

MINUTES OF MEETING  
UTAH STATE BOARD OF REGENTS  
WEBER STATE UNIVERSITY, OGDEN, UTAH

September 9, 2004

Regents Present

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

Regents Excused

Jerry C. Atkin  
Kim R. Burningham  
David J. Jordan  
David L. Maher  
Jed H. Pitcher

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  
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  
Kevin Walthers, Assistant Commissioner for Finance and Facilities  
Gary S. Wixom, Assistant Commissioner for Applied Technology Education and Special Projects

INSTITUTIONAL REPRESENTATIVES

University of Utah

Michael K. Young, President  
David W. Pershing, Senior Vice President for Academic Affairs  
Paul T. Brinkman, Associate Vice President for Budget and Planning  
Arnold B. Combe, Vice President for Administrative Services  
Nancy S. Lyon, Assistant Vice President for Governmental Affairs  
Michael Perez, Associate Vice President for Facilities  
Gary Rasmussen, Associate Librarian, Marriott Library  
Laura Snow, Special Assistant to the President

Utah State University

Kermit L. Hall, President  
Stan Albrecht, Provost

Lee H. Burke, Assistant to the President for Government Relations  
Ronald S. Godfrey, Vice President for Business and Finance  
Darrell Hart, Assistant Vice President for Facilities  
Sydney Peterson, Assistant Provost  
Shane Thomas, University Media Production  
Kevin Womack, Associate Vice President for Business and Finance

Weber State University

F. Ann Millner, President  
Kevin P. Hansen, Assistant Vice President for Facilities Management  
E. Jeffery Livingston, Interim Provost  
Brad Mortensen, Assistant Vice President for Support and Auxiliary Services  
Marsha Richter, Assistant to the President  
Norm Tarbox, Vice President for Administrative Services

Southern Utah University

Steven D. Bennion, President  
Abe Harraf, Provost

Snow College

Michael T. Benson, President  
Rick Wheeler, Vice President for Advancement  
Bradley A. Winn, Provost

Dixie State College

Robert C. Huddleston, President  
Lee Caldwell, Vice President for Academic Affairs  
Stanley J. Plewe, Vice President for College Services

College of Eastern Utah

Ryan L. Thomas, President  
Michael King, Vice President for Academic Affairs

Utah Valley State College

William A. Sederburg, President  
Brad Cook, Vice President for Academic Affairs  
Linda Makin, Director of Budgets  
Cameron Martin, Assistant to the President  
Jim Michaelis, Associate Vice President for Facilities Planning  
Val Peterson, Vice President for Administration and External Affairs  
J. Karl Worthington, Associate Academic Vice President  
Happi Peterson, Student

Salt Lake Community College

Judd D. Morgan, Interim President

David Richardson, Vice President of Academic Services  
Rand A. Johnson, Assistant to the President  
Julie Curtis, Assistant Vice President of Academic Services  
Don Porter, Vice President of Business Services

Utah College of Applied Technology  
Gregory G. Fitch, President

Representatives of the Press  
Shinika A. Sykes, *Salt Lake Tribune*  
Stephen Speckman, *Deseret Morning News*

Others  
Steve Allred, Office of the Legislative Fiscal Analyst  
Representative DeMar "Bud" Bowman  
Representative David Clark  
Representative Stephen D. Clark  
Senator Beverly Evans  
Representative Brent Goodfellow  
Debbie Headden, Office of the Legislative Fiscal Analyst  
Representative Fred Hunsaker  
Ken Nye, Department of Facilities Construction and Management  
Keith Stepan, Director, Department of Facilities Construction and Management\

#### COMMITTEE OF THE WHOLE

Following a luncheon meeting with the Weber State University Board of Trustees and Board Committee meetings, Vice Chair George Mantes called the meeting to order at 2:45 p.m. He told President Millner the Board was delighted to be on the beautiful Weber campus and asked her to thank her staff for their hospitality. He welcomed members of the State Building Board and legislators who were attending the meeting. He invited the legislators to join the Regents and Presidents at the table.

Swearing-In of New Regents. Vice Chair Mantes administered the oath of office to new Regents Katharine B. Garff and Trent Kemp. He advised them that the role of the Regents in developing a higher education system is very critical to the State of Utah and invited them to join the Board in providing a high level of excellence to the State.

