2004
8:00 – 10:00 A.M.**

Agenda

1. USHE Capital Development Request Process
 - Summary of Current Space
 - Long-Term Enrollment Projections
 - 20-year Space Projection for the USHE
 - Review of "Q&P" Process
 - Regents Capital Development Priorities for 2005-2006

2. State Building Board
 - Review of new Capital Development Process

3. Issues of Joint Concern
 - Extending the Useful Life of Buildings
(Necessity for O&M Funding)
(Capital Improvement Funding, .9 % v 1.1 %)

 - Public Partnerships and Private Funding
(Recent Successes)
(Current Environment for Attracting Private Funding)

September 2, 2004

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: General Consent Calendar

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

- A. Minutes – Minutes of the Regular Board of Regents Meetings held August 12-13, 2004 at the Board Offices and the University Park Marriott Hotel in Salt Lake City, Utah
- B. Grant Proposals - Approval to submit the following proposals:
 1. University of Utah – National Science Foundation; "IGERT: Microfluidic Systems Addressing Biological Complexity;" \$3,198,970. Timothy A. Ameel, Principal Investigator.
 2. University of Utah – National Science Foundation; "IGERT: Non-Destructive Evaluation of Aging Systems;" \$3,181,814. Cynthia Furse, Principal Investigator.
 3. University of Utah – Public Health Service; "Development of a Fully Integrated, Biocompatible Micropower Chronic Neural Recording Array;" \$2,816,993. Florian Solzbacher, Principal Investigator.
 4. University of Utah – Public Health Service; "Hybrid Hydrogels Self-Assembled from Graft Copolymers;" \$1,681,875. Jindrich R. Kopecek, Principal Investigator.
 5. University of Utah – Public Health Service; "Lipoprotein Subclass Heterogeneity and CAD Risk;" \$3,305,722. Paul N. Hopkins, Principal Investigator.
 6. University of Utah – Public Health Service; "Training in Cardiovascular Research;" \$2,396,365. Ivor J. Benjamin, Principal Investigator.
 7. University of Utah – Public Health Service; "Transitional Research in the Clinical Neurosciences;" \$2,239,961. Thomas N. Parks, Principal Investigator.
 8. University of Utah – Public Health Service; "Mechanism and Regulation of Iron Export by Ferroportin;" \$2,199,070. Jerry Kaplan, Principal Investigator.
 9. University of Utah – Public Health Service; "APC and B-Catenin Mutations in Colorectal Cancer;" \$2,133,170. Wade S. Samowitz, Principal Investigator.
 10. University of Utah – Public Health Service; "Molecular Mechanisms of Steroid-Triggered Programmed Cell Death;" \$2,081,287. Carl S. Thummel, Principal Investigator.

11. University of Utah – Public Health Service, “Navajo Bone Health Study;” \$1,931,155. Maureen Murtaugh, Principal Investigator.
12. University of Utah – Public Health Service; “Netrins Regulate Angiogenesis;” \$1,868,750. Dean Y. Li, Principal Investigator.
13. University of Utah – Public Health Service; “Mechanisms of the Diabetic Myocardial Vulnerability;” \$1,868,750. Sheldon E. Litwin, Principal Investigator.
14. University of Utah – Public Health Service; “Genetic Models of Cardiovascular, Renal and Pulmonary Diseases;” \$1,654,682. Mario R. Capecchi, Principal Investigator.
15. University of Utah – Department of Defense/US Army/Medical Research Mater Com; “Osseous Manifestations of Neurofibromatosis Type 1: Clinical Outcomes and Molecular Analyses;” \$1,511,936. David H. Viskochil, Principal Investigator.
16. University of Utah – Public Health Service; “Cellular and Molecular Responses in Lung Diseases;” \$1,263,900. Guy A. Zimmerman, Principal Investigator.
17. University of Utah – Public Health Service; “Utah Pediatric Fellow Research Training Program;” \$1,182,251. Edward B. Clark, Principal Investigator.
18. University of Utah – Public Health Service, Prime Flow through University of California/Davis; “Zinc Deprivation Alters Chromatin Structure;” \$1,121,250. Robert H. Lane, Principal Investigator.
19. University of Utah – Public Health Service; “High-Res Multishot DTI by Real-Time Navigation;” \$1,014,748. Eun-Kee Jeong, Principal Investigator.
20. University of Utah – Public Health Service, Prime Flow through Brigham and Women’s Hospital; “Vascular Dysfunction in IDDM: Genes, Inflammation, RAAS;” \$1,006,944. Donald A. McClain, Principal Investigator.
21. University of Utah – Public Health Service; “Genetic Testing for Breast-Ovarian Cancer in Puerto Rico;” \$3,204,105. Anita Y. Kinney, Principal Investigator.
22. University of Utah – Public Health Service; “Anti-cancer Agents from Unique Natural Products Sources;” \$5,693,762. Chris M. Ireland, Principal Investigator.
23. University of Utah – Public Health Service; “Training Grant in Substance Abuse and Addiction Research;” \$1,323,510. Douglas E. Rollins, Principal Investigator.
24. University of Utah – Public Health Service; “Non-invasive Imaging of Drug Delivery in Cancer Treatment;” \$1,196,000. Zheng-Rong Lu, Principal Investigator.
25. University of Utah – Public Health Service; “VPS4 and the MVB Sorting Pathway;” \$1,868,750. Markus Babst, Principal Investigator.

26. University of Utah – Public Health Service; “Genetic Architecture of the Mammalian (Canid) Skeleton;” \$1,868,750. Karl G. Lark, Principal Investigator.
 27. University of Utah – Public Health Service; “Adolescent Self-Development in Storytelling: Normative and Delinquent Development;” \$1,681,875. Monisha Pasupathi, Principal Investigator.
 28. University of Utah – Public Health Service; “Cooperative DNA Alterations in Breast Cancer;” \$1,532,375. Philip S. Bernard, Principal Investigator.
 29. University of Utah – Public Health Service; “Regulation of RASGRPs by Diacylglycerol Kinases;” \$1,495,000. Matthew K. Topham, Principal Investigator.
 30. University of Utah – Public Health Service, Prime Flow through University of Oklahoma; “Arotinoid and Stilbenoid Mechanism in Mitochondria (Program 3);” \$1,129,537. Ruey-Min Lee, Principal Investigator.
 31. Utah State University – National Institutes of Health; “Mechanistic Studies of Fe(II)-Dependent Methionyl Aminopeptidases;” \$1,411,339. Richard C. Holz, Principal Investigator.
 32. Utah State University – DHHS; “Family Support 360 Project;” \$1,250,000. Judith Holt, Principal Investigator.
 33. Utah State University – National Institute of Standards and Technology; “Design and Manufacture of a Cryogenic Fourier Transform Infrared Spectrometer for the NIST BXR II Radiometer;” \$2,206,715. Alan Thurgood, Principal Investigator.
 34. Utah Valley State College – FAR and NASA; “The Physical Properties of the Youngest Binary Stars;” \$536,659. Curtis Pendleton, Principal Investigator.
- C. Grants Awarded
University of Utah – Public Health Service/National Institute of Child Health Huma; “Utah Autism Program;” \$1,077,076. William M. McMahon, Principal Investigator.
- D. 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 October 19, 2004, at the Board of Regents’ 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.

