

AGENDA

MEETING OF THE
UTAH STATE BOARD OF REGENTS

December 9, 2005

**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
UNIVERSITY OF UTAH, SALT LAKE CITY, UTAH
DECEMBER 9, 2005

Agenda

7:30 a.m. -
8:00 a.m.

AUDIT COMMITTEE
Parlor B

8:00 a.m. -
9:30 a.m.

BREAKFAST MEETING – STATE BOARD OF REGENTS, UNIVERSITY OF UTAH BOARD OF TRUSTEES, PRESIDENT YOUNG, COMMISSIONER KENDELL
Parlor A

9:30 a.m. -
10:45 a.m.

MEETINGS OF BOARD COMMITTEES

PROGRAMS COMMITTEE
Regent James S. Jardine, Chair
Collegiate Room

ACTION:

1. Southern Utah University – Bachelor of Science Degree and Baccalaureate Minor in Outdoor Recreation in Parks and Tourism Tab A

CONSENT:

2. Consent Calendar, Programs Committee Tab B
 - A. University of Utah – Community-based Art Education Emphasis in Master of Fine Arts Degree
 - B. Salt Lake Community College
 - i. Fast Track Construction Environmental Technology Certificate of Completion
 - ii. Discontinued Programs
 - C. Utah Valley State College – Restructure of Electrical Automation/Robotics Technology (EART) and Electronic and Computer Technology (ECT)

INFORMATION/DISCUSSION:

3. Concurrent Enrollment Tab C
4. Regents' Diploma Tab D

FINANCE, FACILITIES AND ACCOUNTABILITY COMMITTEE

Regent Jerry C. Atkin, Chair

Saltair Room

ACTION:

- | | |
|--|-------|
| 1. USHE – Authorization for Revenue Bond Financing | Tab E |
| 2. USHE – First-tier Tuition | Tab F |
| 3. University of Utah – Endowment Investment Policy | Tab G |
| 4. University of Utah – Stadium Bond Debt Defeasance | Tab H |

CONSENT:

- | | |
|---|-------|
| 5. Consent Calendar, Finance Committee | Tab I |
| A. UofU and USU – Capital Facilities Delegation Reports | |
| B. Utah State University – Property Gift | |
| C. Southern Utah University – Property Sale | |

INFORMATION/DISCUSSION:

- | | |
|--|-------|
| 6. USHE – Annual Report on Student Financial Aid | Tab J |
| 7. USHE – Annual Report on Leased Space | Tab K |
| 8. USHE – Annual Report on Institutional Residences | Tab L |
| 9. USHE – Five-Year Capital Plans | Tab M |
| 10. USHE – Report on Use of Faculty/Staff Salary Retention Funds | Tab N |

10:45 a.m. -
12:00 noon**COMMITTEE OF THE WHOLE AND REGULAR BUSINESS MEETING OF THE BOARD**

Saltair Room

- | | |
|---------------------------------|-------|
| 1. Reports of Board Committees | |
| Programs Committee – Tabs A - D | |
| Finance Committee – Tabs E - N | |
| 2. General Consent Calendar | Tab O |
| 3. Report of the Commissioner | |
| Strategic Directions Update | |
| UESP Advertisement | |
| 4. Report of the Chair | |

12:00 noon -
1:00 p.m.**LUNCHEON BUFFET**

Central Ballroom

1:00 p.m. -
2:30 p.m.

<p>EXECUTIVE SESSION MEETING OF THE STATE BOARD OF REGENTS Parlor A</p> <hr/> <p>Resource and Review Team Reports</p>

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

November 30, 2005

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: Southern Utah University - Bachelor of Science Degree and Baccalaureate Minor in Outdoor Recreation in Parks and Tourism – Action Item

Issue

Southern Utah University (SUU) requests approval to offer a Bachelor of Science Degree and Baccalaureate Minor in Outdoor Recreation in Parks and Tourism effective Spring semester 2006. The proposed program has been approved by the Institutional Board of Trustees on January 28, 2005.

Background

The proposed degree program in Outdoor Recreation in Parks and Tourism (ORPT) is intended to provide students with training that qualifies them to work in a variety of work settings including outdoor and experiential education, outdoor adventure programming, outdoor leadership, outdoor skills development, outdoor tourism, and outdoor recreation service programs. Employment opportunities exist with state and national resource agencies, protected natural areas, outdoor recreation service programs, and commercial recreation enterprises.

The proposed program will be housed in the Department of Physical Education which is typical for similar programs at many institutions across the country, particularly for comprehensive institutions the size of SUU. SUU's Physical Education Department presently offers baccalaureate programs in Physical Education and Athletic Training. Physical facilities are in place as are staff and administrative personnel. Due to the interdisciplinary nature of the program all faculty members are in place with the exception of a 1.0 FTE outdoor recreation faculty member yet to be appointed. Thirteen professors in 11 different disciplines will contribute to the support of this program.

Southern Utah University is the only institution in the USHE that is in close proximity to many national and state parks, such as the Colorado Plateau, Cedar Breaks National Park, Kolob Canyon, Zion National Park, Bryce Canyon National Park and the Escalante Grand Staircase.

SUU was able to demonstrate national, local, and student demand for graduates in Outdoor Recreation in Parks and Tourism.

Similar programs exist at the University of Utah (U of U) and Utah State University (USU). SUU and USU will work collaboratively to provide an additional faculty member who would serve both institutions, and USU will provide two distance-delivered courses to SUU students. Officials at SUU stated that they will not offer a graduate program but will provide baccalaureate graduates prepared to enter the graduate programs in Parks and Recreation offered at the U of U and USU.

Policy Issues

Initially, the University of Utah and Utah State University expressed the following concerns: their programs are not filled to capacity, and the market in state is not strong. After several discussions the U of U and USU agreed that the proximity of SUU to many parks and recreational areas might give SUU students an opportunity for employment, although not at high wages. SUU began its collaboration with USU and determined that both institutions could work together to serve the needs of their respective students.

No other issues were raised.

Commissioner's Recommendation

The Commission recommends that the Regents review and approve Southern Utah University's request for a Bachelor of Science Degree and Baccalaureate Minor in Outdoor Recreation in Parks and Tourism.

Richard E. Kendell, Commissioner

REK/PCS

Academic, Applied Technology, and Student Success Committee

Action Item

Request to Offer a Bachelor of Science Degree and a Baccalaureate Minor in Outdoor Recreation
in Parks and Tourism

Prepared for
Richard E. Kendell
by
Phyllis C. Safman

November 30, 2005

SECTION I: The Request

Southern Utah University requests approval to offer a Bachelor of Science Degree and Baccalaureate Minor in Outdoor Recreation in Parks and Tourism effective Spring semester 2006. The proposed program has been approved by the Institutional Board of Trustees on January 28, 2005.

SECTION II: Program Description

Complete Program Description

The Bachelor of Science Degree in Outdoor Recreation in Parks and Tourism (ORPT) is an interdisciplinary degree program offered by the Department of Physical Education within the College of Education. The interdisciplinary nature of the program includes course work from Agriculture Science, Biology, Communications, Geology, and Hotel and Hospitality Management.

Purpose of Degree

The proposed degree program in ORPT is intended to provide students with training that qualifies them to work in a variety of work settings including outdoor and experiential education, outdoor adventure programming, outdoor leadership, outdoor skills development, outdoor tourism, and outdoor recreation service programs. Employment opportunities typically exist with state and national resource agencies, protected natural areas, outdoor recreation service programs, and commercial recreation enterprises. Combined with the broad educational background provided by SUU's Baccalaureate Core, this program will give students a wide range of opportunities upon graduation including solid preparation for graduate studies at Utah System of Higher Education's Research 1 institutions in fields such as recreation resource management, parks, recreation, tourism, and related areas of graduate study.

Institutional Readiness

The proposed program will be housed in the Department of Physical Education which is typical for similar programs at many institutions across the country, particularly for comprehensive institutions the size of SUU. SUU's Physical Education Department presently offers bachelor degree programs in Physical Education and in Athletic Training. Physical facilities are in place as are staff and administrative personnel. Due to the interdisciplinary nature of the program all faculty members are already in place with the exception of 1.0 FTE outdoor recreation faculty member yet to be appointed. Thirteen professors in 11 different disciplines will contribute to the support of this program. The Provost has committed 1.0 FTE faculty to the new program from internal reallocation, pending program approval. Internal reallocation for the 1.0 FTE outdoor recreation faculty will come from a vacant position in the Physical Education Department. An adjunct faculty, already on staff in the University's campus recreation center which promotes non-credit outdoor activities for students, will be available to teach classes. As the program grows, additional faculty will be added based on funding generated through tuition and fees.

Meaningful dialogue continues to take place between SUU and personnel at the Institute for Outdoor Recreation and Tourism (IORT) at Utah State University. IORT's mission is to serve the outdoor recreation and tourism needs across the entire state of Utah. However, IORT has proposed a collaborative partnership with SUU outlined in Section III of this proposal.

The anticipated budget for January 2006 to June 2006 will be relatively modest. A complete program budget will not be needed until Fiscal Year 2006-07 (See Section V).

Faculty

One new full-time faculty will be needed to teach in the specialized areas. The Provost has committed one new FTE faculty position for Outdoor Recreation. Funding for this position will come from internal reallocation from an open position in the Physical Education Department. The current director of the SUU Outdoor Center (non-credit outdoor activity center for campus students) will be able to assist as an adjunct teacher in the program, specializing in the area of outdoor skills development.

Discussions are proceeding with the Utah Institute of Outdoor Recreation and Tourism (IORT) to secure legislative support and state funding for an IORT Extension Associate/Faculty person who would serve both as an adjunct faculty and as a research extension agent.

The Department chairperson will be responsible for assessing content relevancy and for coordinating the efforts of collaborating professors and departments to ensure support for ORPT students. If needed, the University Faculty Development Office will assist in delivering appropriate faculty development workshops.

Staff

No additional staff will be needed to implement the proposed program.

Library and Information Resources

Current library resources are adequate to meet the need of the new program. These resources include:

- Multi subject indexes for articles and searches
- Specific search indexes for physical science and education
- Internet access for all students
- Excellent government resources from state and federal reports to books on outdoor recreation economics
- Utah Article Delivery service and interlibrary loan services
- Numerous journals in the areas of recreation, business, and physical science

In addition, several important university resources will be utilized to develop the ORPT program:

- SUU Cedar Mountain Science Center
- Over 300 acres of mountain property
- SUU student service Outdoor Recreation Program

Admission Requirements

There are no special requirements for students entering the proposed program. Standard university procedures and requirements for admission will be followed.

Student Advisement

Students enrolling in degree programs in the Department of Physical Education are advised by the department chairperson and faculty members who teach in specialized areas.

Justification for Number of Courses

The proposed degree program is a 51 semester hour major with a core of 45 credit hours. Selected and recommended electives are available from disciplines across the campus including agricultural science, biology, communication, geology, hospitality management, business management, physical education and psychology. The program generally “packages” curriculum in the present inventory of classes. Faculty readiness for the program is predicated on a curriculum already in place. About two-thirds of the coursework for the proposed degree are offered in various departments supportive of the proposal. There are new courses, specific to outdoor recreation, which will be added to the curriculum. Additional faculty resources, summarized below, will facilitate the additional courses. The total required hours for the proposed program is 120 hours.

Requirements for Bachelor of Science Degree in Outdoor Recreation and Tourism:

1.	General Education Requirements	38
2.	Major ORPT Requirements	51
3.	Minor and Elective Hours	<u>31</u>
	Total:	120

External Review and Accreditation

Development of this proposal involved consultation with board members and staff from Utah State’s Institute for Outdoor Recreation and Tourism (IORT); officials from the Utah Division of Parks and Recreation; National Parks representatives; former department chair of the Department of Recreation Leadership at BYU Idaho; SUU administrators, faculty and students; local business leaders; agency officials; and citizens. Outdoor recreation curriculum programs from 15 universities were reviewed.

SUU fully intends to seek national accreditation for the proposed program either through the National Recreation and Parks Association or the American Association of Leisure and Recreation. The two associations are linked together as the NRPA/AALR Council on Accreditation. A final decision on the guidelines to follow for national accreditation will be made in consultation with USU’s Institute for Outdoor Recreation and Tourism. As an intended partner with IORT, SUU seeks to provide a program that interfaces with other outdoor recreation programs in Utah and that addresses needs in southern Utah. According to NRPA/AALR accreditation guidelines, a new program is not eligible for accreditation review until completing three years of program operation. During this time frame, program faculty and college/department administrators will be responsible for bringing SUU’s ORPT program into alignment with national standards.

Projected Enrollment

Year 1-5: 1.0 FTE faculty and an adjunct faculty will be needed to initiate the degree program. Part-time adjunct faculty already employed by the University could be given additional teaching responsibilities in the department.

Expansion of Existing Programs

This is a new program and not an extension or expansion of an existing program.

SECTION III: Need

Program Need

Southern Utah University is located at the western edge of the Colorado Plateau and the eastern edge of the Basin and Range. The campus is only 22 miles from Cedar Breaks National Monument, 18 miles from the Kolob Canyon section of Zion National Park, 64 miles from Zion National Park proper, 76 miles from Bryce Canyon National Park, 89 miles from Pipe Springs National Monument, and 120 miles from Escalante Grand Staircase National Monument. The Grand Canyon, Canyonlands, Arches, Capitol Reef and Great Basin National Parks are all within half a day's drive. No university within the Utah System of Higher Education is in closer proximity to as many national parks and national monuments or outdoor recreation areas than is Southern Utah University. Few universities in the western region can boast such close contact to such a landscape. Despite the proximity, Southern Utah University curiously has no programs in place that can make use of such a vast resource of outdoor recreation opportunities.

Programs in outdoor recreation not only train people for employment in outdoor recreation and tourism fields, but they also aid in gathering research that is useful for local communities in their economic development planning. Utah State University's Institute for Outdoor Recreation and Tourism would benefit directly from using SUU ORPT students to assist with research and dissemination of data on recreation and tourism in Southern Utah.

Southwest Utah is the fastest growing area in the state. In fact, an August 21, 2005 broadcast on National Public Radio identified the region [St. George] as the second fastest growing area in the United States. Much of this growth is due to the abundance of recreational resources and mild climate. These factors also contribute to the economic, social, and physical well being of Utah's residents. Students who graduate with the skills to develop and manage recreation and tourism programs or enterprises will fill an important economic need for the region. Overall economic development, environmental awareness, and appreciation of Southern Utah resources will increase as SUU graduates from the Outdoor Recreation in Parks and Tourism program undertake positions or create employment opportunities in recreation/tourism with outdoor businesses and agencies scattered across southwest Utah.

The following statement is cited in *Outdoor Recreation Participation Study for the United States, 6th edition, 2004*. "The year 2003 overall participant population is larger by 16 million Americans than in 1998, far outpacing the impact of natural population growth in the United States." The increased and ongoing interest in outdoor recreation in the United States coupled with SUU's close proximity to so many national and state parks in southwest Utah offers the state a unique opportunity to establish an outdoor recreation and tourism program that has strong potential to boost the economic development of southwest Utah's rural communities.

Labor Market Demand

According to the U.S. Department of Labor's Occupational Outlook Handbook (2004), more than 485,000 full-time recreation jobs were held by U.S. workers in 2002 (latest data available) with many more workers holding summer jobs. Of those with year round appointments, 40 percent worked for local governments, primarily in parks and recreation departments. Another 14 percent were employed by civic and social organizations, 12 percent were employed by personal care

facilities; approximately five percent were self employed, and the remaining 29 percent worked for federal and state governments and private industry.

Overall employment of full-time recreation workers is expected to grow faster than the average of all occupations through 2012 (Occupational Outlook Handbook, 2004). This is due to an increasing number of people spending more time and money on recreation, wellness, and leisure services as well as an aging population with growing interest in healthy lifestyles, recreation, and retirement options located in temperate climates with abundant outdoor recreation opportunities.

Gordon Topham, Deputy Director of the Utah State Division of Parks and Recreation (USDPR) characterizes the regional labor market demands and issues succinctly. In a letter to SUU dated May 4, 2004, Topham indicates that it has been difficult for the USDPR to find qualified employees to fill their professional positions, a situation that is made "doubly complicated," because "the only schools offering such degrees are not located in Southern Utah." Topham indicates USDPR loses many of their entry-level employees in southern Utah because approximately 50 percent of their new hires only stay at southern Utah stations "until the opportunity is available for them to move to an area closer to where they either live or *received their education*." Topham's sentiment is echoed by statements from Bevan Killpack, a district ranger for the Dixie National Forest and Roger G. Taylor, Field Manager for the BLM's Arizona Strip Field Office. Mr. Killpack, in addition to specifically stating that it is "past time that SUU provide this opportunity to students," points out that 75 percent of the US Forest Service's workforce is nearing retirement age. Mr. Taylor indicates that an ORPT program such as the one proposed would be a "win-win situations for the students, the University, the Federal agency, and the public."

Recent letters from Jean Seiler, Mayor of Tropic, Utah and from Robert Syrett, manager of Ruby's Inn at Bryce Canyon (the largest private employer in Garfield County) both express interest in providing intern opportunities for students. Each lends support for the proposed program because it would enable students locally to pursue a professional career path that would keep them in the area and build the local economy.

Mr. Timothy Krabill, College Recruiter for Walt Disney World visited SUU in early September 2005. He expressed keen interest in hiring future graduates should SUU's program be approved. Walt Disney World is the nation's largest single-site employer (56,000 employees at their Orlando location). Their college recruitment program interviews more than 60,000 students annually.

One of Governor Jon Huntsman's publicly announced agenda items is to increase the number of well-paying professional jobs in Utah -- more minimum wage, low-skilled jobs are not enough. An ORPT program at SUU would provide citizens of the region professional positions within outdoor recreation and tourism agencies and businesses. It is anticipated that graduates might become entrepreneurs and create professional employment positions such as tour guides, recreation program directors, vacation planners, and wellness and fitness leaders. Graduates might open specialty shops or head tourist related businesses that promote camping, mountaineering, hiking, kayaking, skiing, snowboarding, fly fishing, hunting, mountain biking, high adventure travel, and other outdoor focused activities. SUU's proposed degree has the potential to act as a driver of economic development in Kane, Washington, Iron, Beaver, Garfield, Piute and neighboring counties. In collaboration with USU's Institute for Outdoor Recreation and Tourism, SUU seeks to

forward Governor Huntsman's goal to increase the number of well-paying professional jobs for citizens living in rural communities located in southern Utah.

Student Demand

In April 2004 the results of an on-campus survey of 141 SUU students indicated a high degree of interest in expanding current curriculum to include Outdoor Recreation (OR) courses. Of the students surveyed, 57 percent (81/141) were first year, 21 percent (30/141) were sophomores, and 21 percent (30/141) were juniors and seniors. First year students served as the major focus group because of the opportunities they would have to participate in the proposed program. Below is a sample of the results from the survey. The entire text of the questionnaire is included in Appendix D.

OR opportunities were important in choosing a college	38% (54/141)
Interested in choosing a major in OR	17% (24/141)
Would major in OR if starting salaries were approx. 20,000 ..	21% (29/141)
Interested in an OR minor	35% (50/141)
First year & Sophomores interested in OR major or minor.....	35% (39/111)

Since the sampling of first year and sophomore students who might be attracted to the program was relatively small, projected enrollment may be conservative. An Outdoor Recreation in Parks and Tourism program at Southern Utah University would satisfy current student interests and help meet the needs of Federal and State agencies and private enterprise in the region.

Similar Programs

Outdoor recreation programs are offered at Utah State University, the University of Utah, and Utah Valley State College which received Regent's approval this past year. Weber State University offers a Recreation minor in its Health, Promotion and Human Performance Department, but not an academic major.

Utah State University offers related programs in two areas: 1) The College of Education's Health, Physical Education, and Recreation Department offers a baccalaureate in Parks and Recreation. The program prepares students for professional positions in public, private, commercial, therapeutic, and volunteer parks and recreation settings. 2) USU's College of Natural Resources' offers baccalaureate and graduate degree programs in Recreation Resource Management within its Department of Environment and Society. These programs prepare students for management careers in outdoor recreation settings such as public forests and rangelands, state and national parks, and wilderness areas.

The University of Utah's Department of Parks, Recreation, and Tourism in the College of Health offers baccalaureate and graduate programs in Parks, Recreation, and Tourism. The undergraduate program emphases include sport management, natural resource planning and management, leisure services management, and therapeutic recreation.

Utah Valley State College's School of Health and Science received Regent's approval last year to offer a baccalaureate in Physical Education and Outdoor Recreation. Students in the program may elect an emphasis in either exercise science or outdoor recreation management.

Collaboration with and Impact on other USHE Institutions

On November 19, 2004, representatives from SUU attended a state-wide meeting in Salt Lake City of higher education outdoor recreation providers hosted by Utah State University's Institute for Outdoor Recreation and Tourism. Also attending were program representatives from Utah State University, the University of Utah, Brigham Young University, and Utah Valley State College. At that meeting, SUU's proposed program was first introduced to other USHE institutions.

Following submission of the LOI last spring semester and its posting on the USHE web site, SUU received written comments from the University of Utah, Utah State University, and Utah Valley State College. SUU responded to all comments.

SUU's most significant collaboration efforts have been with the director of the Institute for Outdoor Recreation and Tourism, the department chair Environment and Society (College of Natural Resources), and the coordinator of undergraduate degree programs in the College of Natural Resources at USU.

Regent's policy R461-3.1.2 states that ". . . collaborative inter-institutional arrangements should be undertaken to ensure that students capable of benefiting from such programs are included." Accordingly, USU officials from IORT and College of Natural Resources have recommended that inasmuch as SUU already has an established baccalaureate program in Hotel, Resort, and Hospitality Management (HRHM), the proposed new program should work closely with HRHM. They believe that SUU could offer a new major in Outdoor Recreation in Parks and Tourism that doesn't compete with existing programs elsewhere in the Utah System of Higher Education. Furthermore, such a program would tap into demand that is likely to grow faster in the southern part of the state than elsewhere in Utah. The chair of USU's Department of Environment and Society – in cooperation with IORT – has indicated that USU is willing to offer two environmental science courses, that would benefit the proposed program, through distance learning that are currently offered in USU's Recreation Resources Management baccalaureate program. The two courses listed below would add support to the ORPT curriculum and dialog is underway regarding the inclusion of these courses in the SUU program.

ENVS 4130—Recreation Policy and Planning: examines the historical, legal, and political context of outdoor recreation policy on public lands; government agency culture, regulation, and partnering; relationship of outdoor recreation to tourism; and theory and application of principal planning tools for outdoor recreation settings.

ENVS 4500—Wildland Recreation Behavior: social, psychological, and geographic influences on human behavior s in wildland recreation settings; emphasis on critical problems affecting public land recreation management.

A draft proposal written by USU's director of IORT would establish a collaborative partnership with SUU's proposed program. The draft states:

"USU Extension and IORT would attempt to fund, through legislative support and state funding, an IORT Extension Associate position at SUU who would be able to teach in the proposed Outdoor Recreation in Parks and Tourism degree program.

This position would be an "IORT South" position, if you will, (and) in addition to teaching in the degree program, this individual would have the additional responsibilities of Extension/Outreach in outdoor recreation and tourism, and be expected to develop a line of research in this area in southern Utah (see the IORT Mission Statement and Program Functions handout for more information on IORT's charge). As an Extension Associate position, this individual would report to the IORT Director at USU. A precedent for this is already established by Jim Bounds appointment at SUU in rangeland resources and Extension.