Associate Commissioner Mark Spencer called the Regents' attention to Tab L, which listed each institution's top priority State-funded building project, and asked the Presidents to briefly describe their requests. Details were provided in Attachment 2, which will be attached to the permanent record on file in the Commissioner's Office.

University of Utah – Marriott Library Facility Adaptation and ASRS Addition  
Utah State University – College of Agriculture Replacement/Classroom Building  
Weber State University – Replacement of Buildings 1 and 2/Classroom Building  
Southern Utah University – Teacher Education Building  
Snow College – Snow College/Sanpete County Library/Classroom Building  
Dixie State College – Health Sciences Building  
College of Eastern Utah – Fine Arts Complex  
Utah Valley State College – Digital Learning Center  
Salt Lake Community College – Millcreek Center

#### USHE "Other Funds" Capital Development Projects

Associate Commissioner Spencer referred to Tab M, non-State capital projects, and pointed out that although these are non-State funded requests, they do require Regent approval because of the possible future need for O&M funds by the State. Those projects include:

University of Utah  
College of Humanities Expansion Building, Phase 1  
College of Social Work Addition  
Student Recreation Center  
University Hospital Expansion, West Wing

Weber State University  
Shepherd Union Building Renovation

Chair Karras expressed concern about the impact on students of projects funded by student fees on top of large increases in tuition. President Young said he was trying to raise private donations for the proposed Student Recreation Center. The students see the long-range benefits and are generally willing to help raise funds for the proposed facility. Questions were asked about student support for such a large increase in fees. Vice President Pershing said it was clear that the students were willing to pay a significant increase in fees for a quality facility. President Young said another factor was the fact that the University of Utah is a commuter campus, with 25 percent (or less) of its students actually living on campus. The proposed facility is viewed as a major gathering place for non-academic uses – a facility that would bring students to a central part of campus and change the nature of the University. It is not viewed as a revenue source but as an educational tool.

President Millner said WSU students had passed a referendum for the Shepherd Union Building to be renovated in three phases. The students wanted their building to be enhanced to meet their needs, and the referendum passed by a very respectable margin.

Regent Kemp thanked the Presidents for taking the students into consideration. Student fees and tuition should include the needs and wants of the students.

**Chair Karras moved approval of the non-State funded capital projects, with the proviso that the Weber State University and University of Utah Presidents discuss with the students the Regents' discussion, making sure that the students are comfortable with these increases. The motion was seconded and a vote was taken. The motion carried with six votes in favor and four votes in opposition.**

Commissioner Kendell noted that these projects would add \$127 million to the State's assets without State money. This is a significant addition of resources without taxpayer funding.

Associate Commissioner Spencer introduced Kevin Walthers, who had joined the Commissioner's staff last week as Assistant Commissioner for Finance and Facilities. Most recently, Kevin was the Legislative Fiscal Analyst for capital projects. Dr. Spencer referred to the Supplements to Tab L and Tab N, which were in the Regents' folders and which were also distributed to the legislators in attendance. The Supplement to Tab L gave the Qualification and Prioritization (Q&P) results for 2005-2006 projects; the Supplement to Tab N gave a history of State-funded facilities since 1987.

**Regent Beesley moved approval of the Q&P priority list for presentation to the State Building Board the following day. The motion was seconded by Regent Jardine and carried unanimously. The ranking follows:**

1. University of Utah – Marriott Library Facility Adaptation and ASRS Addition
2. Utah Valley State College – Digital Learning Center
3. Dixie State College – Health Sciences Building
4. Utah State University – College of Agriculture Replacement/Classroom Building
5. Weber State University – Classroom Building/Buildings 1 & 2 Replacement
6. Salt Lake Community College – Millcreek Center
7. College of Eastern Utah – Fine Arts Complex
8. Snow College/Sanpete County Library/Classroom Building
9. Southern Utah University – Teacher Education Building

**Regent Graff moved that the meeting be recessed until the following day. The motion was seconded and carried.**

September 10, 2004

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Daryl C. Barrett  
Bonnie Jean Beesley  
Katharine B. Garff  
David J. Grant  
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Val Peterson, Vice President for Administration and External Affairs  
Happi Peterson, Student

Salt Lake Community College

Judd D. Morgan, Interim President  
David Richardson, Vice President of Academic Services  
Rand A. Johnson, Assistant to the President  
Julie Curtis, Assistant Vice President of Academic Services  
Don Porter, Vice President of Business Services