Richard E. Kendell, Commissioner

MINUTES OF MEETINGS
 UTAH STATE BOARD OF REGENTS
 BOARD OF REGENTS OFFICES, SALT LAKE CITY, UTAH
 August 12, 2004

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Brian Foisy, Assistant Commissioner for Financial Services	
E. Jeffery Livingston, Interim Provost, Weber State University	
Mike King, Academic Vice President, College of Eastern Utah	
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BOARD OF REGENTS RETREAT
UNIVERSITY PARK MARRIOTT HOTEL, SALT LAKE CITY, UTAH
August 13, 2004

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MINUTES OF MEETING
UTAH STATE BOARD OF REGENTS
BOARD OF REGENTS OFFICES, THE GATEWAY
AUGUST 12, 2004

Regents Present

Nolan E. Karras, Chair
E. George Mantes, Vice Chair
Jerry C. Atkin
Linnea S. Barney
Daryl C. Barrett
Bonnie Jean Beesley
Kim R. Burningham
Katharine B. Garff
James S. Jardine
Michael R. Jensen
David J. Jordan
Trent Kemp
Jed H. Pitcher
Sara V. Sinclair
Marlon O. Snow
Maria Sweeten

Regents Excused

David J. Grant
David L. Maher

Office of the Commissioner

Richard E. Kendell, Commissioner
David L. Buhler, Associate Commissioner for Public Affairs
Don A. Carpenter, Executive Assistant
Joyce Cottrell, Executive Secretary
Brian Foisy, Assistant Commissioner for Financial Services
Brad Mortensen, Assistant Commissioner for Finance and Facilities
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Mark H. Spencer, Associate Commissioner for Finance and Facilities
Lucille T. Stoddard, Interim Associate Commissioner for Academic Affairs
Gary S. Wixom, Assistant Commissioner for Applied Technology Education and Special Projects
Andrea Worthen, Academic Affairs Intern

INSTITUTIONAL REPRESENTATIVES

University of Utah

Michael K. Young, President
Lorris A. Betz, Senior Vice President for Health Sciences
Paul T. Brinkman, Associate Vice President for Budget and Planning
Arnold B. Combe, Vice President for Administrative Services
Gordon Crabtree, University of Utah Hospital and Clinics
Laura Snow, Special Assistant to the President
Alex Lowe, Student Body President

Utah State University

Kermit L. Hall, President
Kathryn Fitzgerald, Director of Undergraduate Studies
Sydney Peterson, Assistant Provost
Les Essig, Student Body President

Weber State University

F. Ann Millner, President
E. Jeffrey Livingston, Interim Provost
Cody Jones, Student Body President

Southern Utah University

Steven D. Bennion, President
Abe Harraf, Provost
Aaron Miller, Student Body President

Snow College

Michael T. Benson, President
Bradley A. Winn, Provost

Dixie State College

Robert C. Huddleston, President
Lee Caldwell, Vice President for Academic Affairs

College of Eastern Utah

Ryan L. Thomas, President
Michael King, Vice President for Academic Affairs
Daniel Wood, Student Body President

Utah Valley State College

William A. Sederburg, President
Brad Cook, Vice President for Academic Affairs
Linda Makin, Director of Budgets
J. Karl Worthington, Associate Academic Vice President
David Yells, Chair, Behavioral Science Department
Jim Bassi, Student Body President
Happi Peterson, Student

Salt Lake Community College

David Richardson, Vice President of Academic Services
Julie Curtis, Assistant Vice President of Academic Services
Don Porter, Vice President of Business Services

Utah College of Applied Technology

Gregory G. Fitch, President
Mike Bouwhuis, Campus President, Davis ATC

Linda Fife, Campus President, Salt Lake-Tooele ATC
Sandra A. Grimm, Assistant to the President and Credentials/Graduation Analyst

Representatives of the Press

Tanna Barry, *Ogden Standard Examiner*
Shinika A. Sykes, *Salt Lake Tribune*
Stephen Speckman, *Deseret Morning News*

Chair Nolan Karras welcomed everyone and called the meeting of the Committee of the Whole to order at 1:20 p.m. He excused Regents Grant and Maher and explained that Regent Maher was suffering from health problems. He wished him well on behalf of the entire System .

Introduction of New Regents. Chair Karras welcomed Katharine B. Garff and Trent Kemp, who have been appointed to the Board of Regents by the Governor but not yet confirmed by the Senate, and asked them to introduce themselves. Regent Garff said her greatest asset was her husband, Bob. She loves education and is happy to have the opportunity to serve on the State Board of Regents. Regent Kemp said he had recently graduated from Salt Lake Community College and would be attending Utah State University in the fall. He was excited to be able to serve the students on the Board.

New Appointments. Chair Karras welcomed **Michael K. Young** to his first Board of Regents meeting as President of the University of Utah and thanked Dr. **Lorris Betz** for his commendable work as Interim President. President Huddleston introduced **Lee Caldwell**, Dixie State College's new Chief Academic Officer. Commissioner Kendell announced that **Lucille Stoddard** had accepted an appointment as Associate Commissioner for Academic Affairs. She is a veteran who has held many positions at Utah Valley State College, including Academic Vice President and Interim President. He thanked Dr. Stoddard for her willingness to come out of retirement and work with the CAOs in the Utah System of Higher Education. Chair Karras echoed the Commissioner's sentiments and said the System was in good hands.

Brad Mortensen has accepted the position of Assistant Vice President at Weber State University, where he will be working with Norm Tarbox. Chair Karras said Brad was a brilliant young man with a great future and that he had greatly enjoyed working with him. Although Brad will be missed in the Commissioner's Office, this is a great opportunity for him. Commissioner Kendell introduced **Brian Foisy**, new Assistant Commissioner in the area of Finance and Facilities. President Ann Millner announced that **E. Jeffery Livingston** was Interim Provost at Weber State University. She expressed her appreciation for Dr. Livingston's willingness to serve during the search for a new provost. President Ryan Thomas introduced **Mike King** as the new Academic Vice President at the College of Eastern Utah.