IORT will approach the State Legislature for additional funding (an additional \$100,000-\$150,000) in order to further fund its efforts. We believe the time is right for this with respect to a strengthening economy in Utah, a state budget surplus, a proven IORT track record over the past six years, strong partnerships with a variety of stakeholders in the state that have been created in the same timeframe, and the Governor's emphasis on tourism as a viable approach contributing to economic development, especially in the rural areas of the state."

Utah State University's willingness to work with Southern Utah University in a "win-win" relationship as outlined above is an outstanding example of inter-institutional collaboration recommended in Regents policy R461.3

Impact to other institutions in the USHE should be negligible. For example, USU and SUU enrollment statistics show that approximately 15 percent of the total SUU student base is drawn from Cache, Davis, and Salt Lake Counties. Of these students, it is anticipated that a statistically insignificant number may chose SUU's ORPT program over other programs in the USHE. SUU would not likely draw students away from USU but would instead extend an opportunity to students locally that they do not currently enjoy.

In addition, the proposed SUU baccalaureate program could act as a feeder source for the graduate programs at the University of Utah and Utah State University in Recreation Resources Management at USU or the Parks, Recreation and Tourism at the U of U. SUU officials state that they have no intentions of developing a future graduate program in outdoor recreation.

Benefits

Southern Utah University will benefit from the support such a program will give to student retention based on such high levels of declared student interest. The SUU student Outdoor Center is currently the fastest growing entity of student life on campus. Future ORPT majors will assist in staffing the Outdoor Center and be provided opportunities for internships. Additionally, SUU will be able to meet its institutional mission to serve the region by supplying the kind of skilled personnel for which area business and agencies have indicated a pressing need.

USHE's Research 1 instructions will directly benefit from an increased pool of potential graduate students entering USU's master degree program in Recreation Resources Management or the U of U's master's program in Recreation, Parks, and Tourism. USU's IORT will be a beneficiary and by extension so will the State Legislature which receives information and data for policy making on outdoor recreation, tourism and related issues impacting Utah.

Local communities in rural southern Utah and the entire state can also benefit as this program has the potential to be a driver for economic development in the region and across the state. As a result, the National Parks, Forest Service, BLM, State Parks, local businesses and economies that increasingly rely on recreation and tourism in the area will benefit.

Consistency with Institutional Mission

The proposal is consistent with Regents' Policy R-312 regarding SUU's role in the Utah System of Higher Education. Additionally, the proposal affirms SUU's role as a regional institution in strengthening economic development for rural Utah communities.

SECTION IV: Program and Student Assessment

Program Assessment

Program Goals:

1. Prepare students for careers in outdoor recreation and experiential education.
2. Meet the employment and information needs of a growing regional outdoor recreation and tourism industry.
3. Increase students' environmental awareness and appreciation of the region's natural resources and recreation opportunities while developing strong resource protection and service ethics.
4. Provide students with opportunities for enhancing personal growth, self-esteem and risk management skills.

Program Assessment:

1. A graduate satisfaction survey will be given to all graduating ORPT majors prior to commencement to determine if the students were satisfied with the competencies they acquired in the major field of study and to solicit suggestions for program improvement.
2. A post-graduation employment survey will also be used to assess whether graduates are finding jobs and embarking on careers related to their field of study. Graduates will be surveyed one and five years post-graduation. Like the graduate satisfaction survey, this questionnaire will assess overall satisfaction with their undergraduate program, and ask for suggestions for improving the program.
3. An ORPT advisory committee will be formed to provide feedback on the academic curriculum, recruitment, facilities and equipment, and program objectives. This committee will include a student service representative from the SUU ORPT Program, faculty, internship partners, industry representatives, alumni and current students. The advisory committee will meet at least once a year.

Expected Standards of Performance

Graduates of this program are expected to be knowledgeable and skilled in each of the following categories:

1. Leadership
 - Describe the principles of leadership, how they can be applied to outdoor recreation settings.
 - Evaluate several leadership styles, identifying strengths and weaknesses.

- Demonstrate the personal qualities and abilities that contribute to effective outdoor leadership.
 - Assess the physical, social, and psychological needs and strengths of an individual or group.
2. Planning, Communication and Organization
 - Select and plan appropriate outdoor programs and experiences that will meet the needs and goals of a particular population.
 - Explain the principles of effective communication, facilitation and group dynamics.
 - Develop evaluation and assessment protocols...
 - Identify needs of special populations and utilize a variety of assistive techniques, devices and equipment.
 3. Outdoor Recreation Theory and Application
 - Explain major components and identify key information resources of outdoor recreation.
 - Evaluate the role of outdoor recreation in domestic and international ecotourism, and assess the ecological and social economic impacts.
 - Demonstrate the ability to apply theories of recreation to outdoor recreation programming.
 4. Technical and Safety Skills
 - Implement appropriate risk management strategies.
 - Demonstrate intermediate to advanced skills in land, water and snow-based outdoor adventure activities.
 - Describe legal issues dealing with risk and liability concerns in outdoor recreation.
 - Respond appropriately to emergencies.

All instructors of courses in the core courses will be required to: 1) Identify student competencies and measurable learning outcomes, 2) Develop specific methods for assessing each outcome appropriate to their class, and 3) Submit a class syllabus to the department chair and program director describing specific outcomes and assessments. Faculty will be given discretion to develop outcomes and assessment methods for their classes. Course approval will follow the established policies and procedures of the University before any class is offered, which includes evaluation by the Provost and other academic committees.

Information collected from the surveys and the advisory committee will be used annually to evaluate the effectiveness of existing programs and classes. If changes are deemed necessary to improve the quality of the programs, a strategic plan will be developed and initiated following established university policies and procedures.

SECTION V: Finance

Budget

The proposed budget has been developed in accord with the Budget Model used at SUU. The model calculates allocations for specific budget objects based on student semester credit hour generation (sch). The budget is based on full-time undergraduate enrollment of 15 credits a semester for 15 students the first year and 30 students through year four and year five.

The program is not limited to an enrollment of 30. Thirty is a conservative estimate. Additional students beyond 30 in years four, five, and beyond would not significantly increase costs but would raise added revenue.

A projected budget for the first five years of operation of the ORPT program appears in the table included below.

TOTAL COSTS FOR THE PROGRAM FOR THE FIRST FIVE YEARS*					
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
FTE Students	15	20	25	30	30
FTE Faculty	1	1	1	1	1
Revenues					
Tuition*	11,452	32,983	44,523	57,674	62,272
Internal Reallocation**	26,950	55,517	57,183	58,889	60,656
Subtotal	38,402	88,500	101,706	116,563	122,928
Expenditures					
Faculty Salary	26,950	55,517	57,183	58,889	60,656
Adjunct Faculty	0	4200	4200	4200	4200
Student hourly wage, Assistantships	400	400	400	400	400
Current Expense	500	500	500	500	500
Capital	1000	1000	1000	1000	1000
Travel	500	500	500	500	500
Subtotal	29,350	57,917	59,583	61,289	63,056
Difference	9,052	26,383	37,923	51,074	55,672

*Based on 2005-2006 SUU undergraduate resident tuition and fees (\$1,527). Tuition is increased each year by 8%.

**Internal reallocation of 1 faculty position at \$45,000 base and 42% benefit package with 3% COLA annually.

In addition to tuition revenues and internal reallocations, additional funding will be provided through course fees assessed to students. Secretarial staff is in place in the Physical Education Department. Faculty are already on load in the Colleges of Science; Business; Humanities and Social Science; and Computers, Integrated Engineering, and Technology to support this interdisciplinary program. Interdisciplinary courses that support the program are already a part of the university curriculum and have capacity to meet anticipated program enrollment and growth.

Not built into the budget is the possible appointment of an Extension Associate/Faculty person jointly sponsored by Utah State University Extension and the Institute for Outdoor Recreation and Tourism at USU. Officials from USU intend to approach the Utah State Legislature prior to the 2006 legislative session to request an additional \$100,000 to \$150,000 to expand the role of IORT into southwest Utah.

Funding Sources

Funding for 1.0 new FTE faculty position dedicated to Outdoor Recreation in the Physical Education Department will be through internal reallocation. Tuition and fees with fund other aspects of the program.

As noted in the Budget section (above), SUU will work in harmony with IORT on potential funding through the Utah Legislature for an additional \$100,000 to \$150,000 to establish an Extension Associate/Faculty appointee.

Reallocation

Reallocation of personnel dollars to appoint 1.0 FTE faculty member to the program will come from a vacant faculty position in the Physical Education Department.

Impact on Existing Budgets

Other than the impact of the reallocation, described above, there is minimal impact on existing budgets.

APPENDIX A: Program Curriculum

New Courses to be Added in the Next Five Years:

<u>Course Number</u>	<u>Title</u>	<u>Credit Hours</u>
ORPT 1000	Introduction to Outdoor Recreation	2.0
Course Description: Philosophy of leisure, economic significance, recreation fields, and an introduction to basic outdoor skills including clothing, equipment, navigation, cooking and minimal impact camping.		
ORPT 1010	Outdoor Skills-Land 1	3.0
Course Description: Skill and leadership development for canyoneering and rock climbing.		
ORPT 1020	Outdoor Skills-Land 2	3.0
Description: Skill and leadership development for wilderness survival, backcountry travel and navigation, and mountain biking.		
ORPT 1040	Outdoor Skills-Water	3.0
Course Description: Skill and leadership development for kayaking/canoeing, water/river safety and fishing.		
ORPT 1060	Outdoor Skills-Snow	3.0
Course Description: Skill and leadership development for winter camping and survival, snowshoeing, and cross-country skiing.		
ORPT 3050	Risk Management and Safety for Outdoor Recreation	3.0
Course Description: Study of laws affecting recreation services and professional development of risk management protocols and procedures.		
ORPT 4020	Natural Resource Interpretation and Experiential Education	3.0
Course Description: The design and facilitation of experiential learning activities with an emphasis on team building skills and outdoor recreation visitor information and education programs.		
ORPT 4550	Outdoor Recreation Internship	9.0
Course Description: Professional experience in a departmental approved leisure services program.		

All Program Courses: ORPT MAJOR

Course Number	Title	Credit Hours
General Education	English	
	English 1010 Intro to Academic Writing	3.0
	English 2010 Writing and the Environment (ACT>28)	3.0
	Quantitative Literacy (Math)	3.0
	Information Literacy	3.0
	Student Success	1.0
	Computer Literacy	3.0
	American Institutions	3.0
	Knowledge Areas:	
	Fine Arts	3.0
	Humanities	3.0
	Social and Behavior Sciences	3.0
	Physical Science	
	Geol 2210 Geology of Southern Utah	3.0
	Geol 2220 Lab	1.0
	Interdisciplinary	3.0
	HSS 1200 Intro to Environmental Studies OR	3.0
	PE 1098 Wellness Dynamics	3.0
	Sub-Total	38.0
Core Courses	ORTL 1000 Intro to Outdoor Recreation Tourism and Leadership	3.0
	PE 1543 Advanced 1 st Aid and Wilderness 1 st Responder	2.0
	PE 4740 Organization and Administration of Activity Based Programs	3.0
	ORTL 3050 Risk Management and Safety for Outdoor Recreation	3.0
	ORTL 4020 Natural Resource Interpretation and Experiential Education	3.0
	ORTL 4550 Outdoor Recreation Tourism Internship	9.0
	NR 1010 Intro to Natural Resources	3.0
	NR 3000 Natural Resources Management	3.0
	BIOL 2000 Natural History	3.0
	Geol 2230 Geology of National Parks	3.0
	Geol 2240 Lab	1.0
	HRHM 3000 Introduction to Hospitality Management	3.0
	HRHM 3600 Guest Service	3.0
	HRHM 4300 Resort Recreation Management	3.0
	Sub Total	45.0
Elective Courses	Choose 2 of the 4 courses	
	ORPT1010 Outdoor Skills-Land 1	3.0

	ORPT 1020 Outdoor Skills-Land 2	3.0
	ORPT 1040 Outdoor Skills-Water	3.0
	ORPT 1060 Outdoor Skills-Snow	3.0
	Sub-Total	6.0
Major Hours		51.0
Other Electives and Minor		31.0
Total BS Credits		120.0

Recommended Minors:

- | | |
|--|------|
| 1. Agriculture | 20.0 |
| 2. Biology | 19.0 |
| 3. Business Management | 18.0 |
| 4. Criminal Justice | 21.0 |
| 5. Geology | 20.0 |
| 6. Interpersonal Communications | 21.0 |
| 7. Hotel, Resort, & Hospitality Management | 22.0 |
| 8. Physical Education | 22.0 |
| 9. Public Relations | 21.0 |

Recommended Electives:

Course:

- | | |
|--|---------|
| | Credits |
| ___ AGSC 1750 Horsemanship I | 1.0 |
| ___ AGSC 2760 Horsemanship II | 2.0 |
| ___ BIOL 2130 Ecology/Lab 2140 | 4.0 |
| Prerequisite: BIOL 1030/Lab1050 | 4.0 |
| ___ BIOL2050 Utah Flora | 3.0 |
| ___ BIOL 3650 Conservation Biology | 3.0 |
| ___ COMM 1180 Photography | 3.0 |
| ___ COMM 1950 Intro to Public Relations | 3.0 |
| ___ CJ 1010 Intro to Criminal Justice | 3.0 |
| ___ GEOG 2900 GPS Theory, Techniques and Methods | 2.0 |
| ___ GEOG 3220 Weather and Climate/Lab 3230 | 4.0 |
| ___ GEOG 3400 Environmental Geography | 3.0 |
| ___ GEOL 1110 Physical Geology/Lab 1120 | 3.0 |
| ___ HRHM 3000 Introduction to Hospitality Management | 3.0 |
| ___ MGMT 2220 Small business management | 3.0 |
| ___ ENVS 4130 Recreation Policy and Planning* | 3.0 |
| ___ ENVS 4500 Wildland Recreation Behavior* | 3.0 |

*Delivery of these 2 On-line Courses classes is being negotiated with Utah State University.

All Program Courses: ORPT MINOR

Course Number	Title	Credit Hours
	Required Courses for Minor	
	ORTL 1000 Intro to Outdoor Recreation Tourism and Leadership	3.0
	PE 1543 Advanced 1 st Aid and Wilderness 1 st Responder	2.0
	PE 4740 Organization and Administration of Activity Based Programs	3.0
	ORTL 3050 Risk Management and Safety for Outdoor Recreation	3.0
	ORTL 4020 Natural Resource Interpretation and Experiential Education	3.0
	Sub Total	14.0
	Elective Courses (Choose 1 of the 4 courses)	3.0
	ORPT1010 Outdoor Skills-Land 1	3.0
	ORPT 1020 Outdoor Skills-Land 2	3.0
	ORPT 1040 Outdoor Skills-Water	3.0
	ORPT 1060 Outdoor Skills-Snow	3.0
	HRHM 3000 Introduction to Hospitality Management	3.0
	HRHM 3600 Guest Service	3.0
	HRHM 4300 Resort Recreation Management	3.0
	Sub Total	3.0
	Total	17

**APPENDIX B
FACULTY**

FACULTY LIST

<u>Name</u>	<u>Department</u>	<u>Degree</u>
New Faculty Member	Physical Education (Outdoor Recreation)	Ph.D (to be hired)
Joann S. Bowns	Professor Zoology	Ph.D. University of Michigan
Mark Brunson	Associate Prof EKABOR (USU)	Ph.D. Oregon State
University		
Steve Burr	Associate Prof ORNBT (USU)	
Mark R. Colberg	Assistant Prof Geology	Ph.D. University of Georgia
Mark Grover	Biology Dept.	Ph.D. University of Virginia
Stanford Gwin	Professor of Communication	Ph.D. University of Florida
R. Lamar Jordon	Associate Prof of Criminal Justice	M.Ed. Virginia State
University		
Rick Lambson	Assistant Prof of Physical Education	Ed.D. Brigham Young
University		
Paul R. Larson	Associate Prof Physical Science	Ph.D. University of Utah
C. Fredrick Lohrengel II	Professor of Geology	Ph.D. Brigham Young
University		
Britton L. Mace	Assistant Prof of Psychology	Ph.D. Colorado State
University		
Todd Peterson	Assistant Prof of English	Ph.D. Oklahoma state
University		
Anne Smith	Student Services-Outdoor Rec	MA Brigham Young
University		
Jon M. Smith	Associate Prof of Communication	Ph.D. University of
Tennessee		
Emmett Steed	Assistant Prof of HRHM	Ph.D. University of Nevada-
LV		
Julie Taylor	Assistant Prof of Physical Education	Ph. D. Brigham Young
University		
Dennis Vredenburg	Associate Prof of Marketing	Ph.D. University of N.
Arizona		
Wayne D. Williams	Assistant Prof of Criminal Justice	M.Ed. Southern Utah
University		
Lee Wood	Lecturer of Animal Science	B.S. Utah State University

APPENDIX C
AGENCY SUPPORT LETTERS AND DOCUMENT
(On file in the Commissioner's Office)

1. Gordon Topham, Former Deputy Director, Utah Division of Parks and Recreation
2. Bevan D. Killpack, District Ranger, Dixie National Forest, Pine Valley R.D.
3. Roger G. Taylor, Field Manager, BLM, Arizona Strip Field Office
4. A. Jean Seiler, Mayor, Tropic Utah
5. Robert L. Syrett, Best Western Ruby's Inn
6. Draft Elements of a Proposal/Initiative: Creating a Collaborative Partnership Between SUU's Outdoor Recreation Tourism and Leadership B.S. Degree Program, USU's Institute for Outdoor Recreation and Tourism, and USU Cooperative Extension.
7. IORT Mission Statement and Functions
8. Economic Efforts in Utah Related to Outdoor Recreation and Tourism-An Overview of Significant Players.

**APPENDIX D
Student Demand Survey Form - April '04**

We are assessing interest in outdoor recreation courses and programs. We would appreciate you taking a few minutes to answer the following questions. If, for any reason, you do not wish to answer to any question you may skip it. Thank you very much.

Please indicate the extent to which you agree to the following statements by circling the appropriate number.

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1. I enjoy outdoor recreation activities such as hiking, sightseeing, skiing or snowboarding, rock climbing, etc.	1	2	3	4	5
2. Outdoor recreation opportunities were (or are) important to me when choosing a college.	1	2	3	4	5
3. I am interested in majoring in outdoor recreation.	1	2	3	4	5
4. If I could start a career in outdoor recreation with a salary around \$20,000 per year, I'd be interested in majoring in outdoor recreation.	1	2	3	4	5
5. I am interested in getting a minor in outdoor recreation.	1	2	3	4	5

Please indicate how interested you would be in taking the following courses. They would be open for all students

	Very interested	Somewhat interested	Not Sure - need more information	Not at all interested
6. ODR 1000 Introduction to Outdoor Recreation (3 credits): A hands-on field course	1	2	3	4
7. ODR 4020 Natural Resource Interpretation and Experiential Education (3 credits)	1	2	3	4
8. ODR 1500 First Aid/Wilderness 1 st Responder (2 credits)	1	2	3	4
9. ODR 1010 Outdoor Land Skills (3 credits): Ropes courses, climbing, outdoor survival skills	1	2	3	4
10. ODR 1020 Outdoor Land Skills: (3 credits): Mountain biking, canyoneering, backcountry travel	1	2	3	4

MORE ON REVERSE SIDE

	Very interested	Somewhat interested	Not Sure - need more information	Not at all interested
11. ODR 1040 Outdoor Water Skills (3 credits): Kayaking/canoeing, fishing, water safety	1	2	3	4
12. ODR 1060 Outdoor Snow Skills (3 credits): Snow sports, winter camping & survival	1	2	3	4

13. Given your current plans, how many outdoor recreation courses would you likely take during your remaining college years, assuming they are offered at convenient times?

- 0 COURSES
- 1 COURSE
- 2 COURSES
- 3 OR MORE COURSES
- NO IDEA AT THIS TIME
- OTHER (please specify: _____)

14. What is your class standing?

- 1. FRESHMAN
- 2. SOPHOMORE
- 3. JUNIOR
- 4. SENIOR
- 5. NOT SURE
- 6. OTHER (graduate student, etc.)

15. Do you have a major?

- 1. HAVEN'T DECIDED YET
- 2. NOT PURSUING A DEGREE NOW
- 3. YES (please specify: _____)

16. What is your age?

- 1. 19 OR YOUNGER
- 2. 20 or 21
- 3. 22 or 23
- 4. OVER 23

17. What is your gender?

- 1. MALE
- 2. FEMALE

We would appreciate any comments, information, or observations that would help us determine whether to develop an outdoor recreation program at SUU.

November 30, 2005

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: Consent Calendar: Academic, Career and Technical Education, and Student Success Programs Committee

The following request has been submitted for consideration by the Regents on the Consent Calendar of the Programs Committee.

A. *University of Utah*

Proposal to add an emphasis area in *community-based art* education to the existing Master of Fine Arts (MFA) degree offered through the Department of Art and Art History

Request: This is a proposal to add an emphasis area in *community-based art education* to the existing Master of Fine Arts (MFA) degree offered through the Department of Art and Art History. The MFA with an emphasis in community-based art education is a two-year terminal degree with a total of 60 credit hours. The MFA in community-based art education is an individualized degree intended for artists, art educators, and other arts professionals who want to become teaching artists and cultural workers.

Need: The field of community-based art education emerged approximately 20 years ago, when a name was given to a practice that had already been taking place in community settings across the United States and throughout the world. Although artists have been engaged long before the 1980s with teaching and creating art in collaboration with communities, there have only recently been formal programs designed to train artists to teach in the community.

"Art education" needs to be broadly defined to include teaching and learning that occurs both within and *outside* of schools. The Art Teaching area currently certifies art teachers to teach within schools. There is also a need for degrees—such as the proposed MFA with an emphasis in CBAE—to train teaching artists for the numerous out-of-school visual arts teaching opportunities that exist. In Salt Lake City, there are museums, hospitals, youth centers, after-school programs, and arts organizations that need qualified teaching artists. Additionally, as arts funding is cut in the public schools, or arts education simply does not exist in the schools—as is the case in many of Salt Lake City's elementary schools—it is imperative that arts educators be trained to teach in out-of-school settings. This new MFA emphasis will meet this need.

Institutional Impact: The institutional impact of the MFA will be minimal. With the exception of one new class, all other courses are already being offered and the structure is already in place to support graduate students. The new course—*Graduate Art Education Seminar: Artist as Cultural Worker*—will be developed and taught by Beth Krensky, Ph.D., the Area Head of Art Teaching. This course will be taught as part of the regular teaching load in place of one undergraduate Art Teaching course. The undergraduate Art Teaching course will earn enough tuition revenue to pay for an adjunct instructor. It is estimated that there will be between three and ten MFA with an emphasis in CBAE students per year. There is room in existing courses within the Department for these students.

Finances: There will be no budget increases as a result of adding this new MFA emphasis.

B. Salt Lake Community College

1. Proposal to approve a Fast Track Proposal from Salt Lake Community College—Skills Center—Construction Environmental Technology Certificate of Completion

Request: Salt Lake Community College – Skills Center has requested approval under the “Fast Track Approval Process”, for the Construction Environmental Technology certificate of completion. According to the R401 Fast Track process, the request has been reviewed and the Commissioner approved the request on November 10. The Certificate is now presented for review by the Regents as part of the Consent Calendar.