Members of the State Building Board

Larry Jardine, Chair  
Kerry Casaday, Vice Chair  
Steve Bankhead

Richard Ellis  
Cyndi W. Gilbert  
Katherina Holzhauser  
Darren Mansell  
Manuel T. Torres

Key Staff

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

Division of Facilities Construction and Management Staff

Keith Stepan, Director  
Kenneth Nye, Deputy Director  
Kent Beers, Program Director  
Blake Court, Program Director  
Shannon Lofgreen, Administrative Assistant

Legislative Capital Facilities and Administrative Services Appropriations Committee

Senator Beverly Evans, Co-chair  
Representative Stephen D. Clark, Co-chair  
Representative Ralph Becker  
Representative DeMar "Bud" Bowman  
Representative David Clark  
Representative Brent H. Goodfellow  
Representative Fred R. Hunsaker

Representatives of the Press

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

Others

Steve Allred, Office of the Legislative Fiscal Analyst  
Debbie Headden, Office of the Legislative Fiscal Analyst  
Kim Hood, Governor's Office of Planning and Budget  
Eric Johnson, Utah Public Employees Association  
Ken Nye, Department of Facilities Construction and Management  
Keith Stepan, Director, Department of Facilities Construction and Management

JOINT MEETING WITH STATE BUILDING BOARD

Chair Karras welcomed the group at 8:00 a.m. and thanked members of the State Building Board, DFCM staff, and the Legislative Capital Facilities Appropriations Subcommittee for joining the Regents. The



purpose of the meeting was to share with the Building Board the Regents' priorities for capital development projects. Chair Karras asked everyone around the table to introduce themselves.

Associate Commissioner Spencer explained the background of the Q&P process. He explained to the Building Board and legislators the material in the Supplement to Tab N. In the past, it was not uncommon for as many as six projects to be funded by the State Legislature. More recently, however, only two or three projects receive State funding each year. Dr. Spencer also explained the information in the Supplement to Tab L regarding "Q" points and space points. Chair Karras suggested that the standard for office space be reconsidered because the formula showed that all institutions had surplus office space.

Chair Karras asked Associate Commissioner Spencer if it were possible for an institution to have a project which would rank higher because of the Q&P formula than the institutional prioritization. If an institution had other projects of a greater need than another institution's top priority project, he asked that the Regents be given that information.

Director Stepan said last year the State agencies were asked to submit only one project per institution. The Building Board submits a five-year plan to the Legislature which includes additional priorities for the institutions. Regent Grant suggested that additional factors be considered in the priority process. If every institution gets 25 priority points automatically, qualitative factors beyond institutional priority should be considered.

Mr. Bankhead raised some questions concerning the Q&P process. (1) Other funding points: Some institutions are in a position to raise money more easily than others. (2) Process by which seismic considerations receive more points than fire safety or electrical issues. (3) How can there be such a large gap between the Q&P gap (Supplement to Tab N, page 10 of 10) and the Q&P points awarded? Dr. Spencer explained that it was based on need; demolishing a building creates the need which is satisfied by replacing or renovating the building. Brad Mortensen explained that when a building is demolished, the points are backed out; when a new facility is constructed, the points are added back into the formula. Regents' policy R741 is very specific about the calculation of points and the Q&P process.

Mr. Stepan explained that electrical and mechanical systems go through constant review and are usually addressed with capital improvement funding. Seismic needs are embedded in the system, and those needs are not addressed regularly.

Chair Karras asked Regent Pitcher to have the Finance Committee evaluate this discussion of the Q&P process. Life safety issues are important, and perhaps the weighting should be reconsidered. He asked if any of the Regents wanted to reconsider their vote of the previous day as a result of this discussion. After the Regents had indicated they were satisfied with the earlier vote, Chair Karras suggested that the current prioritization list stand and that the process of computing the formula be considered for change in the future. Regent Jensen pointed out that if CEU's project had received the full 18 points for life safety, it would completely change the Q&P priority order. He asked that the Building Board consider this in their discussion.

Chair Jardine said the State Building Board appreciated the opportunity for a discussion with the Regents regarding the capital development process. The Building Board wants to do a better job of quantifying

and qualifying the process. The result will produce a much better way to evaluate and prioritize the building projects of the State.

Mr. Nye distributed the Building Board's Capital Development Request Evaluation Guide. He said the Building Board had retained flexibility in the process. Six strategic objectives were identified. Evaluation criteria weight the projects; each objective has a weight (1-3). Scoring points (0-5) define points on the range.