Change of October Meeting Date. Chair Karras asked the Regents and Presidents if it would be problematic to move the October 22 Board of Regents meeting to October 15. After everyone has checked their schedules, a decision will be made at the retreat tomorrow.

Election of Chair and Vice Chair

Chair Karras explained that the chair and vice chair were elected every two years, and the current terms had expired. He declared nominations open for the office of Chair. **Regent Jim Jardine moved the nomination of Nolan E. Karras as Chair of the State Board of Regents. The motion was seconded by Regent Maria Sweeten and carried unanimously. Regent Jed Pitcher nominated E. George Mantes as Vice Chair of the State Board of Regents. The nomination was seconded by Mike Jensen and carried unanimously.**

Resolution for Vice Chair Mantes. Chair Karras expressed his appreciation for the Board's willingness to let him become a candidate for Governor of Utah. He thanked Vice Chair Mantes, Commissioner Kendell, and the rest of the Regents for enabling the Board to work so smoothly during that time. **Chair Karras read a resolution recognizing Vice Chair Mantes' service as acting chair and asked the Regents' permission to waive the rules to allow him to move its adoption by the Board. Regent Pitcher seconded the motion, and it carried unanimously.** Vice Chair Mantes was recognized with a round of applause.

Resolution for Neal A. Maxwell. Chair Karras asked Commissioner Kendell to read a resolution memorializing Elder Neal A. Maxwell, who served as a member of the Board of Regents from 1977 to 1984. **After Commissioner Kendell had read the resolution, Chair Karras moved its adoption by the Board. The motion was seconded by Vice Chair Mantes and carried unanimously.** Regent Jardine announced that the University of Utah's Political Science Department was sponsoring an event on August 27 to recognize Elder Maxwell's contributions to higher education. Elder Maxwell had been Executive Vice President and Dean of Students at the University, where he had also taught in the Political Science Department. [???

The Regents adjourned to Board committees at 1:35 p.m. The Committee of the Whole reconvened at 3:20 p.m.

Reports of Board Committees

Academic, Applied Technology and Student Success Committee

Weber State University – Welding Emphasis within the established B.S. in Manufacturing Engineering Technology (MfET) Degree (Tab A). Chair Jardine said the University had requested an exception to the moratorium based on "Cost Savings or Efficiencies" and "Compelling Need." The Program Review Committee (PRC) agreed that this program was clearly within the criteria for exceptions, in light of Utah State University's recent decision to suspend enrollment in their B.S. in Welding Engineering Technology program. **Chair Jardine moved approval of Weber's request. The motion was seconded by Regent Jensen and carried.**

Utah College of Applied Technology – New Directions 2004 (Tab B). Chair Jardine said Commissioner Kendell had led the committee through a discussion of the coordinating efforts of UCAT and the other USHE institutions. He referred to the Supplement to Tab B in the Regents' folders.

A meeting was held on April 5 between Commissioner Kendell, President Fitch, the UCAT Campus Presidents, and UHEAA representatives to define the UCAT organizational structure. Chair Jardine referred to the distinctive mission of the Utah College of Applied Technology as outlined in the document. Page 2 detailed the components of the April discussion. The committee discussed this document at length. UCAT's ability to identify and meet the needs of employers is its primary focus. Chair Jardine said the document had

been approved unanimously by the Executive Committees of the Board of Regents and UCAT Board of Trustees and was a great step forward.

Commissioner Kendell said the important mission of the Utah College of Applied Technology is to respond to local and regional workforce needs. He requested a report to identify important workforce needs with an explanation of how had responded to those needs. The Commissioner referred to the PowerPoint presentation shown in the Supplement to Tab B and explained the two categories of programs offered by UCAT shown on slide 6 (page 3). Classes offered for one to 900 hours that are not eligible for financial aid can be approved at the regional level. Classes with a financial aid component must be approved by the Regents.

Classes requiring 900-1800 hours of instruction fall into two categories: Certificates and Associate of Applied Technology (AAT) Degrees. **Certificates of Completion and Certificates of Proficiency** fall within the regional process requiring collaboration between the CAOs and Presidents. They would next go to the UCAT President and UCAT Board of Trustees for approval, and then forwarded to the Commissioner for inclusion on the Academic Committee's Information Calendar on the Board of Regents agenda. This process is required for financial aid. **AAT Degree programs** must follow the process outlined in Regents' Policy R401. The details of the regional approval process will be presented to the Academic, Applied Technology and Student Success Committee for review and approval.

Chair Jardine moved approval of UCAT New Directions 2004. Regent Beesley seconded the motion, and it was adopted by the Board.

Consent Calendar (Tab C). Chair Jardine said the committee had commented on the progress report received from Utah Valley State College on their bachelor programs in Behavioral Science. This report had been requested by the Regents, and the committee was pleased with the report. **On motion by Chair Jardine and second by Regent Sweeten, the following items were approved on the Academic Committee's Consent Calendar:**

1. UVSC – Progress Report of the Bachelor of Science/Bachelor of Arts Degree Programs in Behavioral Science
2. UCAT – Fast Track Approval of a Paralegal Certificate of Proficiency

Information Calendar (Tab D). Chair Jardine referred to the academic and administrative program changes and reviews shown in the Information Calendar. The committee discussed the change of name from the term "applied technology education" (ATE) to "career and technical education" (CTE) and wondered whether this would require a name change for the Utah College of Applied Technology. While the new term may become more common over time, no official change of nomenclature is recommended.

Utah Statewide Writing Portfolio Assessment 2002-2003 (Tab E). Chair Jardine introduced Dr. Kathryn Fitzgerald, nationally recognized writing expert and Associate Professor and Director of Undergraduate Studies at Utah State University, who served as consultant on the project, and asked her to report to the Committee of the Whole. Dr. Fitzgerald explained that the project's goal was to assess the writing and comprehension skills of beginning first-year students taking Writing 1010 and second year students completing Writing 2010. All nine institutions took part in the assessment, and all institutions showed a 12-15 point gain in average scores.

Regent Beesley asked how the scores compared with the rest of the country. Dr. Fitzgerald said there were norms on the K-12 level, but nothing comparable at the college level. The institutions reported that the improvement was significant. If this process continues, a standard could be developed. President Hall said he was more concerned about assessment of outcomes and demonstrated proficiencies in preparation for accreditation.

Regent Burningham said the State Board of Education had developed an assessment program through U-PASS, and all students will be required to take two writing assessments. He asked if there had been any interface between the writing program administrators and the public education administrators. Dr. Fitzgerald said there had been little interaction between the higher education institutions and the public schools, only some informal interchanges. Assistant Commissioner Safman said she and Dr. Fitzgerald sit with the Writing Project, which should help with the K-16 continuum. Regent Jordan recommended that the Regents who serve or have served on the State Board of Education be involved for coordination. Chair Karras thanked Dr. Fitzgerald for her report.