Need: Salt Lake Community College has been participating in the Brownfields National Partnership Grant Training Program. As part of the Department of Health and Human Services commitment to the Brownfields National Partnership Agenda, the NIEHS has provided support for the establishment of the Brownfields Minority Worker Training Programs targeting the Showcase Communities and other Brownfields Demonstration Pilots across the U.S. Over the past few years, the Brownfields Minority Worker Training program has grown in popularity. This program prepares students for jobs in the construction and environmental hazardous waste removal industries.

When the grant funding came to an end, students asked for a replacement. Although longer in length, this program has been designed as the replacement. Through hands-on practical instruction, students will become competent in the following areas: math for the trades, construction safety, blue- print reading, entry-level skills in residential structures and interior finishing, OSHA construction-related and demolition safety and procedures, and environmental mediation and disaster response. Students will apply these skills while in the classroom, shop, and working on construction sites.

Construction is one of the top three employment priorities for the Department of Workforce services because of the demand and increase in construction projects along the Wasatch Front as reported in a DWS News Release for 9:00 am April 12, 2005, Utah’s Employment Situation, March 2005: “Construction continues to be a bright star in the Utah economy, adding approximately 5,700 new jobs since last March [2004]. Residential construction remains the main driver of this activity, but large commercial projects have added additional punch to the picture.” This equates to an 8.7% increase in the number of jobs.

Regional Approval Process: This program has been reviewed through the regional process, and the other USHE institutions in the region are supportive.

Institutional Impact: The funding for a Brownfields Minority Worker Training grant will no longer be available at the close of this federal fiscal year (September 31, 2005). The courses taught in this program will be continued in this newly proposed Construction Environmental Technology program.

The project director and instructor for the Brownfields Minority Worker Training grant will be hired on a one-year temporary full-time faculty contract to provide the curriculum and instruct students in the competencies of the proposed program.

Finance: Total cost to run the program is estimated at \$90,000 per year. As a part of the collaboration between the Skills Center and the Building Construction/Construction Management department, dollars will be moved within existing state allocations to cover the expenses proposed for this program. The program will be taught at Redwood Campus in the Construction Trades building and on construction sites. No new equipment will be needed since the Construction Trades building has existing equipment.

2. Salt Lake Community College Request to discontinue programs.

Request: It has come to SLCC administration's attention that the proper notification to the Board of Regents of some program actions has not previously occurred. Over the past four years, under organizational restructuring and in response to industry needs and budget realities, programs and/or program offerings have been reviewed, revised, and restructured. All new programs and/or program offerings have followed R401 procedures; programs not being continued have been submitted to the Board of Trustees (July 10, 2002; April 9, 2003; March 21, 2004) and reported to Northwest Accreditation (December of 2002, 2003, 2004, and 2005.) They are here being identified to bring all SLCC program information current for the Board of Regents. Programs that were discontinued did provide for enrolled students to complete their programs.

SLCC Programs Discontinued - 2002-2006

2002-2003 - The following programs/offerings were discontinued (The course work in the listed programs was continued to permit degree/credential completion for existing students.):

- Business Information Technology (BIT), AAS
 - Information & Computer Media, AAS emphasis
 - Software Technology, AAS emphasis
 - Business Desktop Publishing, AAS emphasis
 - Office Management, AAS emphasis
 - Administrative Assistant, Certificate of Completion
 - Back-To-Work, Certificate of Completion
 - Customer Support Technician, Certificate of Completion
- Manufacturing & Automation Technologies (MAT), AS emphasis
 - Computerized Machining Technology, AAS
 - Quality, Certificate of Completion
 - Automated Systems, AAS emphasis, Certificate of Completion
 - Automated Manufacturing, AAS Emphasis
 - Quality Control, AAS emphasis, Certificate of Completion

Small Equipment/Vehicle Technician (SEVT), Certificate of Completion (Is now offered under Continuing Education as a self-support Certificate program.)
Veterinary Technician (VET), AAS

2003-2004 - The following programs/offerings were discontinued (The course work in the listed programs was continued to permit degree/credential completion of existing students.):

Painting/Decorating Apprenticeship, AAS
Engineering Design/Drafting Technology, Certificate of Completion – Highway Design
Engineering Technician
Human Resource Technology, AAS
Process Control Operator, Certificate of Completion
Surgical Technology - Certificate of Completion, Perioperative Care
Visual Art and Design - Certificate of Completion – Offset Printing/Production
Continuing Education Certificates of Completion:
Environmental Health and Safety Training
Refrigeration, Heating and Air Conditioning
Skills Center Certificates of Completion:
Internet Technician
Local Area Network (LAN) Tech. – Certified Network Engineer (CNE)
Projects With Industry:
Computer Software Technician
Computer Support Technician
Computer Support and Network Technician

2004-2005 - The following programs/offerings were discontinued (The course work in the listed programs was continued to permit degree/credential completion of existing students.):

Automotive/Ford Motor Asset Program, AAS
Building Construction/Construction Management, Diploma
Continuing Education Certificate of Completion, Travel and Tourism
Maintenance Mechanics, AAS, Certificate
Skills Center Certificates of Completion (these programs have been replaced by new programs approved through the Fast Track procedure):
Health Information Technician
Customer Service Specialist
Office Technician
Heavy Duty Mechanics (*program now renamed Diesel Systems Technology and coordinated with College Diesel Systems Technology program*)

None of the above are currently functioning programs/offerings.

2005-2006 – Not accepting new enrollments in the following programs pending further review:

Business Management, Logistics Management Emphasis, AAS
Business Management, Production Management Emphasis, AAS

Institutional Impact: Salt Lake Community College continually strives to offer relevant, cost-effective training in all disciplines. The streamlining and restructuring of the above-named programs and offerings has contributed to efficiencies in the College’s operations.

Financial Impact: The program changes have allowed for budget reallocations and budgetary savings over time.

C. Utah Valley State College

Restructure of Electrical Automation/Robotics Technology (EART) and Electronic and Computer Technology (ECT)

Officials at UVSC intend to restructure the Electrical Automation/Robotics Technology (EART) program and the Electronic and Computer Technology (ECT) program. In the restructure, two things will be accomplished:

1. The EART program will be strengthened and repositioned to better meet industry and student demand;
2. The ECT program, which has had declining enrollment, will be refocused on shorter term training geared to current industry requirements. Over the next year the degrees and certificates being offered will be restructured.

Currently the program has 11.2 FTE, with an appropriated budget of \$427,736, translating to a cost of \$38,190 per FTE (See chart).

Enrollment Trends for ECT (FTE)

2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
71.14	64.73	52.10	41.80	22.54	11.2
Appropriated Expenditures					\$427,736
Cost per FTE					38,190

The ECT program now ranks as a very expensive program at Utah Valley State College and has had declining enrollments since 2000-2001. Repeated efforts to recruit more students have failed to reverse the trend of declining enrollment and the numbers for Fall 05 show an average of 3.36 students/section.

Restructuring these two programs will give officials at UVSC an opportunity over the next year to better evaluate the needs of the local industry, serve the student demand, and to make the two programs more efficient. The results of this restructuring and the impact on degrees and certificates will then be submitted to the Regents.

Commissioner's Recommendation

The Commissioner recommends the Regents approve the institutional requests on the Consent Calendar as described above.

Richard E. Kendell, Commissioner

REK/GW/JMC

November 30, 2005

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: Concurrent Enrollment Discussion: Academic, Career and Technical Education, and Student Success Programs Committee

In 1988, the Utah State Legislature established the concurrent enrollment (CE) program in Utah System of Higher Education institutions. Concurrent enrollment is a program whereby high school students enroll in college courses and earn both high school units and college credit either on-site at their local high schools or on a college or university campus. The legislature provides funding for the programs in a block grant that includes Concurrent Enrollment, Advanced Placement, and Gifted and Talented funding.

The concurrent enrollment program helps to facilitate the transition of students from high school to college. The major advantage of concurrent enrollment is allowing high school students to enroll in college courses and earn both high school and college credit simultaneously. Some basic assumptions are made about the concurrent program. They are the following

- Students who experience concurrent enrollment will be more likely to attend college than if they had not had that experience
- Students with concurrent credit are more likely to finish college more quickly than those without it
- Students from minority and disadvantaged populations are more likely to access college courses that are less costly
- Students who experience concurrent classes in high school will perform as well or better than students who have had no concurrent experience.

All institutions in the Utah System of Higher Education providing concurrent enrollment courses in the high schools are committed to providing a quality experience for students. A quality approach means that the courses offered carry the same standards and rigor as courses on main campuses--same textbooks, same curriculum, and same quality of faculty. To do so, however, requires funding that supports this quality commitment.

The funding portion of the concurrent enrollment statute indicates that the legislature shall provide up to \$50 per credit hour to fund the program. The actual funds provided have always been less than the \$50 per credit hour and currently is funded at \$30.05. In the “high school” model (where instruction takes place at the high school with a high school instructor approved as an adjunct), the general split on the funds is 2/3 to the school district and 1/3 to the institution. Therefore in this model, the USHE institution would receive \$10 per credit hour, leaving the institution to subsidize the rest of the cost. The average cost to USHE institutions to deliver the concurrent enrollment program using the high school model is \$20 per credit hour.

Finding a solution to the funding gap is essential if USHE institutions are to continue to deliver a quality concurrent enrollment program at current demand levels. Regents will hear a presentation concerning this issue and have a chance to discuss and ask questions.

Commissioner's Recommendation

This is a discussion item. No action is required.

Richard E. Kendell, Commissioner

REK/GW

November 30, 2005

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Regents' Scholar Diploma

Background

Creating a well articulated K-16 system of education is one of the important tasks for both the Utah State Board of Regents and Utah State Board of Education. It has been proposed that both boards consider the introduction of a Regents' Scholar Diploma that would acknowledge students taking a rigorous core curriculum, beginning in the 9th grade and continuing through the 12th grade.

The attached background information and draft policy are provided for your information and discussion.

Recommendation

This is a discussion item only. No action is required.

Richard E. Kendell
Commissioner of Higher Education

REK:jc
Attachments

MEMORANDUM

DATE: 30 November 2005
TO: Programs Committee
FROM: Commissioner Richard E. Kendell
RE: DRAFT Regents' Scholar Diploma

The State of Utah currently faces significant challenges regarding the higher education attainment rates of its citizens. First, according to a recent study from the National Center for Public Policy in Higher Education, Utah has experienced a decrease in the number of high school graduates enrolling in post-secondary institutions. Between 1994 and 2004, the percentage of 18- to 24-year-olds enrolled in college declined from 41% to 35%.¹ Using this measure, Utah ranks only 32nd among the 50 states in college participation rates.² Moreover, the probability of Utah high school students enrolling in college by age 19³ decreased from 42% in 1994 to 31% in 2004, which is "one of the steepest declines in the nation."⁴

Second, white young adults in Utah ages 18 to 24 are more than three times more likely to attend college as young adults from ethnic minority groups, a gap which is the widest in the nation.⁵ This gap is particularly glaring when considered in light of the rapidly increasing minority population in Utah. It is estimated that the number of Hispanic public and nonpublic high school graduates in Utah will increase from 2,429 in 2005-06 to 9,967 by 2017-18.⁶

¹ National Center for Public Policy & Higher Education, *Measuring Up 2004: The State Report Card on Higher Education (Utah)*, p. 7. Available online at www.highereducation.org.

² Kathy Reeves Bracco & Mario Martinez, *Case Study of Utah Higher Education*, National Center for Public Policy & Higher Education (April 2005), p. 10.

³ This is a measure of on-time persistence through high school and enrollment in college the following semester after graduation. See National Center for Higher Education Management Systems (NCHEMS) Information Center, www.higheredinfo.org.

⁴ *Measuring Up 2004: The State Report Card on Higher Education (Utah)*, p. 7.

⁵ Bracco & Martinez, p. 10.

⁶ ACT, The College Board & Western Interstate Commission for Higher Education, *Knocking at the College Door* (December 2003), p. 138.

Third, college completion rates in Utah are far from stellar. Only 50% of first-time, full-time students complete a bachelor's degree within 6 years of college entrance,⁷ and only 18 certificates, degrees and diplomas are awarded at all colleges and universities in Utah per 100 undergraduate students.⁸ Indeed, a disturbing trend that is often referenced as the "leaky educational pipeline" indicates that of every 100 ninth-grade students in Utah, only 83 graduate from high school on time; only 36 immediately enroll in college; only 24 are still enrolled in college their sophomore year; and only 17 graduate from college.⁹ Among 25- to 34-year-olds in Utah, only 25% have completed a bachelor's degree or higher, placing Utah below the national average of 28% and significantly lower than the top five states' average of 30%.¹⁰

Therefore, one of the pillars of the Regents' strategic agenda is to develop a seamless K-16 system that will increase academic expectations at all levels and address this significant issue. Although it is still in a draft and discussion stage, one proposal being considered is the adoption of a Regents' Scholar Diploma that would guarantee any high school student completing a defined college-prep curriculum: (1) admission to any USHE institution, and (2) hopefully some form of financial aid.

Please find attached the DRAFT policy, which we hope to bring forward as a formal policy proposal in the near future. A policy brief articulating the data and reasons supporting this proposal will be provided to you at the Regents' meeting on December 9th.

⁷ *Measuring Up: Utah (2004)*, *supra* note 2, p. 10. While Utah's performance on this measure may be impacted by the number of Mormon students who leave colleges and universities for two years to fulfill missionary assignments, other factors also appear to be contributing to low completion rates. *See* discussion below.

⁸ *Id.*

⁹ *Achieve, Inc., Utah Data Profile* (Feb. 2005), p. 1.

¹⁰ *Id.*

R468, Regents' Scholar Diploma

[DRAFT 11-30-05]

R468-1. Purpose

To encourage all Utah high school students to take a rigorous high school curriculum that will prepare them for admission to, and success in, college and in the workplace; to provide incentive for all Utah high school students to use their senior year of high school for serious learning and preparation for the future; and to increase the participation of all students, particularly disadvantaged and minority students, in USHE's ten postsecondary institutions.

R468-2. References

- 2.1. **Utah Code Ann. § 53B-1-101** (expressing intent to vest in the State Board of Regents the power to govern the state system of higher education).
- 2.2. **Utah Code Ann. § 53B-1-1-103** (establishing the State Board of Regents and vesting it with the control, management, and supervision of Utah's institutions of higher education).
- 2.3. **Utah Code Ann. § 53B-2-106** (authorizing the president of each institution, with trustee approval, to determine, in conjunction with the faculty, the examination, admission, and classification of students).
- 2.4. **Regents' Policy R461** (Admissions, Access, and Articulation).

R468-3 Definitions

R468-4 Requirements for Regents' Scholar Diploma

- 4.1. **Grade Point Average (GPA).** In order to be nominated for a Regents' Scholar Diploma, a student graduating from a Utah high school must complete, as part of graduation requirements mandated by the Utah State Board of Education and the student's local school district, a "4-4-3-3" college preparatory curriculum of the courses listed below with no final grade below a "C" (2.0 on a 4.0 scale) and an overall grade point average in the "4-4-3-3" courses of "B" (3.0 on a 4.0 scale).
- 4.2. **Utah Basic High School Diploma.** In order to be nominated for a Regents' Scholar Diploma, a student must also achieve a passing score on the Utah Basic Skills Competency Test (UBSCT) and meet all other State and district criteria for a Basic High School Diploma.

4.3. Regents' Scholar Curriculum.

4.3.1. 4 units of English. Unless graduating early, in which case the student will not attend his or her senior year of high school, and enroll immediately in an institution of higher education, students must take one English class each year, in sequence, in grades 9, 10, 11, and 12. Classes may not be repeated. Courses used to complete this requirement ordinarily will include instruction in composition and be selected from the following options:

- (a) English I (Freshman English or Honors English)
- (b) English II (Sophomore English or Honors English)
- (c) English III (Junior English or Honors English)
- (d) English IV (Senior English, Advanced Placement (AP) English, or International Baccalaureate (IB) English)
- (e) Any concurrent enrollment college-level English, writing, or literature class.
- (f) Debate

4.3.2. 4 units of math. Unless graduating early, in which case the student will not attend his or her senior year of high school, and enroll immediately in an institution of higher education, students must take one math class each year, in sequence, in grades 9, 10, 11, and 12. Classes may not be repeated. Students must take one (1) credit of Elementary Algebra, one (1) credit of Geometry, and one (1) credit of Intermediate Algebra in order to satisfy this requirement. The additional math unit may be satisfied with any rigorous college-preparatory math course, including but not limited to:

- (a) Pre-Calculus
- (b) Calculus or Advanced Placement (AP) Calculus
- (c) International Baccalaureate Math (Mathematical Methods SL, Mathematical Studies SL, Mathematics HL)
- (d) Statistics
- (e) Business Math
- (f) Senior Mathematics
- (g) Any concurrent enrollment college-level math, including but not limited to Math 1050/1060.

4.3.3. 3 units of laboratory science and technology. Courses used to satisfy this requirement may include, but are not limited to:

- (a) Biology, AP Biology, or IB Biology
- (b) Chemistry, AP Chemistry, or IB Chemistry
- (c) Physics, AP Physics, or IB Physics
- (d) Earth Systems Science
- (e) Computer Science, Computer Programming, Desktop Publishing, Digital Graphics/Animation; Business Computer Information Systems, etc.
- (f) Any concurrent enrollment college-level science or computer science class.

4.3.4. 3 units of social studies. Courses used to satisfy this requirement must include one (1) unit of U.S. History; 0.5 units of U.S. Government and Citizenship; 0.5 units of World Civilizations; and 0.5 units of Geography for Life. Courses that will satisfy the remaining 0.5 unit include, but are not limited, to:

- (a) World Civilizations
- (b) Geography
- (c) U.S. History
- (d) World History
- (e) U.S. Government and Citizenship
- (f) Economics
- (g) Psychology
- (h) Anthropology
- (i) Philosophy
- (j) Any Advanced Placement (AP) or International Baccalaureate (IB) social studies course
- (k) Any concurrent enrollment college-level social studies class.

4.4. Award of Regents' Scholar Diploma. To request the designation of eligible graduating seniors as Regents' Scholars, the high school administrator must submit the high school's official list of nominees to the Utah System of Higher Education no later than April 1st, including: a) the name of each eligible graduating senior; b) the student's identification number; and c) the student's graduation date. A Regents' Scholar Diploma will then be printed for each eligible student and sent to the high school administrator for presentation during commencement exercises.

- 4.4. Automatic Admission to USHE Colleges and Universities.** Any high school student who successfully completes the Regent Scholar curriculum and who qualifies for a Regents' Scholar Diploma, becomes eligible for automatic admission at any postsecondary institution within the Utah System of Higher Education.
- 4.4.1.** A Regents' Scholar Diploma will qualify a student for admission without an ACT or SAT score, and for immediate enrollment in credit-bearing courses without placement exams or remediation, so long as the student enrolls at a USHE college or university within 12 months of his or her high school graduation. USHE colleges and universities may require students applying for admission more than 12 months after high school graduation to meet additional institutional admission criteria, including but not limited to a qualifying ACT or SAT score and/or placement examinations.
- 4.4.2. [Financial Aid.** Any student receiving a Regents' Scholar Diploma will automatically qualify for a Regents' Opportunity Grant of \$1,000.]

November 30, 2005

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Authority to Seek Revenue Bond Financing

Background

The Board of Regents approved two revenue bond projects during the course of the year. Regent policy requires formal authorization from the Board in order to take the two projects to the Legislature.

Issue

The University of Utah received approval to proceed with a recreation center subject to fundraising commitments. The total cost of the project will be \$35 million. Donor funds may be used to lower the amount of the bond or to offset the annual debt service payments. Student fees will be the source of debt repayment.

Dixie State College received approval to move forward with a purchase of an apartment building adjacent to campus. The total cost of the project is \$1,625,000. Auxiliary funds of up to \$350,000 will be applied to the purchase with the rest financed through rented income as part of the DSC auxiliary system.

In the past ten years the Regents issued approximately \$500 million in revenue bonds- \$205 million of that went toward two projects: Olympic Housing and the Huntsman Cancer Research Hospital. Over the same time period, student fees funded approximately \$43 million worth of projects.

Recommendation

The Commissioner recommends that the Board formalize its earlier action with approval of a motion to seek Legislative Authorization for these two projects.

Richard E. Kendell, Commissioner

REK/MHS/KW

November 30, 2005

MEMORANDUM

TO: State Board of Regents
 FROM: Richard E. Kendell
 SUBJECT: USHE - First-Tier Tuition

Background

Prior to the 2005, Legislative Session the Regents received word from Legislative Counsel that first tier tuition recommendations should be made prior to the General Session. To comply Regents approved a tuition range to cover compensation as funded by the Legislature.

Issue

Each year the Board of Regents approves two tuition rates. First-tier tuition is set to fund the institutional share of the Legislatively approved compensation package. The rate is set equal to the highest institutional rate necessary to fund compensation increases.

Table 1 represents the potential first tier tuition increases needed based on a percentages of salary increases along with a 10.41% increase in health insurance rates and a 6% increase in state retirement rates.

First Tier Tuition Increase Recommendations (Assumes Regent Compensation Request at 75% State Funds)								
	1% Package	<i>Increase Needed</i>	2% Package	<i>Increase Needed</i>	3% Package	<i>Increase Needed</i>	4% Package	<i>Increase Needed</i>
UU	1,302,400	1.14	1,974,100	1.73	2,645,800	2.32	3,317,500	2.91
USU	820,500	1.41	1,136,700	1.95	1,452,900	2.50	1,769,100	3.04
WSU	472,700	1.23	657,100	1.71	841,500	2.18	1,025,900	2.66
SUU	199,300	1.36	275,000	1.88	350,700	2.39	426,400	2.91
SNOW	97,200	1.99	131,300	2.69	165,400	3.39	199,500	4.09
DSC	120,800	1.59	163,000	2.14	205,200	2.69	247,400	3.25
CEU	58,100	1.94	77,500	2.58	96,900	3.23	116,300	3.88
UVSC	504,400	1.01	682,900	1.37	861,400	1.73	1,039,900	2.08
SLCC	435,100	1.27	605,400	1.76	775,700	2.26	946,000	2.75
System Total	4,010,500	1.99	5,703,000	2.69	7,395,500	3.39	9,088,000	4.09

Table 1

Second tier tuition is established based on institutional need and varies from campus to campus. Statute (UCA 53B-7-101.5) requires each institution to conduct a "truth in tuition" hearing with students prior to

Regent approval of second tier tuition. Institutions will hold the "truth in tuition" hearings during December and January then bring recommendations to the Regents after the Legislative session.

Balance of Tuition and State Funds for Compensation

The legislative budget process requires all state agencies and institutions to use dedicated credits, if available, to fund annual compensation increases. Five years ago the system average for dedicated credits amounted to approximately 25%. The policy of applying dedicated credits to the compensation package created a process by which the share paid by students would increase each year even in times of solid funding. During the budget downturn of FY 2002-2003 the System took on many students without additional state funding. This drove the dedicated credits share of the budget to 35% of appropriated funds.