The objectives are: (1) Address life safety and other deficiencies in existing assets through renewal and replacement. (2) Address essential program growth requirements. (3) Cost-effective solutions. (4) Improve program effectiveness and/or capacity. (5) Provide facilities necessary to support critical programs and initiatives. (6) Take advantage of alternative funding opportunities for needed facilities.

Regent Grant asked if it was more important that the institutions seek endowments for O&M or for actual construction costs of a facility. Mr. Stepan said most donors want to fund the buildings which may bear their names and do not want to consider O&M endowments. He said legislators would like the institutions to get private funding of O&M costs and suggested that incentives be considered for donations to reduce the cost of a project.

Mr. Nye explained that each institution is asked to submit a request with a scoring of their top project. DFCM suggests scores to the Building Board, and they, in turn, consider the information and arrive at a final score. The State Building Board will determine rankings of capital projects on October 21.

Regent Beesley suggested that the Regents' Q&P process be integrated with the Building Board's process. Perhaps this could be considered by the Finance Committee. Chair Jardine said as a result of these joint discussions, the Building Board's process has been refined, as has the Regents' Q&P process. Regent Grant asked if it was more beneficial for the legislators to consider the projects from multiple perspectives, or would they prefer one list? Senator Evans replied that one list would have a greater impact. Director Stepan agreed that, politically, the credibility of both agencies would improve by a combined list. The Building Board is looking at all projects across the State; however, it would be helpful if the Regents and the State Building Board worked together to determine a common list of higher education facilities for presentation to the Legislature.

Mr. Nye said there was a good chance that the Building Board's process will be further refined because this is a new process. Next year the Board will have the knowledge of what worked this year and what needs to be adjusted for future years. Director Stepan explained that the Building Board takes the Regents' list and DFCM scoring, and each member scores the projects individually. They may depart from the recommended scores and determine their own priorities.

Commissioner Kendell said this had been a valuable discussion. The Regents will look at the Q&P process and determine the validity of the assumptions supporting each criteria. He expressed his appreciation for the partnership between higher education, the State Building Board, and the DFCM staff. The State is a critical partner in higher education. Other partnerships are also important – with the federal government, donors, students, etc. Most facilities have come about because of a partnership of some kind. Our Presidents are constantly looking for partnering opportunities. There is a great value to the State when institutions can get part or all of a building funded without State tax money.

The Commissioner acknowledged that it is very difficult for the institutions to take care of some of their ongoing O&M needs. It is hard to ask a private donor for O&M funding. Partnerships with private donors and the students are important, but we still look to the State for O&M funding. Last year O&M funding was taken off the table for the first time. It is critical that the State fund the lights and heat and maintenance of State facilities.

Senator Evans said the process is better than it was a few years ago. The Legislature recognizes how critical the partnerships are. It is important to get the improvement money restored from .9 percent back to 1.1 percent dedicated to small capital projects. She promised to try to get an increase in the capital improvement funding in the next Legislative Session.

Chair Karras asked the legislators if they had any comments. Many of the legislators expressed their appreciation for the opportunity to understand the institutions' needs and to get the Regents' perspective. They agreed that the Q&P process was not perfect, but it is better than the alternatives. Representative Clark said he hoped the Legislature would use wisdom and not just politics in determining which projects should be funded.

Chair Jardine said the Building Board is charged to come up with a prioritization list, but they also provide a five-year plan because they need to see the total need. They continually talk about the importance of taking care of the buildings we already have. He said he was very pleased that the 1.1 percent for capital improvements is in statute and expressed his hope that funding would increase to that level again.

Ms. Camille Anthony, Director of Administrative Services, expressed her appreciation to Director Stepan and commended the work of the DFCM staff.

Chair Karras thanked the members of the State Building Board, legislators, DFCM staff and others for their attendance at this meeting. The meeting adjourned at 10:00 a.m.

## COMMITTEE OF THE WHOLE

The Regents resumed their meeting in the Committee of the Whole at 10:20 a.m. Vice Chair Mantes chaired the meeting. He thanked the Regents and Presidents for their attention and said this had been an intense set of meetings.