Introduction of Student Body Presidents. Prior to the report of the Finance Committee, Regent Kemp recognized the institutional student body presidents who were present: Cody Jones, Weber State University (also president of the Utah Student Association); Les Essig, Utah State University; Aaron Miller, Southern Utah University; Dan Wood, College of Eastern Utah; Jim Bassi, Utah Valley State College; Alex Lowe, University of Utah; and Happi Peterson, student lobbyist (UVSC). Chair Karras welcomed the students and assured them they were welcome at all Board meetings.

Finance, Facilities and Accountability Committee

Long-term Enrollment Projections (Tab F). Chair Pitcher referred to Replacement Tab F in the Regents' folders and reminded them that this data is used to build our budgets and determine our facilities needs. Projections forecast an increase of nearly 61,000 FTE students (a 53 percent increase) over the next 20 years, or an average of 3,048 FTE students (2.1 percent) per year. **Chair Pitcher moved adoption of the long-term enrollment projections for planning purposes and consideration in the facilities prioritization process. The motion was seconded by Vice Chair Mantes and carried.**

Proposed Revisions to the Capital Facilities Qualification and Prioritization (Q&P) Process (Tab G). Chair Pitcher explained that the changes included several data requirements/recommendations. The committee requested that a group of Regents review all of the capital facilities projects prior to the September Board meeting. Associate Commissioner Mark Spencer will coordinate transportation to the campuses. Chair Karras asked Dr. Spencer to have a sign-up list at the retreat. **Chair Pitcher moved approval of the proposed revisions to the Q&P process. The motion was seconded by Regent Atkin and carried.**

Proposed Revisions to Policy R854, *Regents Professorships* (Tab H). Chair Pitcher said the proposed policy revisions were to clarify the term of service and funding source for a Regents Professor, as explained in the Commissioner's cover memorandum to Tab H. **Chair Pitcher moved to table the proposed changes to Policy R854. The motion was seconded by Regent Atkin and carried.**

University of Utah – 2004-2005 Budget for University Hospitals and Clinics (Tab I). Chair Pitcher said the committee had received the budget presentation by Senior Vice President Lorris Betz and Gordon Crabtree, CFO for the Hospital. He commended them for their excellent work. Chair Karras asked Dr. Betz to extend the

Board's compliments to everyone who helped to ensure the success of the operation. Regent Jardine referred to the recent newspaper article about Rick Fullmer's return following cancer surgery. He asked Dr. Betz to extend the Board's appreciation for Mr. Fullmer's return to service. Chair Karras remarked that this was a huge, complex budget. A subcommittee of the Hospital Board looks at the budget in greater detail with the University of Utah Board of Trustees. **Chair Pitcher moved approval of the 2004-2005 operating budget for the University of Utah Hospital and Clinics. The motion was seconded by Regent Atkin and carried.**

University of Utah – Authorizing Resolution, Replacement of Funds in Debt Service Reserve Fund with a Debt Service Reserve Surety Bond (Tab J). Chair Pitcher said the University proposed to replace Debt Service Reserve Funds with a Reserve Instrument in order to reduce negative arbitrage on the investment of these funds. Background details were found in the Commissioner's memo and details were shown in the resolution attached to the memo. **Chair Pitcher moved approval of the transaction. The motion was seconded by Regent Jardine and was adopted by unanimous vote of the Board.**

College of Eastern Utah – Proposed Property Purchase (Tab K). Chair Pitcher explained that CEU officials wished to purchase property contiguous to the San Juan Campus in Blanding. The San Juan Foundation will make the initial purchase of 32 acres and will then sell 28 acres to CEU at the appraised price of \$140,000 and the remaining four acres to the City of Blanding. The land will be used for future recreational facilities. Detailed information was provided in the Regents' folders. **Chair Pitcher moved approval of the property purchase. The motion was seconded by Vice Chair Mantes and carried.**

Salt Lake Community College – Proposed Property Purchase (Tab L). Chair Pitcher said SLCC proposed to purchase property immediately adjacent to the Eccles Early Childhood Development Lab School on its Redwood Campus at the appraised value of \$130,500. The property would be used for expansion of the lab school. The seller has agreed to demolish the structure on the property. **Chair Pitcher moved approval of the purchase, seconded by Regent Jardine. The motion carried and was adopted by the Board.**

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

1. USHE 2004-2005 Budget Implementation Reports
2. USHE 2004-2005 Appropriated Operating Budgets
3. USHE Spring Semester and End-of-Year Enrollment Reports
4. Amendments to Policy R928, *Leaves of Absence with Payment*
5. Utah State University – Sale of Donated Property
6. UofU and USU – Capital Facilities Delegation Reports

Quarterly Report on Administrative Collaboration and Consolidation: Financial Aid (Tab N). Chair Pitcher said the committee was very pleased with these progress reports. He commended Associate Commissioner Spencer and asked him to convey the Board's appreciation to everyone involved in the process.

USHE – 2005-2006 State-funded Capital Development Projects (Tab O). Chair Pitcher referred to the lists in the Regents' folders, labeled Supplements 1 and 2, which outlined the institutional priorities for capital development projects and land acquisition. These will be discussed in more detail at the September Board meeting.

Usage of Fuel Cards/Vehicle Assignments (Tab P). Chair Pitcher said the committee had requested this report at the previous meeting. The information showed no problems with fuel cards, but a surprisingly large number of courtesy vehicles, especially for use by athletic departments. The committee asked Associate Commissioner Spencer and his staff for an annual report. Committee concerns were whether or not (1) the IRS reporting was correct and (2) the vehicles were insured. Associate Commissioner Spencer will prepare a follow-up report on these issues.

Bonding Overview and Summary (Tab Q). Chair Pitcher said this review, which he dubbed "Bonding 101," had been proposed by Regent Atkin at the previous meeting. An excellent discussion ensued in the committee. The committee asked Associate Commissioner Spencer and his staff for a report showing the bonding capacity of each institution.

Update on Institutional Health Plan Changes for 2004-2005 (Tab R). Chair Pitcher said the committee had been pleased with the report but did not have enough time for much discussion.

Preliminary Discussion of Proposed Revisions to Policy R851, *Guidelines for Retirement Programs* (Tab S). Chair Pitcher said the proposed revisions to this policy would permit but not require USHE institutions to offer multiple investment options to its employees, after consultation with faculty and staff. The Commissioner's staff will gather data from the institutions regarding the specific providers to be named to the policy in addition to the Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF). This data will be presented at a future Board of Regents meeting. Chair Pitcher commended Associate Commissioner Spencer and his staff, especially Kimberly Henrie and Brad Mortensen, for their work on this project.