Last year the Governor's budget recommendation adopted a plan put forward by the Regents and capped the student share of the compensation package at 25%. Had this been moved forward in the legislative process student tuition could have been set \$3 million below what was ultimately approved. The Regent budget request for FY 2007 includes this request again. Early indications are that the Governor's budget will recommend capping the dedicated credits share of the compensation package at 25%.

Table 2 shows the impact of funding the compensation package on a 75/25 basis for each institution using a 1% increase for salary and fixed benefits (health insurance, dental insurance and state retirement):

Impact of a 1% Compensation Package Increase: 25% Tuition						
	75% State Tax Funds			25% Tuition Funds		
	Salary	Fixed Benefits	State Contribution	Salary	Fixed Benefits	Tuition Contribution
UU	2,057,500	222,100	2,279,600	671,700	71,900	743,600
USU	1,187,700	211,900	1,399,600	316,200	56,300	372,500
WSU	556,600	93,700	650,300	184,400	31,000	215,400
SUU	228,400	40,900	269,300	75,700	13,500	89,200
SNOW	116,700	25,100	141,800	34,100	7,300	41,400
DSC	126,700	26,900	153,600	42,200	8,900	51,100
CEU	87,300	18,700	106,000	19,400	4,300	23,700
UVSC	536,600	112,000	648,600	178,500	37,100	215,600
SLCC	510,600	86,600	597,200	170,300	29,000	199,300
SBR	21,600	3,400	25,000	-	-	-
Total	5,429,700	841,300	6,271,000	1,692,500	259,300	1,951,800

Table 2

Table 3 shows the impact of funding a 1% compensation package using the FY 2006 method.

Impact of a 1% Compensation Package Increase: Based on Institutional Tuition Ratio						
	State Funds			Tuition Funds		
	Salary	Fixed Benefits	State Contribution	Salary	Fixed Benefits	Tuition Contribution
UU	1,746,400	188,600	1,935,000	982,800	105,400	1,088,200
USU	1,021,700	183,000	1,204,700	482,200	85,200	567,400
WSU	448,500	75,400	523,900	292,500	49,300	341,800
SUU	198,900	35,500	234,400	105,200	18,900	124,100
SNOW	116,700	25,100	141,800	34,100	7,300	41,400
DSC	117,100	24,800	141,900	51,800	11,000	62,800
CEU	87,300	18,700	106,000	19,400	4,300	23,700
UVSC	347,000	72,400	419,400	368,100	76,700	444,800
SLCC	415,800	70,700	486,500	265,100	44,900	310,000
SBR	21,600	3,400	25,000	-	-	-
Total	4,521,000	697,600	5,218,600	2,601,200	403,000	3,004,200

Table 3

The proposed 75/25 split saves students a total \$908,700 for every one percent increase in salary and salary related benefits and \$143,700 in fixed benefits (health care and retirement) when compared to the FY 2006 method.

Table 4 shows that the impact by school varies greatly:

Tuition Savings Impact of 75/25 Funding Policy						
	1%	2%	3%	4%	5%	5.5%
UU	605,400	916,500	1,227,600	1,538,700	1,849,800	2,005,350
USU	423,100	589,100	755,100	921,100	1,087,100	1,170,100
WSU	277,300	385,400	493,500	601,600	709,700	763,750
SUU	79,100	108,600	138,100	167,600	197,100	211,850
SNOW	-	-	-	-	-	-
DSC	27,200	36,800	46,400	56,000	65,600	70,400
CEU	-	-	-	-	-	-
UVSC	537,900	727,500	917,100	1,106,700	1,296,300	1,391,100
SLCC	239,900	334,700	429,500	524,300	619,100	666,500
Total	2,189,900	3,098,600	4,007,300	4,916,000	5,824,700	6,279,050

Table 4

Moving to a 75/25 funding cap removes the upward pressure on tuition and breaks the cycle that requires additional tuition each year to keep up with increases in employee compensation. It also shows a commitment by the state to funding the mission at each of the nine USHE institutions (UCAT excluded).

State Board of Regents
November 30, 2005
Page 4

Recommendation

The Commissioner recommends that the Board formalize first tier tuition as the amount required to fund the FY 2007 compensation package.

This action will allow staff to comply with the request from Legislative Counsel that the Regents inform the Legislative Fiscal Analyst of proposed tuition rates. A final decision on first-tier tuition will require additional action by the Board of Regents once the compensation package is determined.

Richard E. Kendell, Commissioner

REK/MHS/KGW/KLH

November 30, 2005

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: University of Utah Endowment Investment Policy

Issue

Regent Policy R541 authorizes system institutions to develop individual endowment investment policies (in place of the Board of Regents baseline policy). In order to take effect, such policies must be adopted by institutional boards of trustees and approved by the Board of Regents. The University of Utah is the first system institution to come forward with its own endowment investment policy. This policy has received the required trustee support, and is now submitted for approval by the Board of Regents.

Background

During the 2005 general legislative session, Representative David Clark introduced a bill (HB255) designed to remove higher education endowment funds from the investment restrictions contained in the State Money Management Act. In so doing, it designated the Uniform Management of Institutional Funds Act (UMIFA) as the controlling legislation for endowment funds. HB255 also amended UMIFA to provide that:

1. The Board of Regents must establish default guideline and asset allocation requirements for investment of endowment funds;
2. The board of trustees of a higher education institution may adopt policies governing investment of its endowment funds, and provides the minimum requirements for those policies;
3. The Board of Regents must approve a higher education institution's endowment fund investment policy;

In accordance with UMIFA and recently revised Regent Policy R541 (Management and Reporting of Institutional Investments), the University of Utah has developed guidelines to govern investment of its endowment funds. These trustee-approved guidelines, which are incorporated into the overall university investment policy by reference, address the following:

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December 6, 2005
Page 2

1. Responsibilities are outlined for the Board of Trustees, the Investment Advisory Committee, the Investment Management Office, investment advisors and consultants, external investment managers, and securities custodians;
2. Conflicts of interest are explained and prohibited, and risk/return objectives are established;
3. Asset allocation guidelines are established (45% in global marketable equities, 30% in global marketable fixed income, and 25% in alternatives);
4. Eligible investments are identified, including global marketable equities (small, medium, and large capitalization stocks from the United States, developed foreign markets, and emerging markets), global marketable fixed income (diversified bond holdings with a minimum average quality rating of A or better, with foreign and non-investment grade securities each limited to 15% of a manager's portfolio), and alternative investments (funds that derive returns primarily from high yield and distressed debt, private capital, natural resources, private real estate, and hedge funds).

The endowment investment guidelines also provide for internal controls, annual audits, regular reports to the Trustees and Regents, and participation in the money management reporting process.

Recommendation

The Commissioner recommends that the Board approve the University of Utah endowment investment policy.

Richard E. Kendell, Commissioner

REK/MHS/BRF
Attachments

November 30, 2005

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: University of Utah - Stadium Bond Debt Defeasance

Background

The University of Utah seeks approval to invest \$8 million in U. S. Government Obligations to fund a defeasance escrow to be applied to certain of its Series 1998A or Series 2005A Bonds.

Issue

In 2002 the University of Utah received \$8 million from the Salt Lake Organizing Committee for the use of Rice-Eccles Stadium during the Olympics. The University held these funds in anticipation of an opportunity to defease part of the debt incurred for stadium construction.

The attached escrow deposit agreement creates an "irrevocable escrow established to retire bonds" (www.nabl.org) and is designated the *University of Utah Auxiliary and Campus Facilities System Revenue and Refunding Bonds, Series 1998A Escrow Fund* and the *University of Utah Auxiliary and Campus Facilities System Revenue Refunding Bonds, Series 2005A Escrow Fund*. The 2005A Bonds are included in this resolution should market conditions permit defeasance opportunities beyond the Series 1998A Bonds. Investment proceeds from the government obligations will defease a portion of the University's obligation in relation to these bonds. Upon the defeasance of these bonds, approximately \$14 million in variable-rate Stadium bonds will remain outstanding.

Bond Counsel to the University provided the attached escrow agreement and authorizing resolution. Representatives from the University of Utah will be available to answer Regent questions.

Recommendation

The Commissioner recommends approval of the defeasance escrow agreement.

REK/MHS/KGW

Richard E. Kendell, Commissioner

AUTHORIZING RESOLUTION
UNIVERSITY OF UTAH DEFEASANCE

Salt Lake City, Utah

December 9, 2005

The State Board of Regents of the State of Utah met in regular session (including by electronic means) at the University of Utah offices in Salt Lake City, Utah on December 9, 2005, commencing at 9:00 a.m. The following members were present:

Nolan E. Karras	Chair
Jerry C. Atkin	Member
Daryl C. Barrett	Member
Bonnie Jean Beesley	Member
Janet A. Cannon*	Member
Rosanita Cespedes	Member
Katharine B. Garff	Member
David J. Grant	Member
Meghan Holbrook	Member
James S. Jardine	Member
Michael R. Jensen	Member
David J. Jordan	Member
Gaby Kingery	Member
John C. Pingree*	Member
Jed H. Pitcher	Member
Josh Reid	Member
Sara V. Sinclair	Member
Marlon O. Snow	Member

Absent:

Also Present:

Richard E. Kendell	Commissioner of Higher Education
Joyce Cottrell, CPS	Secretary

After the meeting had been duly convened and called to order by the Chair, the roll had been called with the above result, and after other matters not pertinent to this resolution had been discussed, the Chair announced that one of the purposes of the meeting was the consideration of various matters with respect to the defeasance of University of Utah Bonds.

* Non-voting member from State Board of Education

The following resolution was introduced in written form and after full discussion, pursuant to motion made by Regent _____ and seconded by Regent _____, was adopted by the following vote:

YEA:

NAY:

The resolution is as follows:

RESOLUTION NO. 2005-__

A RESOLUTION OF THE BOARD OF REGENTS OF THE STATE OF UTAH (THE "BOARD") AUTHORIZING ALL NECESSARY ACTION TO DEFEASE CERTAIN OUTSTANDING BONDS ISSUED FOR AND ON BEHALF OF THE UNIVERSITY OF UTAH (THE "UNIVERSITY"); AUTHORIZING THE EXECUTION BY THE BOARD FOR AND ON BEHALF OF THE UNIVERSITY OF AN ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the State Board of Regents of the State of Utah (the "Board") is a state institution of higher education, duly established under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended; and

WHEREAS, pursuant to the provisions of Title 53B, Chapter 1, Utah Code Annotated 1953, as amended, the Board is authorized to act as the governing authority of the University of Utah (the "University") for the purpose of exercising the powers contained in Title 53B, Chapter 21, Utah Code Annotated 1953, as amended (the "Act"); and

WHEREAS, pursuant to a General Indenture of Trust, dated as of June 1, 1997 (the "General Indenture"), as heretofore amended and supplemented, a Second Supplemental Indenture of Trust (the "Second Supplemental Indenture"), dated as of June 1, 1998, and a Fifth Supplemental Indenture of Trust (the "Fifth Supplemental Indenture," and together with the General Indenture and the Second Supplemental Indenture, the "Indenture"), dated as of August 1, 2005, each between the Board and Wells Fargo Bank, N.A. as trustee, the Board previously issued, for and on behalf of the University, its (i) University of Utah Auxiliary and Campus Facilities System Revenue and Refunding Bonds, Series 1998A, and (ii) University of Utah Auxiliary and Campus Facilities System Revenue Refunding Bonds, Series 2005A (collectively the "Bonds"); and

WHEREAS, the University has approximately \$8,000,000 available to defease a portion of the outstanding Bonds through the purchase of certain qualifying United States government securities under the Indenture (the "Defeasance"); and

WHEREAS, in order to accomplish the purposes set forth in the preceding recital, the Board and the University desire to execute an Escrow Deposit Agreement (the "Escrow Agreement") between the Board, the University and Wells Fargo Bank, N.A., as escrow Agent (the "Escrow Agent"), in substantially the form attached hereto as Exhibit A; and

WHEREAS, the Board and the University have determined that the Defeasance will be in their best interests;

NOW THEREFORE, IT IS HEREBY RESOLVED by the State Board of Regents of the State of Utah, as follows:

The terms defined or described in the recitals hereto shall have the same meanings when used in the body of this resolution.

All actions heretofore taken (not inconsistent with the provisions of this resolution), by the Board and the University directed toward the Defeasance are hereby ratified, approved and confirmed.

The form of Escrow Agreement attached hereto as Exhibit A is in all respects hereby authorized and approved by the Board. Upon a determination by the University to proceed with the Defeasance, the Chair, Vice-Chair and/or Chair of the Finance Facilities and Accountability Committee, and Secretary of the Board and the President and Vice-President for Administrative Services of the University are hereby authorized and directed to execute and deliver the Escrow Agreement in substantially the form approved hereby for and on behalf of the Board and the University.

The appropriate officials of the Board and the University, and each of them, are hereby authorized and directed to execute and deliver any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this resolution and the documents authorized and approved herein, including the execution and delivery of the release of security documents under the Indenture.

The Escrow Agreement is authorized and approved with such additions, modifications, deletions and changes thereto as may be deemed necessary or appropriate and approved by the Chair, Vice-Chair and/or Chair of the Finance Facilities and Accountability Committee, and Secretary of the Board and the President and Vice-President for Administrative Services of the University in order to conform the Escrow Agreement to the final terms of the Defeasance and the Indenture, whose execution thereof on behalf of the Board and University, respectively, shall conclusively establish such necessity, appropriateness and approval with respect to all such additions, modifications, deletions and changes incorporated therein.

It is hereby declared that all parts of this resolution are severable, and if any section, clause or provision of this resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, clause or provision shall not affect the remaining sections, clauses or provisions of this resolution.

All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict herewith are, to the extent of such conflict, hereby repealed. This repealer shall not be construed so as to revive any resolution, order, regulation or part thereof heretofore repealed.

This resolution shall take effect immediately upon its approval and adoption.

PASSED, APPROVED AND ADOPTED this 9th day of December, 2005.

(SEAL)

Chair

ATTEST:

Secretary

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and seconded, adjourned.

(SEAL)

Chair

ATTEST:

Secretary

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Joyce Cottrell, do hereby certify that I am the duly qualified and acting Secretary of the State Board of Regents of the State of Utah.

I further certify that the above and foregoing constitutes a true and correct copy of an excerpt of the minutes of a meeting of said Board held on December 9, 2005 and of a resolution adopted at said meeting, as said minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Board this 9th day of December, 2005.

Secretary

(SEAL)

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the State Board of Regents of the State of Utah, this 9th day of December, 2005.

Secretary

(SEAL)

SCHEDULE 1

NOTICE OF MEETING

SCHEDULE 2

ANNUAL MEETING SCHEDULE

EXHIBIT A

FORM OF ESCROW AGREEMENT

[See Transcript Document No. _____]

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT is entered into as of the 1st day of December, 2005, between the State Board of Regents of the State of Utah (the “Board”), the University of Utah (the “University”), and Wells Fargo Bank, N.A., as escrow agent (the “Escrow Agent”).

WITNESSETH:

WHEREAS, the Board and the University are state institutions of higher education duly organized and existing under the Constitution and laws of the State of Utah; and

WHEREAS, the Escrow Agent is a national banking association organized and existing under the laws of the United States, having its principal corporate trust office in Salt Lake City, Utah; and

WHEREAS, pursuant to a General Indenture of Trust, dated as of June 1, 1997 (the “General Indenture”), as heretofore amended and supplemented, a Second Supplemental Indenture of Trust (the “Second Supplemental Indenture”), dated as of June 1, 1998, and a Fifth Supplemental Indenture of Trust (the “Fifth Supplemental Indenture,” and together with the General Indenture and the Second Supplemental Indenture, the “Indenture”), dated as of August 1, 2005, each between the Board and Wells Fargo Bank, N.A. as trustee, the Board previously issued, for and on behalf of the University, its (i) University of Utah Auxiliary and Campus Facilities System Revenue and Refunding Bonds, Series 1998A, (the “Series 1998A Bonds”) and (ii) University of Utah Auxiliary and Campus Facilities System Revenue Refunding Bonds, Series 2005A (the “Series 2005A Bonds, and together with the Series 1998A Bonds, the “Bonds”); and

WHEREAS, the University desires to redeem and defease certain of the Bonds as evidenced by bonds with the maturity dates, principal amounts and interest rates show below (collectively, the “Defeased Bonds”):

DEFEASED BONDS

Series 1998A Bonds to be defeased:

Maturity Date <u>April 1</u>	Principal <u>Amount</u>	<u>Interest Rate</u>
---------------------------------	----------------------------	----------------------

	Series 2005A Bonds to be defeased:		
Maturity Date	Principal		
<u>April 1</u>	<u>Amount</u>		<u>Interest Rate</u>

WHEREAS, the University has determined to redeem and defease the Defeased Bonds by depositing with the Escrow Agent legally available moneys for such purpose (the “Available Moneys”) pursuant to a resolution adopted by the Board on December 9, 2005 (the “Resolution”); and

WHEREAS, the University has herewith deposited with the Escrow Agent, moneys sufficient, together with investment income thereon, to pay the principal of and interest on the Defeased Bonds from the date hereof through the redemptions thereof (at a redemption price of 101% of the principal amount thereof plus accrued interest for the Series 1998A Bonds and 100% of the principal amount thereof plus accrued interest for the Series 2005A Bonds) on April 1, 2008 for the Series 1998A Bonds and April 1, 2015 for the Series 2005A Bonds (collectively, the “Redemption Dates”); and

WHEREAS, the University and the Escrow Agent, acting in its capacity as escrow agent, desire to enter into this Escrow Deposit Agreement to provide for the taking of certain actions so as to accomplish the redemption and defeasance of the Defeased Bonds with the Available Moneys;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

The Escrow Agent hereby acknowledges receipt from the University the sum of [\$8,000,000] of legally available funds of the University (the "Available Moneys") (i) \$_____ of which will be used to purchase U.S. Treasury Securities or State and Local Government Securities hereinafter described in Exhibit A hereto (the "SLGS") and (ii) \$_____ of which is to be maintained in cash. The maturing principal of and interest on the SLGS and the cash in the Escrow Fund will produce amounts verified in writing by Causey Demgen & Moore, Inc., Accountants, to be sufficient to pay the principal of and interest on the Defeased Bonds from the date hereof to their respective Redemption Dates.

There is hereby created and established with the Escrow Agent special and irrevocable escrow funds designated the "University of Utah Auxiliary and Campus Facilities System Revenue and Refunding Bonds, Series 1998A Escrow Fund" (the "1998A Escrow Fund") and the "University of Utah Auxiliary and Campus Facilities System Revenue Refunding Bonds, Series 2005A Escrow Fund" (the "2005A Escrow Fund") and together with the 1998A Escrow Fund, the "Escrow Fund") to be held by the Escrow Agent, acting as escrow agent, as trust funds for the benefit of the holders of the Defeased Bonds. The Escrow Fund shall be held by the Escrow Agent separate and apart from other funds of the Board, the University, or the Escrow Agent.

The Escrow Agent, acting in its capacity as escrow agent, agrees that the total principal amount of and interest on the SLGS and the cash will be held in trust for the holders of the Defeased Bonds and irrevocably agrees to apply said principal amount and interest, as the same become due, and the cash to the payment of the principal, premium, if any, and interest requirements on the Defeased Bonds through their final maturities or their respective Redemption Dates.

a) The Escrow Agent agrees to pay principal of, premium, if any, and interest on the Defeased Bonds as aforesaid notwithstanding any failure by the University to pay when due

any further fees or expenses of the Escrow Agent or any Paying Agent relating to the Defeased Bonds. It is expressly understood that any such fees or expenses incurred by the Escrow Agent acting as escrow agent will be reimbursed by the University as provided in this Section 4 and in Section 10 hereof.

The University agrees to pay to the Escrow Agent upon the execution and delivery of this Escrow Deposit Agreement such amounts as may be necessary to pay the fees and expenses of the Escrow Agent acting as escrow agent.

Except as provided in Section 6 hereof, the Escrow Agent shall not have further power or duty to invest any funds held under this Escrow Deposit Agreement or to sell, transfer or otherwise dispose of or make substitutions of the SLGS and the cash.

b) This Escrow Deposit Agreement may be amended or supplemented, the SLGS and the cash or any portion thereof or proceeds thereof sold, redeemed, invested or reinvested, or proceeds thereof disbursed, in any manner (any such amendment, supplement or direction to sell, redeem, invest or disburse to be referred to as a “Subsequent Action”), upon submission to the Escrow Agent of each of the following:

A certified copy of the proceedings of the Board authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the Board.

An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that the Subsequent Action will not cause the interest on the Defeased Bonds to become includable in gross income for federal income tax purposes.

An opinion of a firm of nationally recognized independent certified public accountants to the effect that the amounts (which will consist of cash or deposits on demand held in trust or receipts from direct full faith and credit obligations of the United States of America, not callable or redeemable at the option of the issuer thereof), available or to be available for payment of the Defeased Bonds will remain sufficient to pay when due all principal of, premium, if any, and

interest on the Defeased Bonds after the taking of the Subsequent Action.

Except as provided in Paragraph (a) hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Escrow Deposit Agreement.

Except as provided in Paragraph (a) hereof, all of the rights, powers, duties and obligations of the Board and the University hereunder shall be irrevocable and shall not be subject to amendment by the Board or the University and shall be binding on any successor to the officials now comprising the governing body of the Board or the University during the term of this Escrow Deposit Agreement.

c) The University hereby irrevocably instructs the Escrow Agent, and the Escrow Agent agrees to cause the trustee for the holders of the Defeased Bonds to mail on behalf of the Authority, a notice, in substantially the form attached hereto as Exhibit B-1 or Exhibit B-2, as applicable, that provision for the redemption and defeasance of all the Defeased Bonds have been made as provided in this Escrow Deposit Agreement. Such notice shall be mailed by the Trustee to the holders of the Defeased Bonds, the Bond Insurer (as defined in the Indenture), all Nationally Recognized Municipal Securities Information Repositories, and the Municipal Securities Rulemaking Board as required and in accordance with the provisions of the Indenture.

The Escrow Agent shall also cause the trustee for the Defeased Bonds, to mail notice of redemption of the Defeased Bonds in the manner required by the Indenture. Such notice of redemption shall be given by the Trustee by sending a copy of the notice of such redemption by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the respective Redemption Dates for the Defeased Bonds, to the Registered Owners of such Defeased Bonds at the address of each such owner as it appears on the bond registration books of the Trustee, all Nationally Recognized Municipal Securities Information Repositories, and the Municipal Securities Rulemaking Board. Such notice shall also be filed with the paying agent for the Defeased Bonds.

The Defeased Bonds subject to redemption will be called for redemption on their respective Redemption Dates at a

redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date of redemption. The Escrow Fund created hereby shall be irrevocable and the holders of the Defeased Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Fund, including all amounts representing principal and all amounts representing interest on the SLGS and the cash in the Escrow Fund until used and applied in accordance herewith.

The University shall cause financing and continuation statements to be filed with respect to this Escrow Deposit Agreement in such manner and in such places as may be required by law fully to protect the security of the holders of the Defeased Bonds and the right, title and interest of the Escrow Agent, to all amounts deposited in the Escrow Fund and the principal and interest with respect to the SLGS and the cash deposited in the Escrow Fund and shall take or cause to be taken all action necessary to preserve the aforesaid security so long as any of the Defeased Bonds remain unpaid.

d) The Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the University for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim for any such payment under the Resolution or the Indenture, and that it has no lien on the moneys in the Escrow Fund for any such payment.