### Reports of Board Committees

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

Program Review Committee Recommendation to Lift Program Moratorium (Tab A). Chair Jardine said the Program Review Committee (PRC) had recommended to the Academic Committee and the Board as a whole that the moratorium be lifted. It was originally implemented because of a tight budget environment and a sense that the process of program approval was not disciplined. There was a strong argument that the moratorium was symbolic to the State leaders. Exceptions were developed over time, which were adopted by the Board, to demonstrate critical reasons a specific program should move forward despite the moratorium. As a result, the institutions began to customize their proposals to meet the criteria for exceptions. Ultimately

the moratorium exceptions were incorporated into policy R401. The committee agreed that policy R401 would be sufficient; the policy still maintains the rigor of the process with the word "moratorium" removed. The PRC's proposal was to lift the moratorium, to retain the Program Review Committee in its current role, and to receive recommendations from the Chief Academic Officers (CAOs) for additional refinements to policy R401. The committee approved the Commissioner's recommendation.

Regent Grant asked if the CAOs had been given a deadline for their comments. Associate Commissioner Stoddard said the CAOs had discussed R401 the previous day; she hopes to bring a revised policy to the Board in October. President Sederburg said the Presidents had strong feelings about the continuation of the Program Review Committee. Chair Jardine said any comments on the role of the PRC or policy R401 should be given to Dr. Stoddard by early October. He asked that the October meeting include comments from the institutions. Chair Karras cautioned that the Regents were not sending the message that they would accept all programs from the institutions.

**Chair Jardine moved that the Regents lift the moratorium on new programs as of September 15, 2004, and that they adopt the recommendations of the Regents' Program Review Committee to (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, and (3) receive recommendations from the Chief Academic Officers, under the direction of the Associate Commissioner for Academic Affairs, concerning additional refinements to policy R401. The motion was seconded by Regent Beesley and carried.**

Academic Committee's Consent Calendar (Tab B). Chair Jardine reported that, at the request of University of Utah officials, discussion had been postponed on the University's request for approval of a Eunice Kennedy Shriver National Center for Community of Caring within the Department of Special Education. Temporary approval has been granted by the Commissioner in accordance with the terms of policy R401.

Measuring Utah Higher Education, 2004 (Tab C). Chair Jardine invited Dr. Don Carpenter to give a brief summary of the report. Dr. Carpenter said the report had been compiled by a group of individuals from the institutions and the System office. He credited Brad Mortensen for preparing the graphs. The report used System data and national sources to show access and preparation, quality issues, and efficiency in finance in Utah. Regent Jardine asked the Commissioner's staff to look at State need-based financial aid and bring back materials to help others understand the financial aid need relative to increasing tuition. He asked, Is this a State funding issue? A tuition issue? A System issue?

Chair Karras pointed out that if you remove UCAT from the data, tuition is now at roughly 42 percent of the total cost of education. This shift is even more dramatic than the Regents had previously realized. He asked Chair Jardine if the committee had set a goal for the students' fair share. Where do we want to be? He noted that we have indicators to measure productivity, such as class size. However, this does not measure quality. What about the ratio of staff per student, or faculty per student? What are the administrative costs per hour of instruction or per student? He commended Dr. Carpenter for the excellent report. Dr. Carpenter said this was the first time this particular report had been developed, and there is still room for improvement.

Chair Jardine said the committee had not discussed "where we want to be." However, on graph D, Policy Issues, quality was demonstrated in the areas of K-12 articulation and remedial education. The report

in Graph C is a System picture; the Regents would like to see the information by institution and how it is used by the institutions.

Regent Jensen said a good measure of quality, as measured against the WICHE states and other benchmarks, is the awarding of degrees. Commissioner Kendell said his staff would incorporate available data from WICHE, the American Council on Education, NCHEMS, and other sources. The current project looked at existing databases, both in the System and nationally, without beginning an extensive new search project. Dr. Carpenter noted that Pat Callan's National Report Card is due to be released at the end of September.

Chair Jardine suggested Presidents be asked what measures are the most important to them, and that future reports include those measures. Dr. Carpenter said exit interviews with students and employers would also be very helpful. Some institutions have this data, but we do not have a way to compile that data on a System basis. Vice Chair Mantes commended Dr. Carpenter for the report and said it was an excellent start.

Policy Issues for Regents' Consideration (Tab D). Chair Jardine said the Commissioner's cover memo to Tab D contained various issues which Dr. Kendell thought the Board should consider in the next year. The committee was in general agreement and asked Commissioner Kendell to bring a set of recommendations or actions for each issue to the Regents for consideration. Commissioner Kendell said he would include some suggestions on a future Board agenda. Some things can be done immediately, some will take time, and some will require partnerships with others. President Sederburg suggested that workforce development and K-16 interaction be added to the list.