General Consent Calendar

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

- A. Minutes – Minutes of the Regular Board of Regents Meetings held June 3, 2004 at Snow College in Ephraim, Utah, and June 4, 2004 at the College of Eastern Utah in Price, Utah.
- B. Grant Proposals - Approval to submit the following proposals:
 1. University of Utah – National Science Foundation; "Integrative Graduate Research and Training; Program in Genetic Studies of Digital Anatomical Structures;" \$2,280,919. Julio C. Facelli, Principal Investigator.
 2. University of Utah – National Science Foundation; "An Open, Low Cost, High Quality Software Radio Platform and Test Bed;" \$2,187,020. Frank J. Lepreau, Principal Investigator.
 3. University of Utah – National Science Foundation; "IGERT: Microfluidic Systems Addressing Biological Complexity;" \$3,198,970. Timothy A. Ameel, Principal Investigator.

4. University of Utah – National Science Foundation; "IGERT: Non-Destructive Evaluation of Aging Systems;" \$3,181,814. Cynthia Furse, Principal Investigator.
5. University of Utah – Public Health Service; "Development of a Fully Integrated, Biocompatible Micropower Chronic Neural Recording Array;" \$2,816,993. Florian Solzbacher, Principal Investigator.
6. University of Utah – Public Health Service; "Hybrid Hydrogels Self-Assembled from Graft Copolymers;" \$1,681,875. Jindrich R. Kopecek, Principal Investigator.
7. University of Utah – Public Health Service; "Lipoprotein Subclass Heterogeneity and CAD Risk;" \$3,305,722. Paul N. Hopkins, Principal Investigator.
8. University of Utah – Public Health Service; "Training in Cardiovascular Research;" \$2,396,365. Ivor J. Benjamin, Principal Investigator.
9. University of Utah – Public Health Service; "Translational Research in the Clinical Neurosciences;" \$2,239,961. Thomas N. Parks, Principal Investigator.
10. University of Utah – Public Health Service; "Mechanism and Regulation of Iron Export by Ferroportin;" \$2,199,070. Jerry Kaplan, Principal Investigator.
11. University of Utah – Public Health Service; "APC and B-Catenin Mutations in Colorectal Cancer;" \$2,133,170. Wade S. Samowitz, Principal Investigator.
12. University of Utah – Public Health Service; "Molecular Mechanisms of Steroid-Triggered Programmed Cell Death;" \$2,081,287. Carl S. Thummel, Principal Investigator.
13. University of Utah – Public Health Service; "Navajo Bone Health Study;" \$1,931,155. Maureen Murtaugh, Principal Investigator.
14. University of Utah – Public Health Service; "Netrins Regulate Angiogenesis;" \$1,868,750. Dean Y. Li, Principal Investigator.
15. University of Utah – Public Health Service; "Mechanisms of the Diabetic Myocardial Vulnerability;" \$1,868,750. Sheldon E. Litwin, Principal Investigator.
16. University of Utah – Public Health Service; "Genetic Models of Cardiovascular, Renal and Pulmonary Diseases;" \$1,654,682. Mario R. Capecchi, Principal Investigator.
17. University of Utah – Department of Defense/Army; "Osseous Manifestations of Neurofibromatosis Type 1: Clinical Outcomes and Molecular Analyses;" \$1,511,936. David H. Viskochil, Principal Investigator.

18. University of Utah – Public Health Service; “Cellular and Molecular Responses in Lung Disease;” \$1,263,900. Guy A. Zimmerman, Principal Investigator.
19. University of Utah – Public Health Service; “Utah Pediatric Fellow Research Training Program;” \$1,182,251. Edward B. Clark, Principal Investigator.
20. University of Utah – PHS Prime flow through University of California/Davis; “Zinc Deprivation Alters Chromatin Structure;” \$1,121,250. Robert H. Lane, Principal Investigator.
21. University of Utah – Public Health Service; “High-Res Multishot DTI by Real-time Navigation;” \$1,014,748. Eun-Kee Jeong, Principal Investigator.
22. University of Utah – PHS Prime flow through Brigham and Women’s Hospital; “Vascular Dysfunction in IDDM: Genes, Inflammation, RAAS;” \$1,006,955. Donald A. McClain, Principal Investigator.
23. University of Utah – Public Health Service; “Genetic Testing for Breast-Ovarian Cancer in Puerto Rico;” \$3,204,105. Anita Y. Kinney, Principal Investigator.
24. University of Utah – Public Health Service; “Anti-cancer Agents from Unique Natural Products Sources;” \$5,693,762. Chris M. Ireland, Principal Investigator.
25. University of Utah – Public Health Service; “Training Grant in Substance Abuse and Addiction Research;” \$1,323,510. Douglas E. Rollins, Principal Investigator.
26. University of Utah – Public Health Service; “Non-invasive Imaging of Drug Delivery in Cancer Treatment;” \$1,196,000. Zheng-Rong Lu, Principal Investigator.
27. University of Utah – Public Health Service; “VPS4 and the MVB Sorting Pathway;” \$1,868,750. Markus Babst, Principal Investigator.
28. University of Utah – Public Health Service; “Genetic Architecture of the Mammalian (Canid) Skeleton;” \$1,868,750. Karl G. Lark, Principal Investigator.
29. University of Utah – Public Health Service; “Adolescent Self-development in Story Telling: Normative and Delinquent Development;” \$1,681,875. Monisha Pasupathi, Principal Investigator.
30. University of Utah – Public Health Service; “Cooperative DNA Alterations in Breast Cancer;” \$1,532,375. Philip S. Bernard, Principal Investigator.
31. University of Utah – Public Health Service; “Regulation of RASGRPs by Diacylglycerol Kinases;” \$1,495,000. Matthew K. Topham, Principal Investigator.