The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that any person purporting to give any notice or receipt of advice or make any statements in connection with the provisions hereof has been duly authorized to do so.

The Escrow Agent may act relative hereto in reliance upon advice of nationally recognized bond counsel in reference to any matter connected herewith, and shall not be liable for any mistake of fact or error of judgment, or for any acts or omissions of any kind, unless caused by its willful misconduct or gross negligence.

The Escrow Agent may resign and be discharged of its duties hereunder provided that: (i) it has given thirty (30) days written notice to the University of such resignation; (ii) the University has appointed a successor

to the Escrow Agent hereunder; (iii) the Escrow Agent and the University have received an instrument of acceptance executed by the successor to the Escrow Agent hereunder; and (iv) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents, SLGS, moneys and investments held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (iv) above. Upon receipt by the University of the written notice described in clause (i) above, the University shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible.

This Escrow Deposit Agreement shall terminate when all amounts held hereunder for the payment of the principal of and interest and redemption premium, if any, on all Defeased Bonds has been paid to the Paying Agent for the Defeased Bonds. The Escrow Agent shall thereupon be released and discharged with respect thereto and hereto and any remaining amounts hereunder shall be deposited with the University. Except as otherwise provided in Section 6 hereof, this Escrow Deposit Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without (i) the written consent of the holders of 100% in principal amount of the unpaid Defeased Bonds at the time such action is made, and (ii) the written consent of the Escrow Agent; provided, however, that the University and the Escrow Agent may, without the consent of, or notice to the holders of the unpaid Defeased Bonds enter into such agreements supplemental to this Escrow Deposit Agreement as shall not adversely affect the rights of such holders hereunder and shall not be inconsistent with the terms and provisions of this Escrow Deposit Agreement, for any one or more of the following purposes:

to cure any ambiguity or formal defect or omission in this Escrow Deposit Agreement; or to grant to or confer upon the Escrow Agent for the benefit of the holders of the Defeased Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this

Section 12, including the extent, if any, to which any change, modification, addition or elimination affects the rights of such holders of the Defeased Bonds or that any instrument executed hereunder complies with the conditions or provisions of this Section 13.

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and attested as of the date first above written.

STATE BOARD OF REGENTS OF THE
STATE OF UTAH

By: _____
Chair

ATTEST:

Secretary

UNIVERSITY OF UTAH

By: _____
Vice President of Administrative Services

WELLS FARGO BANK, N.A., as
Escrow Agent

By: _____
Authorized Officer

EXHIBIT A

ESCROW FUND

Investments Purchased with Available Moneys

Maturity Date

Principal Amount

Rate

EXHIBIT B-1

FORM OF NOTICE OF REFUNDING AND DEFEASANCE

UNIVERSITY OF UTAH AUXILIARY AND CAMPUS FACILITIES SYSTEM
REVENUE AND REFUNDING BONDS, SERIES 1998A

Maturing on and after April 1, 2008

in the aggregate principal amount of \$_____

NOTICE IS HEREBY GIVEN that for the payment of the principal of and interest on the bonds of the above-designated series maturing on and after April 1, 2009 (the "Defeased Bonds") of the State Board of Regents of the State of Utah (the "Board"), there have been deposited in escrow with Wells Fargo Bank, N.A., Salt Lake City, Utah (the "Escrow Agent") moneys which, except to the extent maintained in cash, have been invested in United States Government Obligations, the projected principal payments to be received from such securities and the projected interest income therefrom have been calculated to be sufficient, with said cash, to pay the interest requirements on the Defeased Bonds when due through April 1, 2008, which is the maturity date for a portion of the Defeased Bonds or which is the date upon which the Board has elected to call and redeem the Defeased Bonds prior to their maturities at a redemption price of 101% of the principal amount of the Defeased Bonds, plus accrued interest to the redemption date.

In accordance with the terms of Article X of the General Indenture of Trust of the Board under which the Defeased Bonds were issued, the Defeased Bonds are deemed to have been paid.

This notice has been given pursuant to the direction of the State Board of Regents of the State of Utah and the University of Utah and dated this ____ day of _____, 20__.

WELLS FARGO BANK, N.A., as Trustee

EXHIBIT B-2

FORM OF NOTICE OF REFUNDING AND DEFEASANCE

UNIVERSITY OF UTAH AUXILIARY AND CAMPUS FACILITIES SYSTEM
REVENUE REFUNDING BONDS, SERIES 2005A

Maturing on and after April 1, 2015

in the aggregate principal amount of \$_____

NOTICE IS HEREBY GIVEN that for the payment of the principal of and interest on the bonds of the above-designated series maturing on and after April 1, 2016 (the "Defeased Bonds") of the State Board of Regents of the State of Utah (the "Board"), there have been deposited in escrow with Wells Fargo Bank, N.A., Salt Lake City, Utah (the "Escrow Agent") moneys which, except to the extent maintained in cash, have been invested in United States Government Obligations, the projected principal payments to be received from such securities and the projected interest income therefrom have been calculated to be sufficient, with said cash, to pay the interest requirements on the Defeased Bonds when due through April 1, 2015, which is the maturity date for a portion of the Defeased Bonds or which is the date upon which the Board has elected to call and redeem the Defeased Bonds prior to their maturities at a redemption price of 100% of the principal amount of the Defeased Bonds, plus accrued interest to the redemption date.

In accordance with the terms of Article X of the General Indenture of Trust of the Board under which the Defeased Bonds were issued, the Defeased Bonds are deemed to have been paid.

This notice has been given pursuant to the direction of the State Board of Regents of the State of Utah and the University of Utah and dated this ____ day of _____, 20__.

WELLS FARGO BANK, N.A., as Trustee

ESCROW DEPOSIT AGREEMENT

Dated as of December 1, 2005

among

STATE BOARD OF REGENTS OF THE STATE OF UTAH,

THE UNIVERSITY OF UTAH,

and

WELLS FARGO BANK, N.A.

November 30, 2005

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) **Utah State University – Property Gift.** USU may be prepared to advise the Board of Regents of a gift of agricultural property. Additional details may be presented at the meeting on December 9th.
- 3) **Southern Utah University – Property Sale (Attachment 2).** SUU seeks to sell two parcels of land and use the proceeds to construct a steel storage facility on land already owned by the Utah Shakespearean Festival. The attached letter from SUU Vice President Greg Stauffer provides more detail.

Richard E. Kendell, Commissioner

REK/MHS/MV
Attachments



November 17, 2005

Mark H. Spencer, Associate Commissioner
Utah System of Higher Education
Board of Regents Building
60 South 400 West – The Gateway
Salt Lake City, UT 84101-1284

Dear Dr. Spencer:

Southern Utah University requests that the sale of two adjoining properties be placed on the December Board of Regents agenda. These sales would be to support the operations of the Utah Shakespearean Festival. The two properties are approximately four blocks from the main campus, and can be described as follows:

Property at 800W 400N – approximately a .25 acre lot with a 4,000 sq ft steel building. Purchased in 1992 by the Festival through donated funds for \$80,000. Currently used by USF for theatrical props fabrication. 2005 appraised value of \$260,000.

Property at 718W 400N - .25 acre lot, undeveloped with no building or structures. Gifted by the Festival City Foundation to SUU in 2003. 2005 appraised value of \$74,000.

Sale proceeds from these two adjacent lots would be used to build an additional steel building on the Festival property at 1635 N Bulldog Road in Cedar City. This property is a 2.8 acre site with a 10,000 sq ft building that is used for Festival storage and scenic studio fabrication. The steel building to be added to this site will allow scenic and props construction departments to be placed in the same building, with the current storage portion of the existing building being moved into the to-be constructed unit.

The urgency of this request is predicated on the Festival's being asked to vacate additional donated storage space currently being utilized at a local manufacturing plant site. While the owner of this site has been quite generous in allowing this storage space over the years, they now need the space for their own expansion purposes.

The Festival's Board of Governors have been involved in these discussions, the University's Board of Trustees will have acted on the request prior to the Regents meeting, and we would now request Regent review and approval of the property sales at or above the appraised values at the December meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory L. Stauffer', written in a cursive style.

Gregory L Stauffer
Vice President for Administrative & Financial Services

cc: Commissioner Richard E. Kendell
President Steven D. Bennion

November 30, 2005

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: USHE- Annual Report on Student Financial Aid

Issue

In preparation for a presentation to a Legislative appropriations subcommittee, staff members have prepared information summarizing key issues related to student financial aid, student loans, and the role of UHEAA in assisting Utah students.

Discussion

Included in the USHE 2006-2007 Budget Proposal is a request for \$1.67 million of new funds for need-based financial aid. These funds are urgently needed to counter-balance recent tuition increases in Utah. While Utah has historically been known as a low-tuition/low-aid state, a more accurate current description would be medium-tuition/low-aid. In fact, in terms of tax-funds per FTE for need-based aid, Utah is among the lowest states in nation (ranks 43rd).

The state line-item for financial aid has not been increased for several years, despite dramatic tuition cost increases for Utah students over the last five years. As a point of reference, the much-publicized national study *Measuring Up-2004* gave Utah a "C" grade in Affordability. The report states: **"Over the past decade, Utah has made no notable progress in providing affordable higher education opportunities."** The report also concludes: **"The state's investment in need-based financial aid is very low when compared with top-performing states."**

Information in support of this budget request for need-based financial aid is presented in two sections.

Section One – Extent of Need and Status of Borrowing. The tables and graphs in this section (pages 1-8) illustrate the number of Utah students qualifying for need-based aid, number of students receiving grants and loans, and the current volume of borrowing in Utah. Perhaps most important is the final graph, showing ascending slopes for tuition, grants, and borrowing, contrasted with a flat slope for tax fund support.

State Board of Regents
November 30, 2005

Section Two – Role of UHEAA. By Utah statute, the Board of Regents constitutes a separate entity defined as the Utah Higher Education Assistance Authority (UHEAA). The Board delegates operation of UHEAA to a subsidiary Board of Directors, chaired by a Regent. UHEAA:

- Operates the student loan guarantee program. By agreement with the U.S. Secretary of Education, UHEAA guarantees loans under the Federal Family Education Loan Program (FFELP). In FFELP, local financial institutions make student loans, UHEAA guarantees and services the loans, and the federal government provides reinsurance on the loans.
- Operates the Utah secondary loan market. UHEAA purchases UHEAA-guaranteed loans from the lenders, originates consolidation loans, and provides FFELP lender-of-last-resort loans to Utah students if necessary.
- Operates the Utah Educational Savings Plan Trust (UESP). UESP provides a tax-exempt vehicle to save for the college expenses of children and grandchildren.
- Administers federal and state financial aid programs in Utah. UHEAA works with institutional financial aid officers to ensure that funding reaches students most in need.

Recommendation

This report is intended as information only. No action is needed.

REK/MHS
Attachments

Richard E. Kendell, Commissioner

Student Aid Information USHE Schools (excluding UCAT)

How is student need determined?

Need is defined as the "Cost of Attendance" less "Expected Family Contribution." Each institution determines its "Cost of Attendance" using federal guidelines.

Cost of Attendance
9-Month Total

Institution	Tuition & Fees	Books & Supplies	Room & Board	Misc.	Total
UU	\$ 3,644	\$ 1,080	\$ 8,334	\$ 5,184	18,242
USU	3,680	1,040	5,560	3,300	13,580
WSU	3,165	900	6,030	3,872	13,967
SUU	3,358	1,140	5,940	3,940	14,378
SNOW	1,996	850	4,000	2,200	9,046
DSC	1,886	900	3,736	4,758	11,280
CEU	1,980	730	5,674	3,408	11,792
UVSC	3,000	1,487	5,912	3,076	13,475
SLCC	1,650	1,600	8,100	2,270	13,620
Weighted Avg	\$ 2,878	\$ 1,200	\$ 6,533	\$ 3,574	14,186

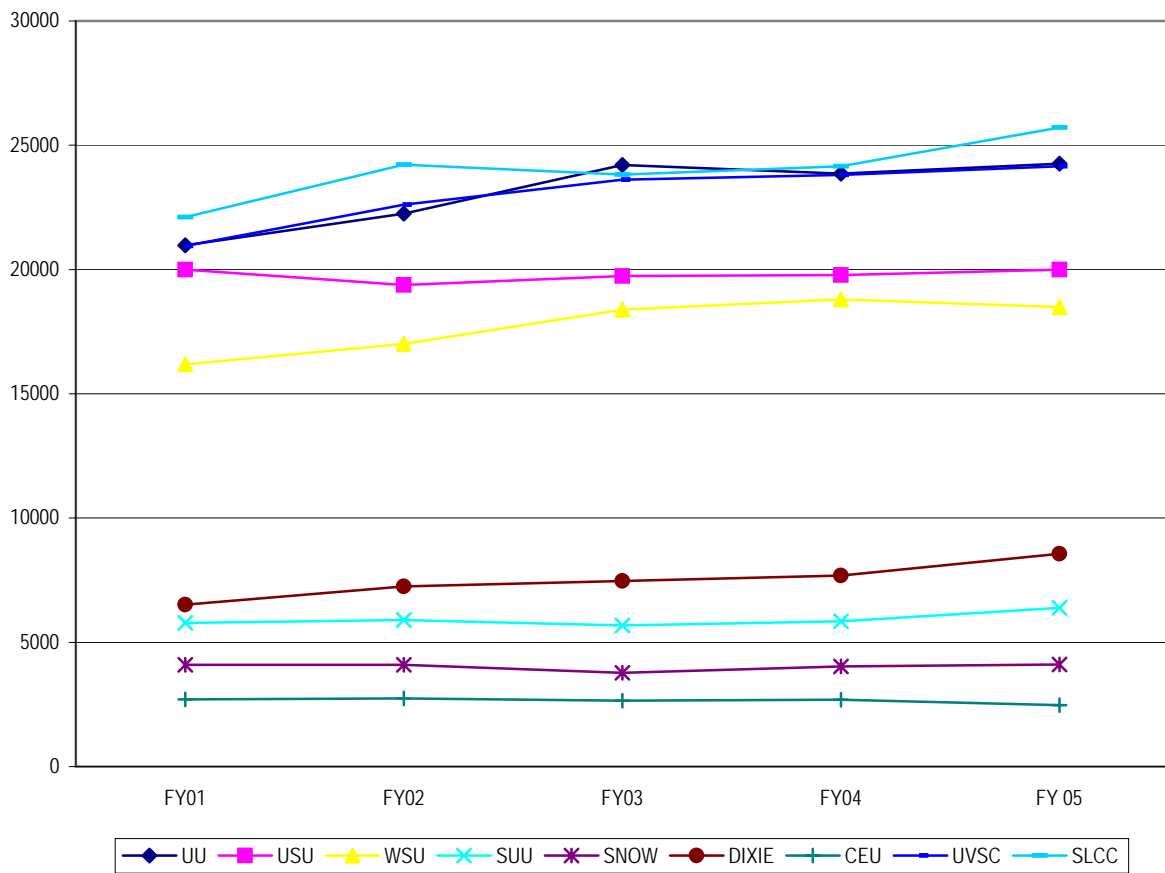
Who needs student aid?

Between FY 2001 and 2005 eligibility for need based aid grew faster than enrollment. Enrollment increased by 12.43 percent while eligible applicants for aid increased by 43.5 percent.

Enrollment - Undergraduate Headcount

Institution	FY 01	FY 02	FY 03	FY 04	FY 05
UU	20,970	22,243	24,200	23,862	24,256
USU	19,997	19,380	19,736	19,782	19,994
WSU	16,181	17,003	18,389	18,798	18,490
SUU	5,781	5,897	5,680	5,840	6,381
SNOW	4,092	4,096	3,768	4,036	4,108
DSC	6,515	7,255	7,473	7,682	8,564
CEU	2,704	2,746	2,646	2,692	2,471
UVSC	20,946	22,609	23,609	23,803	24,149
SLCC	22,109	24,215	23,825	24,153	25,711
Total	119,295	125,444	129,326	130,648	134,124

UNDERGRADUATE HEADCOUNT



This table summarizes the number of students who completed the federal form (FAFSA) and qualified for some type of financial aid.

Need Based Aid - Eligible Undergraduates Applicants (FAFSA)

Institution	FY 01	FY 02	FY 03	FY 04	FY 05
UU	9,079	9,673	10,873	11,293	12,168
USU	9,137	9,729	10,294	10,676	10,733
WSU	8,143	8,999	10,267	10,827	9,480
SUU	3,429	3,491	3,574	3,640	3,837
SNOW	1,652	1,806	1,702	1,697	1,751
DSC	1,879	2,004	2,241	2,313	3,130
CEU	1,546	1,468	1,571	1,455	1,413
UVSC	12,063	15,735	18,649	17,406	22,873
SLCC	7,222	8,434	10,152	11,758	12,345
Total	54,150	61,339	69,323	71,065	77,730

Availability of Need based Aid?

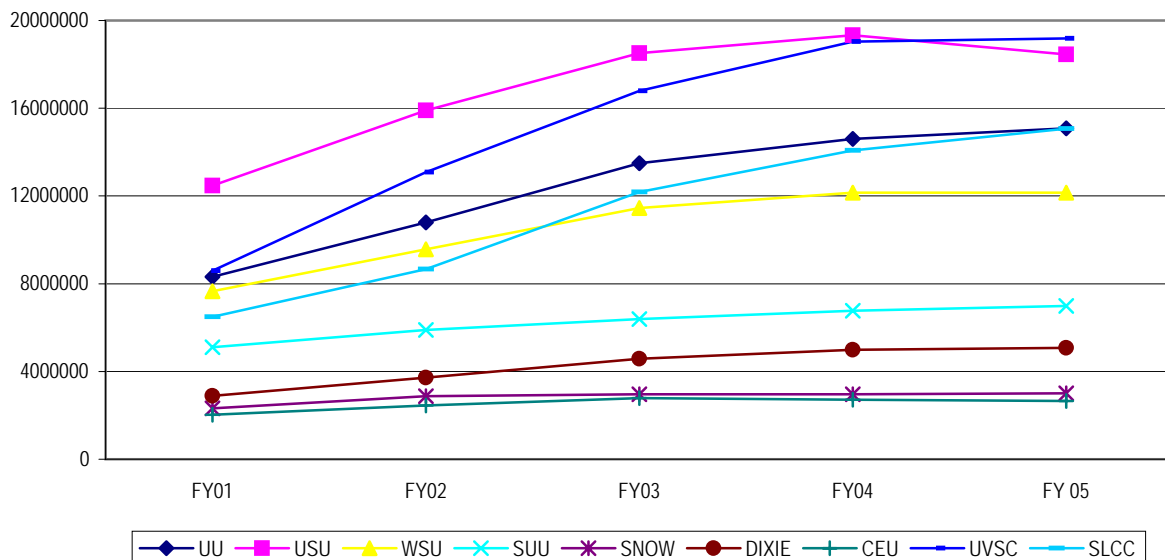
Federal Pell Grants are by far the largest source of need based aid. Pell is awarded to only the most needy students. FY 2001, the average Pell award, made to 29,561 students was \$1,890. In FY 2005 the average award increased by 25 percent to \$2,378 due mostly to a change in the regulations which increased the potential maximum award. The number of recipients increased by 39 percent to 41,068 students.

In addition to Pell grants, students attending USHE institutions are eligible for Supplemental Educational Opportunity Grants (SEOG), Leveraging Educational Assistance Partnership Grants (LEAP), and Utah Centennial Opportunity Program for Education Grants (UCOPE). If added together (Pell, SEOG, LEAP, UCOPE) and awarded to Pell recipients, the need based grant aid average award would be \$2,597.

NEED BASED AID - FEDERAL/STATE GRANTS

<u>INSTITUTION</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>
UU	8,310,804	10,802,149	13,494,709	14,599,247	15,089,297
USU	12,477,882	15,906,614	18,519,208	19,330,001	18,455,292
WSU	7,656,467	9,576,503	11,445,212	12,152,884	12,154,863
SUU	5,110,810	5,890,613	6,386,092	6,768,581	6,988,194
SNOW	2,319,641	2,880,903	2,960,918	2,960,130	2,999,178
DSC	2,888,541	3,718,515	4,583,432	4,995,181	5,078,932
CEU	2,023,162	2,455,226	2,789,691	2,713,348	2,648,310
UVSC	8,586,945	13,080,549	16,789,102	19,035,790	19,179,254
SLCC	6,493,457	8,671,907	12,174,964	14,084,275	15,076,250
PELL TOTAL	\$55,867,709	\$72,982,979	\$89,143,328	\$96,639,437	\$97,669,570
SEOG/LEAP	\$4,786,688	\$6,091,303	\$6,726,931	\$5,914,514	\$6,347,938
UCOPE	\$1,639,990	\$2,720,000	\$2,036,000	\$1,775,000	\$2,620,950