Vice Chair Mantes thanked Chair Jardine for his report.

#### Finance, Facilities and Accountability Committee

Because Chair Pitcher had been absent the previous day, Chair Karras reported on committee actions.

Revisions to Policy R565, *Audit Committees* (Tab E). Chair Pitcher reported that action had been postponed on this item because of Trustee concerns.

Revisions of Policies R854, *Regents Professorships*, and R853, *Transition and Retirement Provisions for Chief Executive Officers* (Tab F). Chair Karras said the intent is to put non-tenured former CEOs on the same level as tenured professors when they want to return to the classroom after leaving the Presidency or Commissioner position. The proposed revisions to Policy R854 would grandfather the Presidents and Commissioner currently in the System. The committee recommended and **Chair Karras moved adoption of the proposed revisions. The motion was seconded by Regent Grant and carried unanimously.**

Weber State University – Campus Master Plan (Tab G). Chair Karras said the University's updated master plan would change the interior of the campus. The committee was shown a plan which would be completed in stages. Part of this effort would involve replacement of Classrooms 1 and 2, as discussed the previous day. In addition, 220 parking stalls are needed at the Davis Campus for evening students. **Chair Karras moved approval of Weber State University's Campus Master Plan. The motion was seconded by Regent Grant and carried.**

Salt Lake Community College – Lease of Space to the Museum of Utah Art and History (UMAH) (Tab H). Chair Karras reported that action on this item was delayed at the request of College officials.

Finance Committee's Consent Calendar (Tab I). Chair Karras reported that in addition to the Capital Facilities Delegation Reports of the University of Utah and Utah State University, UCAT requested exceptions to their approved tuition rate. By statute, the Board of Regents must approve UCAT tuition. The Commissioner's cover memo outlined the reasons for approval of these exceptions. **On motion by Chair Karras and second by Regent Jensen, the following items were approved on the Finance Committee's Consent Calendar:**

1. University of Utah and Utah State University – Capital Facilities Delegation Reports
2. Utah College of Applied Technology – Approved Tuition Rate Exceptions
  - A. Mountainland ATC – Learning Lab
  - B. Ogden-Weber ATC – Apprenticeship Math Course
  - C. Southeast ATC – CDL Trucking and Heavy Equipment Program

UHEAA Board of Directors Report (Tab J). Chair Karras reported that former Regent Jack Goddard had retired as chair of the Student Finance Subcommittee. Brent Hoggan, also a former Regent, has agreed to chair the subcommittee. Chair Pitcher said a report would be presented to the Regents in October on lessons learned from the recent UESP experience.

USHE – 2005-2006 Budget Priorities (Tab K). Chair Karras reported a very good discussion in committee about the best way to approach the Legislature with regard to higher education budget priorities. The historic approach has been to request funding for growth. A new idea was discussed, which was to approach the Legislature for utilities and salaries, with "growth funding" and second-tier tuition to be used by the institutions for their own priorities. Chair Karras noted this is not the only solution, but it is another way to approach higher education's budget request. A four-percent salary increase would require approximately \$120 million. Last year a one-percent increase cost \$26 million, including FICA. Factoring in health benefits, the total this year would increase to approximately \$28 million for each percentage of increase.

Chair Karras noted that a problem has been that the State does not have enough growth money to fund salaries. The issue is how to convince the Legislature that the need is critical. This issue will be discussed in greater detail in the October Board meeting. Chair Karras said the issue should be driven by the Presidents. The lack of funding for O&M last year hurt some institutions a great deal. We are becoming further and further behind in the competitive edge on faculty and staff salaries. He noted that Commissioner Kendell will present the higher education budget request to the Governor three days after the October 19 Board of Regents meeting.

Commissioner Kendell said he thought this approach was on the right track. State funding will continue to be limited. The Presidents brought this to a sharp focus at the last Council of Presidents meeting. What is the greatest claim we can make for the State? What can we ask students to fund? The discussion at the Regents' and Presidents' Retreat in August illustrated the inevitable trade-offs. Critical to the future quality and viability of higher education is the need to maintain autonomy by the institutions for second-tier tuition. Would a tuition increase be better or worse than a general increase in other taxes, such as property taxes?