32. University of Utah – PHS Prime flow through University of Oklahoma; “Arotinoid and Stilbenoid Mechanism in Mitochondria (Program 3);” \$1,129,537. Ruey-Min Lee, Principal Investigator.
33. University of Utah – PHS Prime flow through University of Arizona; “Increasing Muscle Function in Cardiopulmonary Patients;” \$1,123,181. Paul C. Lastayo, Principal Investigator.
34. University of Utah – Health and Human Services/Center for Disease Control; “Evaluating a Workplace Resilience Training Intervention;” \$1,100,955. Glenn E. Richardson, Principal Investigator.
35. University of Utah – Public Health Service; “Genetics of Autism Intermediate Phenotypes;” \$3,392,135. Hilary H. Coon, Principal Investigator.
36. University of Utah – Public Health Service; “Stretch and Vitamin A Effects on Alveolar Formation;” \$3,377,308. Kurt H. Albertine, Principal Investigator.
37. University of Utah – Public Health Service; “Degradation of Cortical Function in Senescent Monkeys;” \$3,246,093. Audie G. Leventhal, Principal Investigator.
38. University of Utah – Public Health Service; “Morbidity and Mortality Related to Gastric Bypass Surgery;” \$2,752,234. Steven C. Hunt, Principal Investigator.
39. University of Utah – Public Health Service; “NIH Director’s Pioneer Award;” \$2,500,000. Mario Capecchi, Principal Investigator.
40. University of Utah – Public Health Service; “Recapitulating Retrovirus Replication in Vitro;” \$2,500,000. Wesley I. Sundquist, Principal Investigator.
41. University of Utah – Public Health Service; “Gabaergic Modulation of Peripheral Gustatory Activity;” \$1,868,750. William C. Michel, Principal Investigator.
42. University of Utah – Public Health Service; “Biosensor Assays to Aid in Structural Analysis of GPCRS;” \$1,308,125. David G. Myszka, Principal Investigator.
43. University of Utah – Public Health Service; “Models for the Genetic Epidemiology of Chronic Disease;” \$1,308,125. Sandra J. Hasstedt, Principal Investigator.
44. University of Utah – Public Health Service; “Role of SHIP2 in Generating the Zebra Fish Neural Crest;” \$1,190,060. David J. Grunwald, Principal Investigator.
45. University of Utah – Public Health Service; “BRCA Testing in Blacks and Whites in the South;” \$3,441,719. Anita Y. Kinney, Principal Investigator.

46. University of Utah – Public Health Service; “Structural Studies of Nucleic Acid Constituents;” \$2,186,122. James A. McCloskey, Principal Investigator.
47. University of Utah – Public Health Service; “Bone Targeted Delivery of Anabolic Agents;” \$1,868,750. Jindrich R. Kopecek, Principal Investigator.
48. University of Utah – Public Health Service; “P450-Mediated Dehydrogenation Mechanisms;” \$1,868,750. Garold S. Yost, Principal Investigator.
49. University of Utah – Public Health Service; “Drug Abuse and Regulation of Biogenic Amines;” \$1,495,000. Annette Fleckenstein, Principal Investigator.
50. University of Utah – Public Health Service; “Brain Monoamines and Luteinizing Hormone Secretion;” \$1,358,875. William R. Crowley, Principal Investigator.
51. University of Utah – Public Health Service; “Neurochemical Alterations by Designer Drugs;” \$1,125,000. Glen R. Hanson, Principal Investigator.
52. University of Utah – Public Health Service; “Computational Tools for Dynamical Modeling of Thrombosis;” \$3,540,244. Aaron L. Fogelson, Principal Investigator.
53. University of Utah – Public Health Service; “Terpene Condensation Reactions;” \$2,773,104. C. Dale Poulter, Principal Investigator.
54. University of Utah – Public Health Service; “Neuromuscular Control and Motor Integration of Birdsong;” \$1,743,153. Franz Goller, Principal Investigator.
55. University of Utah – Public Health Service; “New Routes to Heterocycles and Carbocycles;” \$1,358,125. Janis Louie, Principal Investigator.
56. University of Utah – Public Health Service; “The Bioorganic Chemistry of RNA Editing by ADAR2;” \$1,246,000. Peter A. Beal, Principal Investigator.
57. University of Utah – Public Health Service; “Tumor-Targeted Bioconjugates of Vitamin B-12;” \$1,246,000. Charles B. Grissom, Principal Investigator.
58. University of Utah – Public Health Service; “Parental Involvement in Diabetes Care Across Adolescence;” \$2,885,283. Deborah J. Wiebe, Principal Investigator.
59. University of Utah – Public Health Service; “Hostility, Marital Interaction, and Health in Aging;” \$2,493,471. Timothy W. Smith, Principal Investigator.
60. University of Utah – Public Health Service; “Transcriptional Control Mechanisms by ETS Factors;” \$1,868,750. Barbara J. Graves, Principal Investigator.

61. University of Utah – Public Health Service; “Metabolism of Platelet-Activating Factor;” \$1,495,000. Diana M. Stafforini, Principal Investigator.
62. University of Utah – Public Health Service; “Regulation of Beta-Catenin by Protein Phosphatase 2A;” \$1,495,000. David M. Virshup, Principal Investigator.
63. University of Utah – US Department of Defense/Army/Dugway Proving Ground; “Partnership Intermediary, Dugway Proving Ground/University of Utah;” \$1,685,472. Elliott C. Kulakowski, Principal Investigator.
64. University of Utah – Centers for Disease Control; “Epidemiologic Follow-up of Thyroid Disease in Persons Exposed to Radioactive Fallout from Atomic Weapons Testing at the Nevada Test Site: Phase III;” \$1,499,989. Joseph L. Lyon, Principal Investigator.
65. Utah State University – Administration for Children/Family; “Utah State University Extension Marriage Curricula;” \$1,423,624. James P. Marshall, Principal Investigator.
66. Utah State University – US Department of Homeland Security; “Addressing Rural Preparedness Challenges through Model-centered Instruction, Delivered in a Sustainable Blended Learning Program;” \$2,446,851. Weldon S. Sleight, Principal Investigator.
67. Utah State University – Lockheed Martin; “Mid Infrared Instrument (MIRI) Dewar for the James Webb Space Telescope Program;” \$15,302,189. Kirk Larsen, Principal Investigator.
68. Utah State University – Missile Defense Agency; “RAMOS Russian Efforts;” \$2,258,650. Tom Humpherys, Principal Investigator.
69. Utah State University – National Science Foundation; “Professional Communities of Practice Partnership Model;” \$1,488,116. Kurt Becker, Principal Investigator.
70. Utah State University – DARPA; “Bioagent Luminescent Ligands (Balls);” \$1,130,305. Linda S. Powers, Principal Investigator.
71. Utah State University – Colorado University Laboratory of Atmospheric and Space Physics; “Aeronomy of Ice in the Mesosphere (AIM), Phase B, for the Solar Occultation for Ice Experiment (SOFIE) Instrument and Science;” \$2,108,170. John Kemp, Principal Investigator.
72. Utah State University – Secretaria de Estado de Agricultura for D.R.; “Aquisicion de un Padron Georeferenciado de Predios y Productores;” \$6,991,852. Christopher Neale, Principal Investigator.
73. Utah State University – USDA Cooperative State Research Service; “Education (SARE) Professional Development Program (PDP);” \$971,287. V. Philip Rasmussen, Principal Investigator.