NEED BASED GRANTS



USHE Federal and State Matching Student Financial Aid

Institution	2000-01		2001-02		2002-03		2003-04		2004-05		
	No. of Students	Dollar Amount	No. of Students	Dollar Amount	No. of Students	Dollar Amount	No. of Students	Dollar Amount	No. of Students	Dollar Amount	
UU	Perkins Loan	1,437	\$4,033,710	1,716	\$4,769,964	2,348	\$6,462,277	2,703	\$8,910,832	2,643	\$9,144,447
	FWS	354	1,091,821	391	1,252,252	534	1,755,490	454	1,606,119	468	1,537,209
	FSEOG	1,112	881,595	1,902	1,510,634	1,937	1,264,231	1,600	867,207	1,485	797,162
	LEAP/SSIG	582	192,901	863	296,229	1,056	366,476	1,054	371,840	1,123	435,318
	Pell		\$8,310,804	5,085	\$10,802,149	5,808	\$13,494,709	6,128	\$14,599,247	6,303	\$15,089,297
TOTAL		\$14,510,831		\$18,631,228		\$23,343,183		\$26,355,245		\$27,003,433	
USU	Perkins Loan	1,052	\$2,728,789	634	\$1,715,407	1,140	\$3,067,730	1,373	\$3,390,247	1,618	\$4,337,057
	FWS	411	799,579	344	695,216	404	923,044	473	1,101,800	484	1,094,420
	FSEOG	1,249	994,351	1,224	830,288	1,323	928,385	1,157	773,374	1,373	991,819
	LEAP/SSIG	179	142,118	291	218,681	445	276,569	356	279,530	428	314,163
	Pell		\$12,477,882	6,819	\$15,906,614	7,325	\$18,519,208	7,419	\$19,330,001	7,131	\$18,455,292
TOTAL		\$17,142,719		\$19,366,206		\$23,714,936		\$24,874,952		\$25,192,751	
WSU	Perkins Loan	580	\$1,496,510	557	\$1,395,468	633	\$1,616,563	663	\$1,820,161	600	\$1,873,493
	FWS	396	861,381	380	982,976	438	1,087,914	350	995,055	348	782,902
	FSEOG	569	928,731	552	907,308	560	837,440	467	765,564	495	771,995
	LEAP/SSIG	87	115,146	129	177,877	141	220,912	185	222,950	234	268,662
	Pell		\$7,656,467	4,597	\$9,576,503	5,276	\$11,445,212	5,431	\$12,152,884	5,296	\$12,154,863
TOTAL		\$11,058,235		\$13,040,132		\$15,208,041		\$15,956,614		\$15,851,915	
SUU	Perkins Loan	76	\$270,535	130	\$420,119	138	\$453,855	133	\$468,981	112	\$392,930
	FWS	298	276,087	320	314,440	329	292,779	345	284,348	339	284,348
	FSEOG	731	195,348	669	195,348	592	195,348	560	195,348	497	179,760
	LEAP/SSIG	81	53,489	98	79,598	96	97,323	202	93,720	167	99,353
	Pell		\$5,110,810	2,472	\$5,890,613	2,508	\$6,386,092	2,566	\$6,768,581	2,623	\$6,988,194
TOTAL		\$5,906,269		\$6,900,118		\$7,425,397		\$7,810,978		\$7,944,585	
SNOW	Perkins Loan	72	\$159,627	55	\$118,836	31	\$67,475	34	\$67,773	28	\$66,320
	FWS	119	112,283	138	118,352	180	134,428	176	145,848	171	139,406
	FSEOG	406	109,524	491	118,723	439	125,857	299	109,520	440	115,520
	LEAP/SSIG	138	29,643	158	42,450	194	51,699	151	48,730	195	49,200
	Pell		\$2,319,641	1,292	\$2,880,903	1,260	\$2,960,918	1,194	\$2,960,130	1,202	\$2,999,178
TOTAL		\$2,730,718		\$3,279,264		\$3,340,377		\$3,332,001		\$3,369,624	
DIXIE	Perkins Loan	111	\$315,586	145	\$397,462	127	\$387,762	226	\$621,059	151	\$457,057
	FWS	130	230,867	120	262,714	104	222,072	110	227,682	96	214,624
	FSEOG	334	153,200	288	120,355	239	125,647	275	116,505	251	124,573
	LEAP/SSIG	98	34,146	146	50,692	130	64,642	130	64,120	151	73,826
	Pell		\$2,888,541	1,735	\$3,718,515	1,942	\$4,583,432	2,096	\$4,995,181	2,117	\$5,078,932
TOTAL		\$3,622,340		\$4,549,738		\$5,383,555		\$6,024,547		\$5,949,012	
CEU	Perkins Loan	39	\$66,225	48	\$82,900	44	\$78,019	36	\$67,570	49	\$92,084
	FWS	72	72,467	72	78,042	86	100,371	82	85,971	75	78,463
	FSEOG	82	55,721	102	72,175	177	124,307	121	64,624	136	81,344
	LEAP/SSIG	34	19,936	53	29,952	61	35,359	73	35,690	83	38,151
	Pell		\$2,023,162	1,141	\$2,455,226	1,128	\$2,789,691	1,051	\$2,713,348	995	\$2,648,310
TOTAL		\$2,237,511		\$2,718,295		\$3,127,747		\$2,967,203		\$2,938,352	
UVSC	Perkins Loan	143	\$250,707	140	\$306,471	142	\$345,343	203	\$502,854	243	\$609,999
	FWS	106	245,880	298	738,179	1,545	967,091	450	1,365,973	412	1,318,861
	FSEOG	381	225,590	1,084	725,137	459	1,142,776	1,398	910,560	1,765	1,038,612
	LEAP/SSIG	480	112,271	627	181,643	1,037	233,825	854	248,930	926	293,453
	Pell		\$8,586,945	6,147	\$13,080,549	7,249	\$16,789,102	8,104	\$19,035,790	8,131	\$19,179,254
TOTAL		\$9,421,393		\$15,031,979		\$19,478,137		\$22,064,107		\$22,440,179	
SLCC	Perkins Loan	538	\$895,708	562	\$883,909	545	\$1,017,842	604	\$1,177,418	545	\$1,283,808
	FWS	176	317,127	166	293,640	146	334,811	188	371,332	149	329,158
	FSEOG	959	407,842	800	317,990	679	375,010	836	476,103	499	357,279
	LEAP/SSIG	350	135,136	363	216,223	482	261,125	474	270,199	454	317,748
	Pell		\$6,493,457	4,728	\$8,671,907	6,061	\$12,174,964	6,860	\$14,084,275	7,270	\$15,076,250
TOTAL		\$8,249,270		\$10,383,669		\$14,163,752		\$16,379,327		\$17,364,243	
TOTAL USHE	Perkins Loan	4,048	\$10,217,397	3,987	\$10,090,536	5,148	\$13,496,866	5,975	\$17,026,895	5,989	\$18,257,195
	FWS	2,062	\$4,007,492	2,229	\$4,735,811	3,766	\$5,818,000	2,628	\$6,184,128	2,542	\$5,779,391
	FSEOG	5,823	\$3,951,902	7,112	\$4,797,958	6,405	\$5,119,001	6,713	\$4,278,805	6,941	\$4,458,064
	LEAP/SSIG	2,029	\$834,786	2,728	\$1,293,345	3,642	\$1,607,930	3,479	\$1,635,709	3,761	\$1,889,874
	Pell		\$55,867,709	34,016	\$72,982,979	38,557	\$89,143,328	40,849	\$96,639,437	41,068	\$97,669,570
TOTAL		\$74,879,286		\$93,900,629		\$115,185,125		\$125,764,974		\$128,054,094	

Notes

Reference: USHE Data Book 2006-07: Tab F - Table 3 (publishing date Jan 2006)

How many students borrow and how much?

Borrowing has become an increasingly important means of financing educational opportunities. Since FY 01 the number of borrowers has increased by 55 percent. For students who borrow, the average debt burden after four years is up 14 percent to \$14,049.

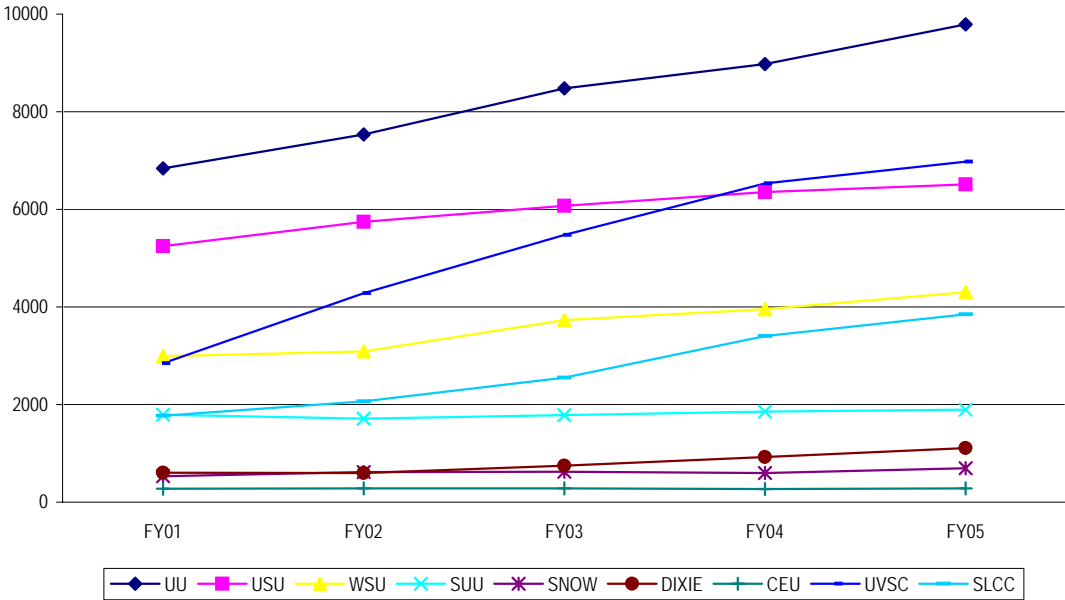
Number of Borrowers by School

Institution	FY 01	FY 02	FY 03	FY 04	FY 05
UU	6,838	7,533	8,481	8,975	9,792
USU	5,244	5,743	6,074	6,351	6,509
WSU	2,988	3,088	3,733	3,956	4,303
SUU	1,790	1,711	1,786	1,855	1,895
SNOW	530	614	620	598	695
DSC	602	600	745	924	1,110
CEU	277	279	285	266	284
UVSC	2,847	4,282	5,478	6,533	6,979
SLCC	1,769	2,064	2,549	3,406	3,851
Total	22,885	25,914	29,751	32,864	35,418

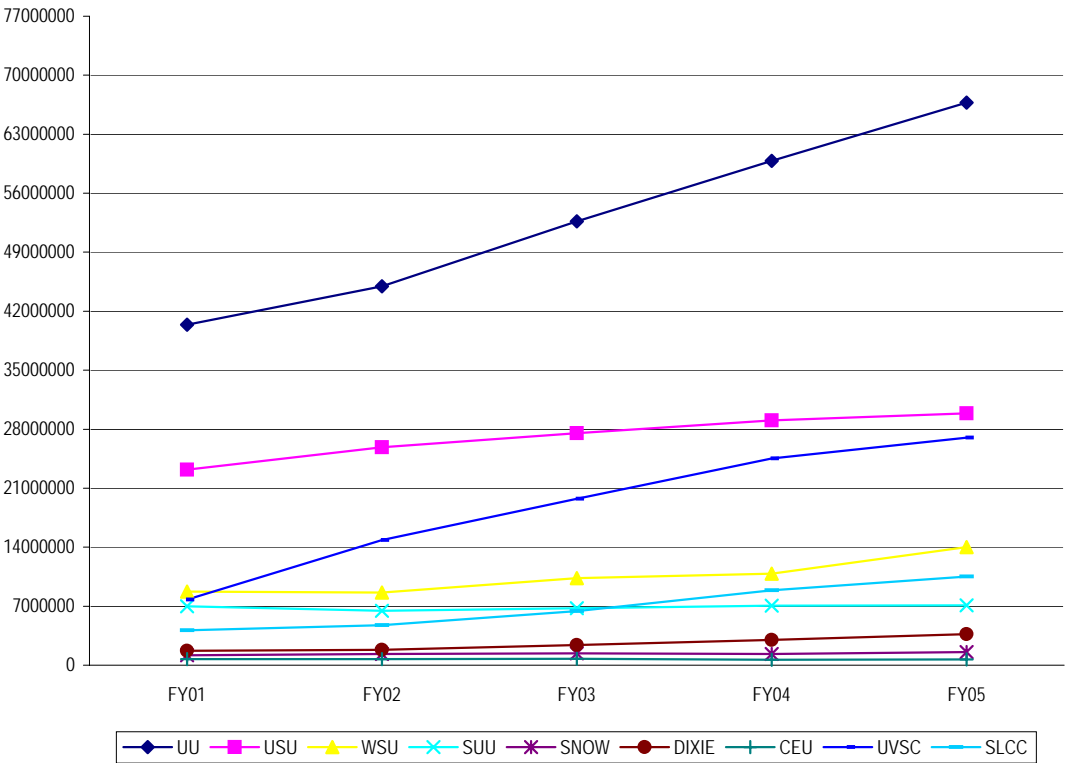
Loan Volume by School

Institution	FY 01	FY 02	FY 03	FY 04	FY 05
UU	40,414,643	44,948,568	52,654,933	59,849,057	66,762,741
USU	23,186,641	25,858,247	27,519,491	29,040,729	29,864,944
WSU	8,719,930	8,635,006	10,333,591	10,853,056	13,996,577
SUU	6,982,623	6,438,030	6,762,481	7,058,060	7,082,118
SNOW	1,166,886	1,316,008	1,392,456	1,316,144	1,573,213
DSC	1,727,410	1,820,347	2,390,346	2,989,715	3,673,912
CEU	729,083	716,186	764,833	638,867	700,813
UVSC	7,798,682	14,858,523	19,756,213	24,527,801	27,012,321
SLCC	4,150,024	4,743,721	6,435,366	8,893,157	10,512,066
Total	94,875,922	109,334,636	128,009,710	145,166,586	161,178,705

Number of Borrowers



LOAN VOLUME



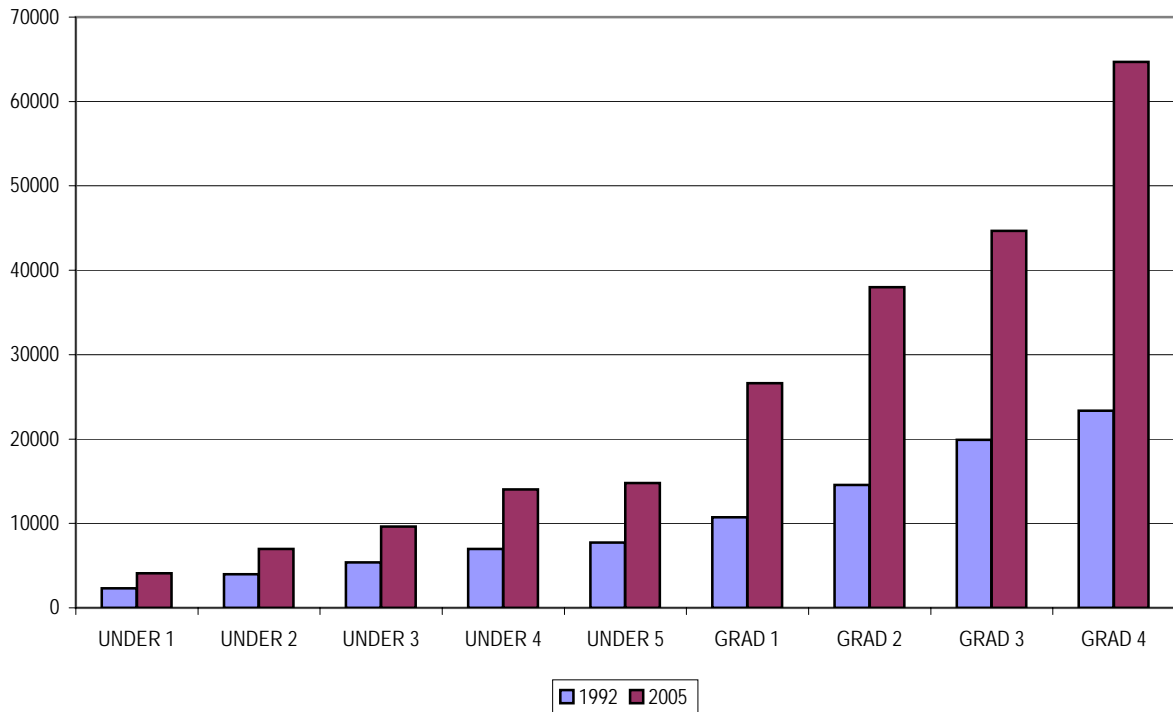
The following table describes how individual debt burden has increased over time. For example, an average borrower who completes his course work in 1992 after one year of study would have debt of \$2,323. In 2005 the same scenario would result in debt of \$4,095.

Average Debt Burden by Highest Grade Level & Out-of-School Date

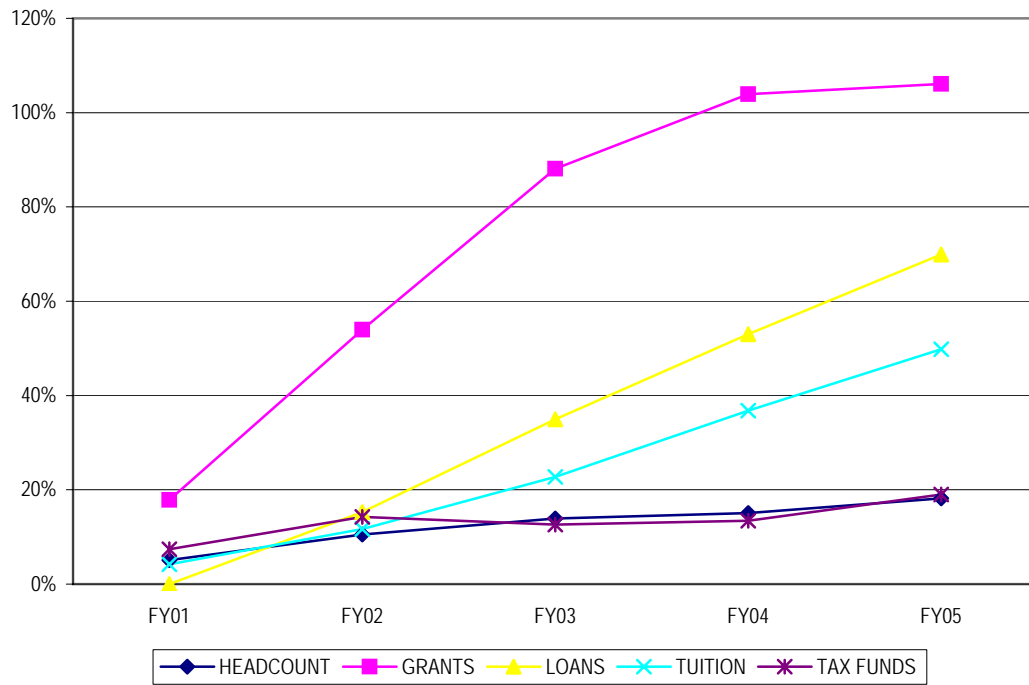
1-5 = Undergraduate years 1 thru 5; A-D = Graduate years 1 thru 4+

Fiscal Year	1	2	3	4	5	A	B	C	D
1992	\$ 2,323	\$ 3,975	\$ 5,397	\$ 6,988	\$ 7,717	\$ 10,727	\$ 14,543	\$ 19,899	\$ 23,358
1993	\$ 2,312	\$ 3,986	\$ 5,441	\$ 7,411	\$ 7,927	\$ 11,349	\$ 15,807	\$ 19,631	\$ 26,638
1994	\$ 2,222	\$ 4,342	\$ 6,018	\$ 8,314	\$ 8,943	\$ 12,224	\$ 16,509	\$ 21,007	\$ 27,822
1995	\$ 2,544	\$ 4,775	\$ 6,674	\$ 9,561	\$ 10,226	\$ 12,580	\$ 17,082	\$ 24,067	\$ 31,352
1996	\$ 2,995	\$ 5,011	\$ 7,190	\$ 10,530	\$ 11,035	\$ 14,406	\$ 19,125	\$ 29,456	\$ 38,106
1997	\$ 2,925	\$ 5,363	\$ 7,938	\$ 11,220	\$ 11,818	\$ 15,572	\$ 21,885	\$ 34,507	\$ 43,474
1998	\$ 3,008	\$ 5,289	\$ 7,710	\$ 11,555	\$ 12,212	\$ 17,049	\$ 22,315	\$ 36,753	\$ 51,476
1999	\$ 3,036	\$ 5,572	\$ 7,561	\$ 11,433	\$ 12,303	\$ 16,888	\$ 23,915	\$ 35,419	\$ 55,468
2000	\$ 3,206	\$ 6,023	\$ 7,349	\$ 10,896	\$ 12,114	\$ 16,170	\$ 26,533	\$ 36,225	\$ 59,990
2001	\$ 3,345	\$ 6,331	\$ 8,126	\$ 12,363	\$ 12,767	\$ 20,449	\$ 31,229	\$ 41,359	\$ 66,201
2002	\$ 3,452	\$ 6,459	\$ 8,876	\$ 13,215	\$ 14,389	\$ 22,293	\$ 33,293	\$ 45,774	\$ 74,408
2003	\$ 3,554	\$ 6,816	\$ 8,894	\$ 12,917	\$ 14,023	\$ 24,576	\$ 36,916	\$ 51,244	\$ 83,883
2004	\$ 3,865	\$ 7,307	\$ 9,321	\$ 13,297	\$ 14,163	\$ 25,747	\$ 35,874	\$ 45,036	\$ 102,491
2005	\$ 4,095	\$ 6,980	\$ 9,628	\$ 14,049	\$ 14,790	\$ 26,622	\$ 37,979	\$ 44,667	\$ 64,707

AVERAGE DEBT BURDEN



USHE COMBINED



UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY

UHEAA ISSUE BRIEF

November 2005

UHEAA exercises delegated responsibility for oversight and governance of the student financial aid programs on behalf of the State Board of Regents.

- UHEAA is a major Utah financial institution. In FY 2005, it guaranteed over 100,000 new loans valued at \$432 million. By operating the programs locally, UHEAA provides millions of dollars in savings to its student loan borrowers (\$18.3 million in borrower benefits in fiscal 2005).
- UHEAA's cohort default rate was 2.7% which ranked 4th lowest nationally. The national average for all programs was 4.5%.
- UHEAA's Loan Purchase Program's (LPP's) portfolio of student loans consisted of over 139,000 borrowers with an aggregate outstanding balance of \$1.58 billion.
- The Utah Education Savings Plan (USEP) Trust encourages savings for college. On October 31, 2005 it had 63,656 participant agreements with total account balances of \$1.1 billion.
- In 2004-05 the Utah Centennial Opportunity Program for Education provided 2,300 grant awards (\$1.4 million), 460 work-study opportunities (\$1 million) and 35 Utah Caesar Chavez grant awards (\$21,000) to needy Utah students.
- UHEAA has 174 FTE employees and will be adding about 10 loan servicing staff employees as the loan servicing portfolio grows over the next few years. UHEAA is assuming loan portfolio servicing currently performed by out-of-state servicing organizations.
- UHEAA's FY 2006 combined operating budgets total \$145 million. All budget expenses are paid from UHEAA revenues with no state appropriation.