Commissioner Kendell said higher education needs a five-year plan but a one-year strategy. We need to strike a balance with the Legislature. An institution's inability to pay for their light bill, for example, affects every aspect of the institution.

#### Report of the Chair

Chair Karras advised the Public Affairs Committee be prepared to take long-term projections to the Legislature and to the general public. This message should be heard by local Chambers of Commerce, Rotary Clubs, etc. Trustees should also be involved in this plan. Without immediate relief in sight, we need to be proactive and help Utahns understand the consequences of lack of State funding. Partnerships with public education should be further pursued.

Chair Karras reviewed changes to committee assignments. He said he had asked Regent Beesley to serve on the State Board of Education and Regent Pitcher to serve on the UCAT Board of Directors. No changes have been made to the Resource and Review Teams. Vice Chair Mantes has been given the responsibility for refining and coordinating this process, once changes are adopted.

#### Report of the Commissioner

Additions to the Commissioner's Staff. Commissioner Kendell officially welcomed Kevin Walthers to the Commissioner's staff. Kevin has a wonderful background and experience in the capital facilities area. Brian Foisy is also a new member of the Finance and Facilities staff to help Associate Commissioner Spencer in the areas of budget and finance.

Day of Remembrance. Commissioner Kendell said Governor Walker had asked that flags on all State buildings be lowered to half-mast from sunrise to sundown on September 11.

Commissioner Kendell reviewed the notable accomplishments of USHE institutions, found in the Regents' folders.

Governor's Forums. Dr. Kendell noted that higher education and the Governor's Office would be hosting two forums. Participation is somewhat limited, so these will be round-table discussions rather than open forums. Participants will include the Department of Workforce Services and the business community, as well as higher education and public education. The first Governor's Forum will be held on September 27; the topic will be Higher Education's Role in Utah's Workforce Development. The second Forum will be on October 18; the topic will be Higher Education's Role in Utah's Economic Growth. Both Forums will be held at SLCC's Main Street Learning Center, 115 South Main Street. Commissioner Kendell urged the Regents and Presidents to participate, if their schedules permitted.

#### General Consent Calendar

On motion by Regent Pitcher and second by Regent Sweeten, the following items were approved on the Board's General Consent Calendar (Tab O):

- 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.

#### Budget Priorities

Commissioner Kendell said he would be meeting with the Presidents prior to the October Board of Regents meeting to get a better idea of the Presidents’ concerns and suggestions for budget strategies. Regent Grant said the legislators who attended the Board meeting the previous day had indicated they would like to be able to give higher education more money. They suggested that higher education use public education’s approach of establishing compelling needs that have political consequences if not met. The students should also be involved in approaching the Legislature. Regent Kemp said the student body presidents meet regularly, and this is a topic of discussion at every meeting.

Regent Pitcher referred to the attachment to Tab K and questioned the 10 percent estimated increase in benefits. He said he thought the figure was too low, especially if it included dental benefits. He suggested

that the estimate be increased by three or four percent. Commissioner Kendell noted that our institutions are losing faculty, our greatest natural resource. Salaries and benefits must be our #1 priority again next year.

Regent Jardine commented on the greater interaction between higher education and the Legislature. He noted that this had been a topic of conversation for the 17 years he had served as a Trustee or Regent. The Legislators are in sympathy, and they will respond when their constituents care about these issues as much as the Regents care about them.

Regent Kemp said the Utah Council of Student Body Presidents hires a lobbyist; the current lobbyist is a full-time student. The UCSP is looking into the possibility of using student fees to hire a full-time lobbyist. Various ideas are being discussed.

Commissioner Kendell noted that Utah's educational appropriations per FTE had decreased by 16 percent. Tuition is up, but it is still 20 percent below the national average. Trent Kemp asked how much longer the students could be expected to pay more and more tuition. He urged the Regents to be sure that the students who cannot afford to pay for tuition at a university can still get a quality education at a community college. Students who want a higher education need to be able to be admitted to our institutions.

Dr. Carpenter commended Commissioner Kendell for his approach and the Regents and Presidents for letting data drive the discussion.

#### Adjournment

Vice Chair Mantes thanked everyone for their participation and for their work in advancing the cause of higher education in Utah. He thanked President Millner and her staff for hosting the meeting.

The meeting adjourned at 11:45 a.m.

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Joyce Cottrell CPS, Executive Secretary

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Date Approved