74. Utah State University – US Department of Education; “To Operate Regional Resource Center, Region No. 5, Utah State University;” \$6,500,000. John Copenhaver, Principal Investigator.
75. Utah State University – National Science Foundation; “IGERT: Utah State University Integrated Program in High Performance Computing;” \$1,221,180. Robert Spall, Principal Investigator.
76. Utah State University – Department of Commerce; “Creating Accessible Testing Environments for Individuals with Disabilities;” \$504,108. Cyndi Rowland, Principal Investigator.
77. Utah State University – National Science Foundation; “Microbial Biotechnology for Engineering: Boosting Integrated Research and Education;” \$3,000,297. Ronald C. Sims, Principal Investigator.
78. Utah State University – National Science Foundation; “IGERT: Integrated Water Science Research: Building Critical Thinking for a Scarce Resource;” \$2,996,114. David G. Tartobon, Principal Investigator.
79. Utah State University – National Science Foundation; “Pulsing of Plant-available Moisture and Nitrogen in Great Basin Communities; Interactions of Microbial Processes;” \$2,350,000. Martyn M. Caldwell, Principal Investigator.
80. Utah State University – US Department of Education; “Project VIISA;” \$1,060,913. Elizabeth Dennison, Principal Investigator.
81. Utah State University – National Institutes of Health; “Auditory Processing of Temporally-Complex Sounds;” \$1,035,090. Donal G. Sinex, Principal Investigator.
82. Utah State University – US Department of Education; “Project SPARKLE;” \$1,065,852. Linda Alsop, Principal Investigator.
83. Utah State University – Missile Defense Organization; “Capabilities to Detect and Track Ballistic Missiles;” \$3,316,232. Robert Anderson, Principal Investigator.
84. Utah State University – National Science Foundation; “Soil Carbon-Nutrient Linkages: Shifts Along a Climatic Gradient;” \$1,894,881. John M. Stark, Principal Investigator.
85. Utah State University – Digital Interface Systems, Inc.; “NASA Ames Space Technology Research and Development;” \$1,875,000. Byard Wood, Principal Investigator.

86. Utah State University – US Department of Defense Missile Defense Agency; “Russian Efforts on RAMOS Completion Program;” \$2,258,650. Thomas Humpherys, Principal Investigator.
 87. Utah State University – Department of Health and Human Services; “Mechanistic Studies on FEII-Dependent Methionyl Aminopeptidases;” \$1,411,339. Richard C. Holz, Principal Investigator.
- C. Grants Awarded
1. University of Utah – Public Health Service/National Institute of Children’s Health; “Utah Autism Program;” \$1,077,076. William M. McMahon, Principal Investigator.
 2. University of Utah – US Department of Defense/Army/Dugway Proving Ground; “Partnership Intermediary, Dugway Proving Ground/University of Utah;” \$1,685,472. Elliott C. Kulakowski, Principal Investigator.
 3. Utah State University – US Department of Defense/US Navy; “Response to Time Critical Sensor Image/Data Processing Task;” \$2,398,000. Niel S. Holt, Principal Investigator.
 4. Utah State University – US Department of Defense/US Navy; “Response to Time Critical Sensor Image/Data Processing Task;” \$3,550,000. Niel S. Holt, Principal Investigator.
 5. Utah State University – USDA Agricultural Research-Basic & Applied Research; “Functional Genomics in Nature;” \$1,253,653. Bart C. Weimer, Principal Investigator.
 6. 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;” \$1,380,843. Gary P. Merkle, Principal Investigator.
 7. Utah State University – Colorado University Laboratory of Atmospheric and Space Physics; “Aeronomy of Ice in the Mesosphere (AIM), Phase B for the Solar Occultation for Ice Experiment (SOFIE) Instrument and Science;” \$1,775,000. John Kemp, Principal Investigator.
 8. Utah State University – US Department of Defense Missile Defense Agency; “RAMOS Rosoborone Export Addendum 21;” \$1,693,629. Thomas Humpherys, Principal Investigator.
 9. Utah State University – Department of Health and Human Services; “Champions for Progress Institute: Leadership Development for Implementation of “Systems of Care for Children and Youth with Special Health Care Needs;” \$1,100,000. Richard N. Roberts, Principal Investigator.
 10. Utah State University – Duke University; “Epidemiology of Alzheimer’s Dementia in Cache County, Utah;” \$1,194,294. Maria C. Norton, Principal Investigator.

- D. 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 9-10, 2004, at Weber State University in Ogden, Utah, to consider property transactions, personnel issues, litigation, and such other matters permitted by the Utah Open and Public Meetings Act.

Commissioner's Report

Commissioner Kendell reminded the Regents and Presidents of the retreat beginning at 8:00 a.m. Friday at the University Park Marriott Hotel. Dress will be business casual.

Notable Accomplishments in the Utah System of Higher Education. Commissioner Kendell reported that he had participated in a press conference on July 29 with Governor Olene S. Walker, University of Utah President Michael K. Young and Utah State University President Kermit L. Hall to highlight the nearly \$500 million in research grants awarded to our two research universities. Since that time, USU had been awarded a \$10 million grant from the National Science Foundation. Commissioner Kendell noted that Salt Lake Community College would be reopening its Main Street Learning Center (previously called Metro Campus) for classes this fall. Southern Utah University and the Iron County School District will be opening a new charter high school in Cedar City. A similar project is nearing completion in Logan. Commissioner Kendell said he was delighted with the progress being made by our institutions and looked forward to a healthy discussion regarding future plans and budget scenarios at the retreat.

Chair Karras thanked the Commissioner for the remarkable work he had done in the short time he has been Commissioner.

Report of the Chair

Chair Karras said he learned on the campaign trail that there is a huge disconnect between what our state needs to do and what it is going to do, in terms of educational priorities. Generally speaking, the public is not paying attention to what is happening in Utah, i.e., increased growth and decreased funding. A recent meeting between higher education leadership and public education leadership focused on the role of education in Utah. Education is the key to Utah's economy. Our increasing population presents an opportunity for future funding for the state. Chair Karras said we can either complain about the challenges or develop solutions.

Chair Karras said the next day's retreat would focus on the future of higher education in Utah.

Adjournment

Commissioner Karras expressed his appreciation to the Commissioner's staff for their work on behalf of the State Board of Regents and the Utah System of Higher Education.

Vice Chair Mantes moved the meeting be adjourned. Following a second by Regent Sweeten, the meeting was adjourned at 4:12 p.m.