Cohort Default Rates for Fiscal Year 2000-2003

Guaranty Agencies

Ranked by FY 2003 Default Rates

Rank	INSTITUTION	State	FY 00 %	FY 01 %	FY 02 %	FY 03 %	4 Yr. Ave.
1	South Carolina State Ed. Assistance Authority	SC	1.5	1.1	1.5	1.0	1.3
2	American Student Assistance Corp.	MA	3.9	3.4	1.7	1.3	2.6
3	North Carolina State Ed. Assistance Authority	NC	8.3	5.1	1.5	1.5	4.1
4	Utah Higher Education Assistance Authority	UT	2.8	3.3	2.7	2.7	2.9
5	Vermont Student Assistance Corporation	VT	3.1	2.7	1.0	2.8	2.4
6	New Hampshire Higher Ed. Assistance Foundation	NH	1.4	1.8	2.0	2.8	2.0
7	Education Assistance Corporation	SD	3.5	3.8	3.1	3.0	3.4
8	Great Lakes Higher Education Corporation	WI	4.4	4.0	4.1	3.3	4.0
9	Pennsylvania Higher Ed. Assistance Authority	PA	4.7	5.2	4.9	3.5	4.6
10	Colorado Student Loan Program	CO	6.6	6.7	6.5	3.6	5.9
11	Coordinating Board for Higher Education	MO	7.2	6.5	4.5	3.6	5.5
12	USA Services	IN	6.1	4.5	4.4	4.0	4.8
13	Student Loans of North Dakota	ND	3.0	3.4	3.8	4.4	3.7
14	New York State Higher Education Services Corp.	NY	4.4	4.0	4.6	4.4	4.4
15	National Student Loan Program	NE	5.0	5.4	4.4	4.5	4.8
16	Tennessee Student Assistance Corporation	TN	6.7	6.8	5.7	4.6	6.0
17	Educational Credit Management Corporation	MN	4.8	5.7	5.6	4.7	5.2
18	New Mexico Student Loan Guarantee Corp.	NM	7.9	8.5	5.4	4.8	6.7
19	Northwest Education Loan Association	WA	5.5	5.5	4.7	5.1	5.2
20	Michigan Higher Education Assistance Authority	MI	9.0	9.7	7.8	5.1	7.9
21	Connecticut Student Loan Foundation	CT	4.1	4.1	5.0	5.2	4.6
22	Maine Education Assistance Division	ME	7.5	6.1	5.1	5.2	6.0
23	Louisiana Office of Student Financial Assistance	LA	6.8	6.6	6.7	5.2	6.3
24	New Jersey Higher Ed. Student Assist. Authority	NJ	4.7	5.4	5.8	5.7	5.4
25	Student Loan Guarantee Foundation of Arkansas	AR	8.9	8.4	7.1	6.0	7.6
26	Illinois Student Assistant Commission	IL	4.9	5.6	6.7	6.1	5.8
27	Texas Guaranteed Student Loan Corporation	TX	7.7	8.0	7.0	6.3	7.3
28	California Student Aid Commission/EdFund	CA	7.0	6.7	6.5	6.4	6.7
29	Rhode Island Higher Ed. Assistance Authority	RI	5.7	6.2	6.5	6.4	6.2
30	Oregon State Scholarship Commission	OR	5.9	6.1	6.2	6.6	6.2
31	Guaranteed Student Loan Program (MT)	MT	6.3	7.7	6.6	6.8	6.9
32	Higher Education Assistance Authority	KY	5.3	7.4	8.2	7.1	7.0
33	Oklahoma Guaranteed Student Loan Program	OK	8.2	8.8	7.5	7.4	8.0
34	Iowa College Student Aid Commission	IA	7.7	8.6	7.5	7.5	7.8
35	Florida Department of Education	FL	9.1	9.2	8.9	8.7	9.0
36	Georgia Higher Education Assistance Corp.	GA	7.0	8.8	9.5	9.2	8.6

**Cohort Default Rates for the Federal Family Education Loan Program
Fiscal Years 2000-2003**

Participating Utah Schools

Ranked by FY 2003 Default Rates

Rank	INSTITUTION	FY00 %	FY01 %	FY02 %	FY03 %	4 Yr. Ave.
1	Healing Mountain Massage School	-	-	-	0	0.0
1	Stacey's Hands of Champions	0	0	0	0	0.0
1	Evans Hairstyling College	0	0	0	0	0.0
1	Francois D. Hair Design Academy	2.1	0	0	0	0.5
1	Sherman Kendall's Academy of Beauty (Midvale)	2.7	2.3	2.9	0.0	2.0
6	Brigham Young University	0.6	0.7	0.3	0.3	0.5
7	Myotherapy College of Utah	4.7	4.8	3.7	0.9	3.5
8	Bon Losee Academy of Hair Artistry	1.9	0	7.1	1.2	2.6
9	Utah State University	1.8	2.3	1.6	1.4	1.8
10	University of Utah	1.8	2.3	1.9	1.5	1.9
11	Westminster College	1.9	2.5	1.0	1.9	1.8
12	LDS Business College	2.5	1.8	3.2	2.1	2.4
13	Weber State University	3.6	4.0	2.3	2.4	3.1
14	Utah Valley State College	1.6	1.9	3.0	2.7	2.3
15	Southern Utah University	2.4	3.2	3.4	2.9	3.0
16	American Institute of Medical & Dental Tech.	6.1	4.9	2.5	3.2	4.2
17	Snow College	4.6	5.2	6.4	3.3	4.9
18	Paul Mitchell The School	1.0	2.2	2.0	4.3	2.4
19	Salt Lake Community College	5.1	5.5	5.1	5.2	5.2
20	College of Eastern Utah	7.4	7.7	5.3	5.7	6.5
21	Dixie State College of Utah	8.2	6.2	7.4	6.0	7.0
22	Certified Careers Institute*	11.5	12.2	8.0	6.2	9.5
23	Provo College	11.5	9.5	7.6	6.9	8.9
24	Fran Brown College of Beauty	2.1	5.0	6.2	7.0	5.1
25	ITT Technical Institute	8.6	7.7	5.9	7.5	7.4
26	Utah College of Massage Therapy	5.1	6.5	6.7	7.9	6.6
27	Utah Career College*	11.0	11.0	5.1	8.9	9.0
28	Eagle Gate College	0	0	11.1	10.2	5.3
29	Neumont University (Morrison)	10.5	11.7	10.4	12.5	11.3
30	Stevens Henager College	8.6	12.1	11.3	12.5	11.1
31	Mountain West College	9.6	15.6	13.8	13.0	13.0
<i>Other UHEAA-affiliated schools</i>						
	Brigham Young University - Hawaii	3.2	4.2	2.2	3.6	3.3
	Brigham Young University - Idaho	0.8	1.3	1.7	1.2	1.3
	University of Phoenix (AZ)	5.2	5.8	6.4	6.5	6.0

* Direct Loan school

UHEAA Loan Volume by School

School Rankings by Loan Volume

Fiscal Year 2005

Rank	School	Dollar Volume	Percent of Total UHEAA Volume
1	University of Utah	\$ 72,900,593	22.33%
2	Brigham Young University	\$ 49,921,239	15.29%
3	Utah State University	\$ 33,173,035	10.16%
4	Utah Valley State College	\$ 30,428,614	9.32%
5	Brigham Young University - Idaho	\$ 22,684,800	6.95%
6	Weber State University	\$ 15,399,251	4.72%
7	Utah College of Massage Therapy (all campuses)	\$ 14,937,428	4.57%
8	Stevens-Henager College (all campuses)	\$ 14,222,699	4.36%
9	Westminster College	\$ 12,526,484	3.84%
10	Salt Lake Community College	\$ 12,269,140	3.76%
11	Southern Utah University	\$ 7,885,851	2.42%
12	University of Phoenix	\$ 6,394,747	1.96%
13	Paul Mitchell The School (all campuses)	\$ 5,417,196	1.66%
14	Provo College	\$ 5,292,852	1.62%
15	Eagle Gate College (all campuses)	\$ 4,608,161	1.41%
16	Dixie State College of Utah	\$ 4,406,039	1.35%
17	Snow College	\$ 2,029,377	0.62%
18	Neumont University	\$ 1,280,124	0.39%
19	American Institute of Medical & Dental (all campuses)	\$ 1,244,578	0.38%
20	LDS Business College	\$ 1,165,405	0.36%
21	Brigham Young University - Hawaii	\$ 936,178	0.29%
22	College of Eastern Utah	\$ 842,194	0.26%
23	Myotherapy Institute of Utah	\$ 622,112	0.19%
24	Francois D Hair Design Academy	\$ 545,767	0.17%
25	Bon Losee Academy of Hair Artistry	\$ 526,253	0.16%
26	Fran Brown College of Beauty - Layton	\$ 348,038	0.11%
27	Skinworks School of Advanced Skincare	\$ 306,639	0.09%
28	Healing Mountain Massage School	\$ 220,080	0.07%
29	Sherman Kendall's Academy	\$ 148,185	0.05%
30	Mountain West College	\$ 130,259	0.04%
31	Evans Hairstyling College - Cedar City	\$ 120,150	0.04%
32	Ogden Institute of Massage Therapy	\$ 119,653	0.04%
33	Renaissance School - Therapeutic Massage	\$ 80,332	0.02%
34	Stacey's Hands of Champions Beauty College	\$ 63,442	0.02%
35	Hairitage College of Beauty - Murray	\$ 44,625	0.01%
36	ITT Technical Institute	\$ 32,039	0.01%
37	International Institute of Hair Design - Taylorsville	\$ 15,800	0.00%
	Remaining Out-of-State Schools	\$ 3,225,204	0.99%
	TOTAL LOAN VOLUME FOR FY 2005	<u>\$ 326,514,563</u>	

UHEAA Lender Volume

Lender Rankings by Loan Volume

Fiscal Year 2005

Rank	Lender	FY 05 Dollar Volume	FY 05 Percent of Market	Percent of Change In Market Share From FY 04
1	Wells Fargo-EFS	\$ 85,340,897	26.14%	3.99%
2	Zions First National Bank	\$ 68,423,786	20.96%	-3.37%
3	America First Credit Union	\$ 34,463,795	10.56%	5.89%
4	Washington Mutual, Inc.	\$ 29,691,922	9.09%	-7.04%
5	U.S. Bank	\$ 20,342,313	6.23%	1.85%
6	Mountain America Credit Union	\$ 19,666,086	6.02%	-0.22%
7	Bank One (Chase)	\$ 16,868,869	5.17%	-2.34%
8	Utah Community Credit Union	\$ 14,853,274	4.55%	0.89%
9	University of Utah Credit Union	\$ 10,207,668	3.13%	-3.76%
10	KeyBank N.A.	\$ 10,151,572	3.11%	-10.61%
11	Deseret First Credit Union	\$ 4,279,044	1.31%	10.01%
12	Weber State Credit Union	\$ 2,123,200	0.65%	26.68%
13	USU Community Credit Union	\$ 2,081,022	0.64%	7.44%
14	Granite District Credit Union	\$ 1,934,094	0.59%	-9.59%
15	Family First Federal Credit Union	\$ 1,932,545	0.59%	-14.49%
16	Jordan Credit Union	\$ 1,605,953	0.49%	-5.41%
17	Tooele Federal Credit Union	\$ 1,367,955	0.42%	11.49%
18	Salt Lake City Credit Union	\$ 1,062,253	0.33%	55.81%
19	Alliance Credit Union	\$ 57,150	0.02%	5995.12%
20	Mountain High Federal Credit Union	\$ 45,173	0.01%	3187.67%
21	VAMCU Federal Credit Union	\$ 15,992	0.00%	n/a
TOTAL LOAN VOLUME FOR FY 2005		\$ 326,514,563	100.00%	

November 30, 2005

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: USHE – Annual Report on Leased Space

Issue

Regent policy R710 requires an “annual report of all space leased by USHE institutions, including space leased for off-campus continuing education programs and leased in research parks.” Board policy requires institutions to obtain prior Board approval of leases funded from State appropriations that exceed \$50,000 annually or that commit institutions to leases for a 5-year duration or beyond.

System-wide leases increased by a net of four but expenditures increased by approximately \$4.5 million. This is the result of a 1 percent increase (approximately \$95,300) among all institutions except for the University of Utah. Lease costs at the University of Utah increased primarily due to nine new leases that total \$4,424,532:

- The Utah Stem Cell Research Bldg. - 675 Arapeen Drive, #101 & #302 \$225,936
- Health Sciences - 420 Chipeta Way \$649,800
- University of Utah Lease - Tenants – 417 Wakara Way \$1,069,440
- Development Office - 540 Arapeen Way \$459,348
- Health Sciences Pediatrics - 295 Chipeta Way \$918,000
- Information Technology Services - 650 Komas Way, #101, 102, 104, 108 \$380,004
- Neuropsychiatric Institute - Adult Behavioral Clinic - 650 Komas Drive, #208 \$203,496
- Neuropsychiatric Institute (Home) - 650 Komas Drive, #200 \$184,788
- Redstone Project -Bldg. B - Redstone Business & Retail Center, Park City \$333,720

The new University of Utah leases did not require Regent approval since they are funded from a non-state appropriated source.

Institutional Lease Summary									
Institution	2004			2005			Changes Summary		
	Leases	Square Feet	Rent	Leases	Square Feet	Rent	% Change Leases	% Change Sq Feet	% Change Rent
UU	90	1,061,400	\$14,691,984	101	1,355,690	\$19,058,385	12.2%	27.7%	29.7%
USU	16	118,273	\$781,349	16	111,190	\$795,004	0.0%	-6.0%	1.7%
WSU	4	23,105	\$69,670	3	25,375	\$121,781	-25.0%	9.8%	74.8%
SUU	24	42,342	\$305,598	22	39,320	\$288,053	-8.3%	-7.1%	-5.7%
Snow	0	0	\$0	0	0	\$0	n/a	n/a	n/a
DSC	1	5,840	\$134	1	5,840	\$143	0.0%	0.0%	6.7%
CEU	9	37,448	\$14,231	9	40,800	\$32,959	0.0%	9.0%	131.6%
UVSC	14	189,536	\$521,836	12	189,536	\$423,112	-14.3%	0.0%	-18.9%
SLCC	9	76,975	\$649,790	11	71,741	\$657,818	22.2%	-6.8%	1.2%
UCAT	19	332,052	\$1,106,061	15	248,082	\$1,225,077	-21.1%	-25.3%	10.8%
Totals	186	1,886,971	\$18,140,653	190	2,087,574	\$22,602,333	2.2%	10.6%	24.6%

Attachment 1 provides a three year comparison of number of leases, total square footage and annual rent paid by each institution. Attachment 2 details changes in leases since the last report. Attachment 3 lists summary information for each lease, including location, gross square feet, cost per square foot, source of revenue for lease payments, expiration data, escalations, and type of space.

Recommendation

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

Richard E. Kendell, Commissioner

REK/MHS/KGW/KLH
Attachments

Utah System of Higher Education

Annual Lease Space Report FY 2003 thru FY 2005

	<u>2003 Leases</u>	<u>2003 Sq. Ft</u>	<u>2003 Rent</u>	<u>2004 Leases</u>	<u>2004 Sq. Ft</u>	<u>2004 Rent</u>	<u>2005 Leases</u>	<u>2005 Sq. Ft</u>	<u>2005 Rent</u>
University of Utah	90	838,098	\$10,655,760	90	1,061,400	\$14,691,984	101	1,355,690	\$19,058,385
Utah State University	15	107,392	786,989	16	118,273	781,349	16	111,190	795,004
Weber State University	7	44,369	98,228	4	23,105	69,670	3	25,375	121,781
Southern Utah University	23	41,934	298,552	24	42,342	305,598	22	39,320	288,053
Snow College	0	0	0	0	0	0	0	0	0
Dixie State College of Utah	1	5,840	125	1	5,840	134	1	5,840	143
College of Eastern Utah	6	49,541	64,926	9	37,448	14,231	9	40,800	32,959
Utah Valley State College	14	189,551	641,277	14	189,536	521,836	12	189,536	423,112
Salt Lake Community College	9	108,218	1,145,896	9	76,975	649,790	11	71,741	657,818
Utah College of Applied Technology	19	326,761	1,099,635	19	332,052	1,106,061	15	248,082	1,225,077
<i>Bridgerland ATC</i>	<i>1</i>	<i>87,731</i>	<i>78,958</i>	<i>1</i>	<i>87,731</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Davis ATC</i>	<i>1</i>	<i>10,000</i>	<i>37,200</i>	<i>1</i>	<i>10,000</i>	<i>37,200</i>	<i>1</i>	<i>9,447</i>	<i>56,657</i>
<i>Dixie ATC</i>				<i>2</i>	<i>22,480</i>	<i>114,360</i>	<i>2</i>	<i>22,480</i>	<i>115,250</i>
<i>Mountainland ATC</i>	<i>5</i>	<i>107,324</i>	<i>300,501</i>	<i>5</i>	<i>107,324</i>	<i>300,501</i>	<i>5</i>	<i>113,733</i>	<i>318,522</i>
<i>Ogden-Weber ATC</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Salt Lake/Tooele ATC</i>	<i>4</i>	<i>72,276</i>	<i>510,720</i>	<i>3</i>	<i>56,922</i>	<i>460,108</i>	<i>3</i>	<i>56,922</i>	<i>460,108</i>
<i>Southeast ATC</i>	<i>6</i>	<i>4,430</i>	<i>18,256</i>	<i>5</i>	<i>11,595</i>	<i>39,892</i>	<i>2</i>	<i>9,500</i>	<i>50,540</i>
<i>Southwest ATC</i>	<i>1</i>	<i>45,000</i>	<i>130,000</i>	<i>1</i>	<i>36,000</i>	<i>130,000</i>	<i>1</i>	<i>36,000</i>	<i>200,000</i>
<i>Uintah Basin ATC</i>	<i>1</i>		<i>24,000</i>	<i>1</i>		<i>24,000</i>	<i>1</i>		<i>24,000</i>
USHE TOTAL	184	1,711,704	\$14,791,388	186	1,886,971	\$18,140,653	190	2,087,574	\$22,602,333
<i>Total Leases Added:</i>	<i>29</i>	<i>210,974</i>	<i>\$775,075</i>	<i>19</i>	<i>323,414</i>	<i>\$4,473,672</i>	<i>23</i>	<i>366,459</i>	<i>\$4,861,500</i>
<i>Total Leases Ended:</i>	<i>17</i>	<i>(92,717)</i>	<i>(\$796,110)</i>	<i>17</i>	<i>(121,768)</i>	<i>(\$1,314,414)</i>	<i>19</i>	<i>(171,446)</i>	<i>(\$973,465)</i>
<i>Total Leases Changed:</i>	<i>96</i>	<i>20,128</i>	<i>\$832,480</i>	<i>98</i>	<i>(46,620)</i>	<i>\$94,522</i>	<i>101</i>	<i>5,590</i>	<i>\$560,038</i>
<i>Total Increase:</i>	<i>12</i>	<i>149,795</i>	<i>\$951,512</i>	<i>2</i>	<i>155,026</i>	<i>\$3,253,780</i>	<i>4</i>	<i>200,603</i>	<i>\$4,461,680</i>

Source: USHE, UCAT and OLFA

**Utah System of Higher Education
2005 Changes in Leases:
Fall 2004 to Fall 2005**

Attachment 2

<i>School</i>	<i>Action</i>	<i>Leased Property</i>	<i>Total Leases</i>	<i>Sq. Ft</i>	<i>Annual Expenditures</i>
University of Utah					
	2004 Total - UofU		90	1,061,400	\$14,691,984
Change	Bountiful - 75 W. 2nd S., Bountiful (Stoker School)				\$2,064
Change	Murray - Cedar Park, 5282 S. 320 W., #186				\$5,760
Change	Park City - 1255 Park Avenue (Carl Winters Ed Fac.)			(554)	
Change	Bountiful - 530 South 500 West				\$3,240
Change	Cedar City - 1281 North North Field Road				\$2,652
Change	Idaho Falls - 2225 Teton Plaza, #A				\$2,508
Change	Ogden - 5575 South 500 East				\$5,976
Change	Provo - 1675 North Freedom Boulevard				\$3,372
Change	Sandy - 8750 South Sandy Parkway, Bldg. #3				\$948
Change	St. George - River Road and 700 South				\$3,648
Add	1180 Summers Drive, Rexburg, ID		1	6,410	\$73,692
Change	Dept. of Anesthesiology - 615 Arapeen Drive, #200				\$3,576
Change	Dept. of Pediatrics (IICRC) - 615 Arapeen Drive, #202				\$4,680
Change	Dept. of Technology Transfer - 615 Arapeen Drive, #110				\$4,080
Change	Utah Diabetes Center - 615 Arapeen Drive, #100				\$12,684
Change	Utah Center for Reproductive Medicine - 675 Arapeen Drive, #205				\$8,004
Add	The Utah Stem Cell Research - 675 Arapeen Drive, #101 & #302		1	9,222	\$225,936
Change	Central Stores - 729 Arapeen Drive				\$948
Change	Cold Storage Warehouse - 729 Arapeen Drive				\$96
Change	Department of Radiology Film File Storage- 729 Arapeen Drive				\$180
Add	Hospitals and Clinics - Neurology Center- 729 Arapeen Drive		1	9,162	\$56,652
Delete	Health Network - Imaging Center - 729 Arapeen Drive		(1)	(6,744)	(\$83,916)
Change	Hospitals and Clinics - Radiology Outpatient Imaging - 729 Arapeen Drive				\$1,464
Delete	Info. Tech. Services (formerly OIR) - 729 Arapeen Drive		(1)	(2,058)	(\$11,568)
Delete	SOM - Machine Shop - 729 Arapeen Drive		(1)	(8,531)	(\$50,928)
Change	Surgical Specialty Center - 729 Arapeen Drive				\$1,644
Change	University of Utah - Office of the Sr. Vice President of Health Sciences - 729 Arapeen Drive			8,531	\$59,436
Change	Family & Preventive Medicine's Health Research Ctr. - 375 Chipeta Way				\$5,052
Change	Sleep Disorder & Sinus Clinic - 375 Chipeta Way, #A				\$3,576
Change	Dept. of Family & Preventive Medicine, Rocky Mountain Center for Occupational & Environmental Health Program - 391 Chipeta Way, #C				\$4,824
Change	Radiopharmacy (Subleased to PLCO Cancer) - 391 Chipeta Way, #A				\$2,532
Change	V.P. for Health Sciences - 391 Chipeta Way, #E, F & G				\$1,749
Change	Expansion Space - UNI - 410 Chipeta Way, #222, 225				\$1,260
Change	Lung Health Study, #221 - 410 Chipeta Way, #221				\$1,176
Change	Cardiovascular Genetics -Expansion Space, 410 Chipeta Way, #219				(\$6,144)
Change	Cardiovascular Genetics Research & Rocky Mountain Data2 - 410 Chipeta Way, #211				\$876
Change	SOM Depts-Physiology & Cardiology 1 & 2 - 410 Chipeta Way, #156, 100 & 219 + storage				\$15,168
Delete	Orthopedic Billing - 410 Chipeta Way, #240		(1)	(1,580)	(\$22,440)
Add	Health Sciences - 420 Chipeta Way		1	54,150	\$649,800
Delete	Neuropsychiatric Institute - 546 Chipeta Way, Level 2		(1)	(24,054)	(\$359,340)
Delete	Utah Cancer Registry Center - 546 Chipeta Way, #2100		(1)	(3,428)	(\$51,216)
Delete	Center for Engineering Design - 360 Wakara Way		(1)	(20,622)	(\$232,200)