Joyce Cottrell CPS, Executive Secretary

Date Approved

BOARD OF REGENTS RETREAT
UNIVERSITY PARK MARRIOTT HOTEL
August 13, 2004

Regents Present

Nolan E. Karras, Chair
E. George Mantes, Vice Chair
Jerry C. Atkin
Linnea S. Barney
Daryl C. Barrett
Bonnie Jean Beesley
Kim R. Burningham
Katharine B. Garff
James S. Jardine
Michael R. Jensen
Trent Kemp
Jed H. Pitcher
Sara V. Sinclair
Maria Sweeten

Regents Excused

David J. Grant
David J. Jordan
David L. Maher
Marlon O. Snow

Office of the Commissioner

Richard E. Kendell, Commissioner
David L. Buhler, Associate Commissioner for Public Affairs
Don A. Carpenter, Executive Assistant
Joyce Cottrell, Executive Secretary
Brad Mortensen, Assistant Commissioner for Finance and Facilities
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Mark H. Spencer, Associate Commissioner for Finance and Facilities
Lucille T. Stoddard, Interim Associate Commissioner for Academic Affairs
Gary S. Wixom, Assistant Commissioner for Applied Technology Education and Special Projects
Andrea Worthen, Academic Affairs Intern

Institutional Representatives

Michael K. Young, University of Utah
Kermit L. Hall, Utah State University
F. Ann Millner, Weber State University
Steven D. Bennion, Southern Utah University
Michael T. Benson, Snow College
Robert C. Huddleston, Dixie State College of Utah
Ryan L. Thomas, College of Eastern Utah
William A. Sederburg, Utah Valley State College
David Richardson, Salt Lake Community College

Representatives of the Press

Tanna Barry, *Ogden Standard Examiner*
Stephen Speckman, *Deseret Morning News*
Shinika A. Sykes, *Salt Lake Tribune*

Others

Kim Hood, Governor's Office of Planning and Budget
Happi Peterson, Student Lobbyist
Martine Smith, Legislative Candidate, District 25

Chair Karras called the meeting to order at 8:00 a.m. and gave a brief overview of items to be discussed. The general topic was the future of higher education in Utah – funding, enrollment, budget issues, and growth. Commissioner Kendell led the discussion, using a PowerPoint presentation. (A copy of the presentation is attached to the permanent record on file in the Commissioner's Office.) Dr. Kendell commended Assistant Commissioner Mortensen for his invaluable help in preparing all of the material for the retreat. Commissioner Kendell reviewed the background, assumptions, and budget strategies in the slide show presentation and invited discussion.

Items discussed included the role of for-profit colleges and universities, tuition levels, access, performance measures, K-16 integration, special initiatives, accountability, enrollment plans, career plans, educating the general public and the Utah Legislature, remedial education, strategic alliances, continuing/eliminating the moratorium on new academic programs, and the declining revenues in higher education's share of the state appropriations while the system has absorbed 10,000 new students without State funding.

Some suggestions to come out of the discussion were:

- Differentiation of tuition between upper and lower division levels
- Tuition benchmarks (national/regional)
- Moratorium on tuition at rural schools
- Appropriations to the Regents for special initiatives
- Concurrent enrollment
- Explore trust lands money to provide scholarships for high school students who meet certain criteria
- Evaluate requirements for level of state funding based on credit hours or number of degrees
- Privatization/market-driven elements
- Strategic alliances and partnerships within and between institutions
- Summer school incentive
- Transferability of credit and seamlessness in the USHE (general education)
- Encourage more private institutions in the state as tuition increases price students out of an education; have specialized programs (technology-intensive, etc.)
- WGU model
- O&M, fuel and power need to be funded by the state, not by the students
- Tighten admission criteria

- Individual educational plans
- Multiple accountability
- Expectations for the K-16 experience and expectations of faculty rather than requirements for entrance

(A more complete list of creative suggestions is attached.)

Chair Karras said we have been trying to define what the Regents should do, what the Presidents should do, and what the Trustees should do. This discussion has been an excellent start. He asked the Regents and Presidents to send additional suggestions to Commissioner Kendell. He further suggested that part of the September agenda be devoted to this issue.

Chair Karras thanked Brad Mortensen for a job well done. He thanked the other staff members who helped make this discussion so effective.

October Meeting Date. It was determined that October 15 would not be convenient for several Regents and/or Presidents. Since both Chair Karras and Vice Chair Mantes were unavailable on October 22, another date will be determined after further consultation with the Regents and Presidents. *

The meeting adjourned at 1:20 p.m.

Joyce Cottrell CPS, Executive Secretary

Date Approved

* Schedules were checked following the meeting, and the date of the October meeting was changed from Friday, October 22, 2004 to Tuesday, October 19, 2004.

Suggestions for Increasing Efficiency (Brainstorming Session)

- Technology Driven Systems
 - Bandwidth Redundancy - \$2.3 M
 - Web CT - \$1 M
- Incentives for Timely Completion
- Looking at what can be cut or done differently
- Incentives for strategic alliances and partnerships
- Differentiation for undergraduate tuition (associate's level, peak pricing, etc.)
- Using tuition benchmarks (regional/national) as a goal
- Enrollment management strategy (incentives for students)
 - Access to what?
- Regent-allocated funding
- Concurrent Enrollment
- Commissioner's Summary Tuition: Proceed with 2-tier tuition process
 - First tier set for compensation; financial aid
 - Second tier flexibility
 - Capture non-resident tuition
- Financial Aid
 - Set aside from first tier to match state funding increases for financial aid
 - Look for other sources to provide a scholarship trust fund
- Efficiency/Accountability
 - Measuring Up Report
 - Through-put strategies
 - Summer school utilization
 - Accountable to multiple audiences (citizens/state, students)
 - Privatization/market-driven elements
 - Strategic alliances and partnerships with incentives
 - Tracking where graduates go (tax return data)
- Managing Strategic Enrollment Growth
 - Discussion of institutional enrollment management strategies in Nov./Dec. of each year
 - Individual education plans
 - Change focus of discussion from inputs to outputs (degrees, etc.)
 - Projections of graduates
 - Summer incentives
 - Transferability of credit
 - Role of private institutions, WGU, other institutions
 - Growth Backlog plan
 - Admissions criteria
 - Inform of alternatives for classes at other institutions or campuses
- Remedial Education
 - Present 3 alternatives to Education Interim Committee
 - Emphasize importance of developmental education
 - Competency-based
- Compensation – Highest Priority
- Strategic Initiatives
 - Engineering & Computer Science
 - Nursing

- Research and Development
- Information Technology
- CTE and career development
- Infrastructure and Mandates
 - O&M
 - Fuel & Power

Use Public Relations staff to develop

Complete the content first

Solicit feedback from other stakeholders

What does C.1. or C.3. really mean? What are consequences?

Prepare materials for h.s. tour – eventually

Let students know why tuition is going up

Determining the future of the moratorium and whether it's lifted

Public relations in the Regents office