**Utah System of Higher Education
2005 Changes in Leases:
Fall 2004 to Fall 2005**

<i>School</i>	<i>Action</i>	<i>Leased Property</i>	<i>Total Leases</i>	<i>Sq. Ft</i>	<i>Annual Expenditures</i>
<i>University of Utah (continued)</i>					
Add		University of Utah Lease - Tenants (See comments) -417 Wakara Way	1	71,296	\$1,069,440
Change		Telecommunications/ITS/NetCom/Poison Control -585 Komasa Drive			\$6,900
Change		Child Development Center - 419 Wakara Way, #100			\$3,768
Change		College of Pharmacy/Medicinal Chemistry - 419 Wakara Way, #205			\$288
Change		Human Resources, Payroll - 420 Wakara Way			\$208,212
Delete		Information Tech. Services - 421 Wakara Way (Includes #130)	(1)	(3,246)	(\$50,040)
Add		Pharmacological Outcomes Research Center -421 Wakara Way, #20E	1	2,773	\$42,816
Change		College of Pharmacy - 421 Wakara Way, #318			\$7,992
Change		College of Pharmacy/Center for Cell Signaling - 421 Wakara Way, #360			(\$3,288)
Change		Drug Information Center & Pharmacotherapy Outcomes Research Center - 421 Wakara Way, #204			\$2,940
Change		Medical Center (formerly Human Resources & Payroll) - 421 Wakara Way, #130, 140, 155 & 160			\$4,740
Change		Energy & Geosciences Institute - 423 Wakara Way (1st/3rd floors)			\$10,896
Change		Information Technology Services - 423 Wakara Way - #200, 216 & 203			\$900
Add		Health Sciences - Professional Education - 520 Wakara Way	1	52,000	
Change		Orthopedic Specialty Hospital - 590 Wakara Way			(\$34,224)
Change		Beehive Square Storage - Beehive Square Units - Bldg. 23-D, Units 19,20 & 21A			\$2,136
Change		College of Engineering - V.P. Pershing - Beehive Square Units - Bldg. 23C, 23B, 22B, 22C, 22A			\$5,040
Change		Dept. of Dermatology - Cottonwood Place Medical Center, #150, 160			\$3,372
Change		Dept. of Dermatology - Cottonwood Place Medical Center (6095 South 300 East, Murray), #25C			\$1,428
Add		Dept. of Dermatology - Cottonwood Place Medical Center (6095 South 300 East, Murray), #27C	1	1,853	\$34,284
Change		Dept. of Neurosurgery - 100 North Medical Drive			\$1,200
Change		Dept. of Orthopedics - Ambulatory Care Center (PCMC)			\$1,308
Change		Dept. of Psychiatry -515 South 700 East, #3Q			\$1,056
Add		Development Office - 540 Arapeen Way	1	25,519	\$459,348
Change		Energy & Geosciences Institute - 865 S. 600 W., Bldg. 22-C			\$2,688
Add		Heartland Apartments #264 - 1617 W. Secret Garden, Salt Lake City, UT	1		\$7,620
Change		HealthNetwork - Basement - 1492 West Antelope Drive, Layton			\$4,656
Change		HealthNetwork - Main Floor - 1492 West Antelope Drive, Layton			\$18,252
Change		HealthNetwork - Stansbury Park - 220 Millpond, #100			\$23,088
Change		Health Sciences 3 - 127 South 500 East (Ambassador Bldg.)			\$144
Add		Health Sciences Pediatrics - 295 Chipeta Way	1	51,000	\$918,000
Change		Hospital - Records - 134 South 400 East			\$2,400
Change		Hospitals and Clinics - Gondola Bldg., Park City Resort Center			\$324
Change		Hospitals and Clinics - 1091 West Jordan Parkway, #350, 400, 450 & 500 South Jordan			\$2,952
Add		Information Technology Services - 650 Komasa Way, #101, 102, 104, 108	1	22,472	\$380,004
Add		Marriott Library - 540 Arapeen Drive, #200	1	3,877	\$62,040
Change		Medical Billing - 555 East 200 South, #100,150, & #200			\$1,572
Add		Moran Eye Center - 4400 South 700 East, #240	1	4,617	\$58,872
Change		Moran Eye Center - 6360 S. 3000 E. (Old Mill II Med. Ofc. Bldg.), #200			\$2,040
Add		Neuropsychiatric Institute - Adult Behavioral Clinic - 650 Komasa Drive, #208	1	10,175	\$203,496
Add		Neuropsychiatric Institute (Home) - 650 Komasa Drive, #200	1	8,970	\$184,788
Add		Physics Department - Kia Martin 648 West Main Street, Delta, Utah	1	4,480	\$14,400
Add		Redstone Project -Bldg. B - Redstone Business & Retail Center, Park City, UT	1	18,036	\$333,720
Change		Spine Therapy Center - 1355 Foothill Boulevard, #200			\$960
Change		Sugar House Family Practice Clinic - SE Corner of Wilmington and Highland Drive			\$4,044
Change		Sugar House Rehabilitation Clinic-space F6 - SE Corner of Wilmington and Highland Drive			\$1,560
Add		Westside Studio - 631 West North Temple, #50	1	564	\$6,768
2005 Total - UU			101	1,355,690	19,058,385

**Utah System of Higher Education
2005 Changes in Leases:
Fall 2004 to Fall 2005**

<i>School</i>	<i>Action</i>	<i>Leased Property</i>	<i>Total Leases</i>	<i>Sq. Ft</i>	<i>Annual Expenditures</i>
<i>Utah State University</i>					
	2004 Total - USU		16	118,273	\$781,349
Delete	Moab, UT, 175 W 200 So - Cont. Educ. w/CEU		(1)	(8,649)	(\$72,000)
Add	Salt Lake City - Jan-Mar Building, 1574 W 1700 S, SLC, CPD Early Intervention Up-to-3 program		1	1,566	\$15,519
	Salt Lake City (Atrium) 5250 Commerce Drive, SLC - Cont. Education				
Change	(includes some escalations not reported in prior years)				\$70,136
	2005 Total - USU		16	111,190	\$795,004
<i>Weber State University</i>					
	2004 Total - WSU		4	23,105	\$69,670
Delete	WSU North - 1590 W Park Cir, Suite 100, Pleasant View		(1)	(1,495)	(\$14,932)
Change	WSU West - 5627 South 3500 West, Roy			3,765	\$67,043
	2005 Total - WSU		3	25,375	\$121,781
<i>Southern Utah University</i>					
	2004 Total - SUU		24	42,342	\$305,598
Delete	2460 West Hwy 56 - Cedar City		(1)	(1,462)	(\$16,751)
Delete	1100 West 800 North - Cedar City		(1)	(96)	(\$384)
Change	141 North Main - Kanab				\$175
Change	705 North 195 West - LaVerkin				\$641
Change	166 North Main - Panguitch				\$335
Change	217 East Telegraph - Washington				\$756
Change	55 West Center - Beaver				\$83
Change	2390 West Hwy 56 - Cedar City				\$2,100
Change	1100 West 800 North - Cedar City			384	\$1,056
Change	1100 West 800 North - Cedar City			(1,248)	(\$1,920)
Change	1100 West 800 North - Cedar City			(120)	(\$276)
Change	1100 West 800 North - Cedar City			(792)	(\$4,200)
Change	1100 West 800 North - Cedar City			(144)	(\$324)
Change	1100 West 800 North - Cedar City			456	\$924
Change	1100 West 800 North - Cedar City				\$144
Change	1100 West 800 North - Cedar City				(\$60)
Change	1100 West 800 North - Cedar City				\$60
Change	1100 West 800 North - Cedar City				\$97
Change	1100 West 800 North - Cedar City				
	2005 Total - SUU		22	39,320	\$288,053
<i>Snow College</i>	No Leases		0	0	\$0
<i>Dixie State College</i>					
	2004 Total - DSC		1	5,840	\$134
	No Changes				\$9
	2005 Total - DSC		1	5,840	\$143
<i>College of Eastern Utah</i>					
	2004 Total - CEU		9	37,448	\$14,231
Delete	Price Armory		(1)		(\$4,800)
Add	Milky Way Shoppe. LLC		1	3,172	\$24,000
Change	Cedar Hills Storage - Food Service			(120)	(\$396)
Change	Eastern Utah Self Storage - Theatre			500	(\$600)
Change	Eastern Utah Self Storage - Recreation			(200)	\$524
	2005 Total - CEU		9	40,800	\$32,959
<i>Utah Valley State College</i>					
	2004 Total - UVSC		14	189,536	\$521,836
Delete	Orem Institute of Religion		(1)		
Delete	Alpine School District		(1)		
Change	Foundation Building				(\$98,899)
Change	Airport Land (Hangar #1)				\$178
Change	Woodbury Art Gallery Commons Areas				(\$3)
	2005 Total - UVSC		12	189,536	423,112

**Utah System of Higher Education
2005 Changes in Leases:
Fall 2004 to Fall 2005**

<i>School</i>	<i>Action</i>	<i>Leased Property</i>	<i>Total Leases</i>	<i>Sq. Ft</i>	<i>Annual Expenditures</i>
<i>Salt Lake Community College</i>					
	2004 Total - SLCC		9	76,975	\$649,790
Add	210 East 400 South, Salt Lake City		1	1,545	\$13,905
Add	369 North 2370 West, Airport		1	3,600	\$26,400
Change	830 East 9400 South, Sandy				\$34,664
Change	1021 West Vine Street, Tooele			(779)	(\$5,453)
Change	551 North 2200 West, Airport			(9,600)	(\$70,800)
Change	551 North 2200 West, Airport				\$8,568
Change	511 West 200 South, Salt Lake City				\$744
	2005 Total - SLCC		11	71,741	657,818
<i>Utah College of Applied Technology</i>					
	2004 Total - UCAT		19	332,052	\$1,106,061
Delete	BATC - Advanced Technology Building (Bourns Building)		(1)	(87,731)	
Change	DATC -Freeport Center, Bldg A-15			(553)	\$19,457
Change	DXATC -Diesel Mechanic Garage 825 No. Industrial Rd.				\$890
Change	MATC -Pacific Drive A. F.			8,135	\$16,961
Change	MATC - So Main Springville			(630)	(\$2,000)
Change	MATC -1680 W Orem				\$3,060
Change	MATC -N Hwy 40 Heber			(1,096)	
Delete	SEATC -Monticello Center		(1)	(450)	(\$600)
Delete	SEATC -Montezuma Creek Center		(1)	(600)	(\$750)
Delete	SEATC -Monument Valley Center		(1)	(700)	(\$1,600)
Change	SEATC -Main Campus - Price			(400)	\$9,940
Change	SEATC - San Juan Center - Blanding			55	\$3,658
Change	SWATC - Cedar City Main Campus				\$70,000
	2005 Total - UCAT		15	248,082	\$1,225,077
	2004 Total		186	1,886,971	18,140,653
	2005 Total		190	2,087,574	22,602,332
	Total Leases Added:		23	366,459	4,861,500
	Total Leases Ended:		19	(171,446)	(973,465)
	Total Leases Changed:		101	5,590	560,038
	Total Increase:		4	200,603	4,461,680

Utah System of Higher Education 2005 Leases and Rentals

Institution	Location	Gross Sq. Feet	Cost per Sq. Foot	Net or Full	State		Annual Lease Payment	Terms in Months - Expiration Date	Escalations	Type of Space
					Approp. or Other					
University of Utah										
(See pages 8 through 12 for details)										
Utah State University										
	Brigham City, Life Span Learning Center-Box Elder Co.	24,520	\$4.25	Net	State		\$104,210	12 months, 6/30/06	Annually	Classroom / Office
	Brigham City, Life Span Learning Center-Box Elder Co.	14,280						12 months, 6/30/06	Annually	Storage
	Brigham City School District CPD Early Intervention Up-to-3, 851 S 200 W	990	\$3.64	Full	Other		\$3,600	12 months, 6/30/06	None	Classroom
	Cache County/Logan Airport Authority Hangar-ITEE	7,040	\$1.00	Net	Other		\$7,040	120 months, 6/30/2006	None	Hangar FL-10
	Jamestown Bldg., 1115 N. 200 E. Logan, UT	1,082	\$10.27	Full	Other		\$11,117	12 months, 6/30/06	None	Classroom
	Logan USU Res. Park - Dir. Office Bldg. #1770 Ste 110 & 120	4,416	\$7.50	Net	Other		\$33,120	144 months, 5/10/2006	None	Offices
	Logan USU Res. Park - Dir. Office Bldg #1770 - Ste 180	2,759	\$8.28	Net	Other		\$22,845	144 months, 4/3/2009	None	Offices/other
	Logan USU Res. Park - Dir. Office Bldg #1770 - Ste 140 & 160	2,828	\$9.89	Net	Other		\$27,969	144 months, 9/25/2008	None	Offices/other
	Logan USU Res. Park - Mt. Plains Resource Ctr.-CPD/sub-tenants Bldg #1780	14,492	\$9.00	Net	Other		\$130,428	146 months 2/28/2011	None	Offices/Laboratory
	Logan USU Res. Park - SDL Science Group & Summit Research, Bldg #1750	6,120	\$13.80	Net	Other		\$84,456	144 months, 1/01/2013	None	Research office & labs
	Logan USU Innovation Campus - Tech. Transfer Office Bldg. #570	3,079	\$13.80	Full	Other		\$42,492	36 Months, 07/15/2007	Yes	Offices
	SLC-Dairy Commission-Nutrition & Food Sciences, 1213 E 2100 So, SLC	231	\$12.99	Full	State		\$3,000	12 months, 6/30/05	None	Office
	SLC-5259 Commerce Drive (Atrium Bldg), Graduate Center and Cont. Ed.	11,186	\$10.73	Net	State		\$190,162	84 months, 8/31/2008	None	Classroom / Office
	SLC - Wells Fargo Building - 299 South Main Street - Development Center	1,601	\$9.99	Full	Other		\$15,996	24 months, 8/31/06	None	Development Office / Retail
	Salt Lake City, Jan-Mar Building CPD Early Intervention Up-to-3 1574 W 1700 S, SLC	1,566	\$9.91	Net	Other		\$15,519	60 months, 12/31/09	Yes	Classroom / Office
	Tooele, Com-Net Center- Continuing Education; 175 South 1000 West	15,000	\$6.87	Net	State		\$103,050	240 months, 12/31/2016	Purch. Option	Classroom / Office
	Subtotal - Utah State University	111,190					\$795,004			
Weber State University										
	Davis High School - 325 South Main Street, Kaysville	13,650	\$4.00		State		\$5,010	Semester rental, on-going	none	Classroom
	Roy High School - 2888 W 5600 S, Roy	4,200	\$4.00		State		\$3,896	Semester rental, on-going	none	Classroom
	WSU West - 5627 South 3500 West, Roy	7,525	\$13.30		State		\$112,875	8/31/2010	Yes	Class/Office/Storage
	Subtotal - Weber State University	25,375					\$121,781			
Southern Utah University										
	141 North Main - Kanab	1,000	\$8.42	Net	Other		\$8,418	12 Month - Mar 2011	Varies	Classroom
	705 North 195 West - LaVerkin	5,008	\$8.99	Net	Other		\$45,020	12 Month - April 2018	Varies	Classroom
	494 East 900 South - St. George	6,016	\$9.84	Net	Other		\$59,196	12 Month - Apr 2020	Varies	Classroom
	166 North Main - Panguitch	1,200	\$5.80	Net	Other		\$6,958	12 Month - Dec 2012	Varies	Classroom
	680 West 300 South - Milford	1,000	\$7.20	Full	Other		\$7,200	12 Month - July 2007	Varies	Classroom
	555 West 400 South - Fillmore	900	\$8.00	Full	Other		\$7,200	12 Month - Aug 2006	Varies	Classroom
	450 South Center - Delta	1,000	\$7.20	Full	Other		\$7,200	12 Month - Aug 2006	Varies	Classroom
	217 East Telegraph - Washington	2,000	\$7.94	Net	Other		\$15,876	12 Month - Aug 2007	Varies	Classroom
	55 West Center - Beaver	1,004	\$4.50	Full	Other		\$4,517	12 Month - Sep 2004	Varies	Classroom
	2390 West Hwy 56 - Cedar City	11,560	\$9.27	Net	Other		\$107,208	12 Month - Sep 2015	Varies	Classroom/Office
	1100 West 800 North - Cedar City	696	\$2.31	N/A	Other		\$1,776	Month to Month	Varies	Storage
	1100 West 800 North - Cedar City	96	\$4.63	N/A	Other		\$444	Month to Month	Varies	Storage
Southern Utah University Continued										
	1100 West 800 North - Cedar City	3,760	\$2.26	N/A	Other		\$8,508	Month to Month	None	Storage
	1100 West 800 North - Cedar City	96	\$3.13	N/A	Other		\$300	Month to Month	None	Storage
	1100 West 800 North - Cedar City	2,256	\$1.71	N/A	Other		\$3,864	Month to Month	None	Storage
	1100 West 800 North - Cedar City	96	\$3.75	N/A	Other		\$360	Month to Month	None	Storage

Utah System of Higher Education 2005 Leases and Rentals

Institution	Location	Gross Sq. Feet	Cost per Sq. Foot	State		Annual Lease Payment	Terms in Months - Expiration Date	Escalations	Type of Space
				Net or Full	Approp. or Other				
1100 West 800 North - Cedar City		96	\$3.13	N/A	Other	\$300	Month to Month	None	Storage
1100 West 800 North - Cedar City		216	\$2.67	N/A	Other	\$576	Month to Month	None	Storage
1100 West 800 North - Cedar City		216	\$2.22	N/A	Other	\$480	Month to Month	None	Storage
1100 West 800 North - Cedar City		216	\$2.67	N/A	Other	\$576	Month to Month	None	Storage
1100 West 800 North - Cedar City		216	\$2.67	N/A	Other	\$576	Month to Month	None	Storage
1100 West 800 North - Cedar City		672	\$2.23	N/A	Other	\$1,500	Month to Month	None	Storage
Subtotal - Southern Utah University		39,320				\$288,053			
<i>Snow College</i>									
None									
<i>Dixie State College of Utah</i>									
Airport - ground lease for hanger		5,840	\$43.58		State	\$134	360 months, 1/1/2009	CPI	Hanger
Subtotal - Dixie State College of Utah		5,840				\$134			
<i>College of Eastern Utah</i>									
Blanding Armory		5,600		Full	State	\$10	On going	None	Classroom/Office
Prehistoric Museum		22,500		Full	State	\$1	216 months, 6/30/2013	None	Museum/Office
One-half mile northeast of Price		40 acres	\$3 per acre	N/A	State	\$120	588 months, 6/01/2018	None	Land-Baseball
Monument Valley - Shared Lease w/USU & SEATC (O&M Only)		3,250		Net	Reimb. Overt		64 Months, 6/30/08	None	Classroom/Office
Montezuma Creek - Whitehorse Seminary		3,118		Full				None	Classroom
Eastern Utah Self Storage - Recreation		300		Full	State	\$1,064	Annual	None	Storage
Eastern Utah Self Storage - Theatre		2,500		Full	State	\$6,900	Annual	None	Storage
Cedar Hills Storage - Food Service		360		Full	Auxiliaries	\$864	Annual	None	Storage
Milky Way Shoppe. LLC		3,172		Net	State	\$24,000	Monthly	None	Storage
Subtotal - College of Eastern Utah		40,800				32,959			
<i>Utah Valley State College (see Note 1)</i>									
University Mall #159		1,471	\$25.76		Inst. Interest Income	\$37,900	36-6.30.05 1 yr extension end 6.30.06		Classroom
University Mall #160		1,623	\$14.91		Inst. Interest Income	\$24,200	36-6.30.05 1 yr extension end 6.30.06		Classroom
Orem Recreation		Variable			Dept. Rev.	\$25/student/semester			Classroom
Student Center		Variable				\$1.50/person			Classroom
Foundation Building		35,564	\$2.81		Appropr.	\$100,021	180 - 12/17/13		Classroom/ Other
Airport Land (Hangar #1)		.577 acres			Appropr.	\$2,782	360 - 3.22.30	3 yr CPI	Ground
Airport Land (Hangar #2)		88,496	\$0.19		Appropr.	\$16,590	360 - 3/22/30	2 yr CPI	Ground
Airport (AvTech)		9.8 acres			Appropr.	\$15,050	360 - 5/31/25		Ground
Airport Hanger #1		14,800	\$5.68		Dept. Rev.	\$84,000	168 - 10/12/12		Hangar/Classroom/Office
Airport Hanger #2		33,000	\$3.74		Dept. Rev.	\$123,576	120 - 3/21/10		Hangar/Classroom/Office
Woodbury Art Gallery Common Areas		13,732	\$0.99		Inst. Interest Income	\$13,593	60 - 3/31/07		Office / Other
Continuing Ed House		850	\$6.35		Cont. Ed.	\$5,400	9.11.03 - 8.31.06		Storage
Subtotal - Utah Valley State College		189,536				\$423,112			
<i>Salt Lake Community College</i>									
830 East 9400 South, Sandy		29,061	\$12.96		E & G	\$411,192	84 Mo. 6/30/07	Yes/Variable	Office/Lab/Classroom
1021 West Vine Street, Tooele		1,304	\$7.00	Full	Skills Cntr	\$9,128	240 Months	Fixed 10 Yr.	Classroom
66 West Vine Street, Tooele		6,100	\$0.98	Net	Other	\$6,000	36 Months 9/07		Office/Classroom
551 North 2200 West, Airport		12,939	\$5.94	Net	E & G	\$76,856	180 Mo. 5/31/03	Adjusted Yrly.	Office/Lab/Classroom
551 North 2200 West, Airport (2 Hangers)		2,624	\$5.15		E & G	\$13,512	Month to Month		Hanger

Utah System of Higher Education 2005 Leases and Rentals

Institution	Location	Gross Sq. Feet	Cost per Sq. Foot	Net or Full	State		Annual Lease Payment	Terms in Months - Expiration Date	Escalations	Type of Space
					Approp. or Other	Payment				
	331 North 2370 West, Executive Terminal	4,506	\$11.75		E & G		\$52,945	Month to Month		Office/Classroom
	369 North 2370 West, Airport	3,600	\$7.33	Net	Other		\$26,400	Month to Month		Office/Hanger
	551 North 2200 West, Airport		\$70 per tie down		Non State		\$8,400	Month to Month		Airplane Tie Downs
	852 East 9085 South, Sandy	8,800	\$3.00	Full	E & G		\$24,000	Month to Month	None	Lab/Classroom
	511 West 200 South, Salt Lake City	1,262	\$11.33	Full	E & G		\$15,480	1/05 - 12/31/05	None	Office/Classroom
	210 East 400 South, Salt Lake City	1,545	\$9.00	Full	E & G		\$13,905	10/05 - 5 Year	Adjusted Yrly.	Office/Classroom
	Subtotal - Salt Lake Community College	71,741					\$657,818			
Utah College of Applied Technology										
Bridgerland ATC										
	No Leases									
Davis ATC										
	Freeport Center, Bldg A-15	9,447	\$6.00		E & G		\$56,657	36 Months, 5/31/06	n/a	Classroom / Office
Dixie ATC										
	East 1/2 of the DSC North Plaza Building - 55 South 900 East, St. George, Utah	18,000	\$4.00		E & G		\$72,000	96 Months/ 2011	\$4.25 7/1/05	Classroom / Other
	Diesel Mechanic Garage 825 No. Industrial Rd.	4,480	\$9.65		E & G		\$43,250	48 Months / 2009	2.75%	Lab
Mountainland ATC										
	Pacific Drive A. F.	45,435	\$5.61		E & G		\$254,800	108	3%	Classroom / Other
	So Geneva Rd. Orem	58,194			E & G		\$1,228		n/a	Classroom / Other
	So Main Springville	1,800	\$16.67		E & G		\$30,000	open	n/a	Classroom / Other
	1680 W Orem	6,000	\$5.62		E & G		\$33,720	12	n/a	Classroom / Other
	N Hwy 40 Heber	2,304			E & G		\$1,600		n/a	Classroom / Other
Ogden Weber ATC										
	No Leased Space									
Salt Lake/Tooele ATC										
	Salt Lake Campus	32,000	\$2.81		E & G		\$90,000	36 mo. - 7/31/06	n/a	Classroom / Office
	West Valley Campus (colocated with DWS)	6,810	\$20.87		E & G		\$142,108	60 mo. - 11/30/07	\$3839 FY 2005	Classroom
	West Valley Freight Liner Training Center	18,112	\$12.59		E & G		\$228,000	24 mo. - 8/31/05	n/a	Classroom / Other
Southeast ATC										
	Main Campus - Price	8,100	\$10.07		Base Budget		\$43,092	5-1-03 extended month by month	n/a	Classroom / Other
	San Juan Center - Blanding	1,400	\$2.07		Base Budget		\$7,448	month by month	n/a	Classroom / Other
Southwest ATC										
	Cedar City-Main Campus	36,000	2.88	Full	E & G		\$200,000	156 Mo. 2016	n/a	Classroom / Office
Uintah Basin ATC										
	Vernal	n/a		n/a	General		\$24,000	n/a	n/a	Classroom / Office
	Subtotal - Utah College of Applied Technology	248,082					\$1,225,077			

Notes:
 (1) Ground expressed in acres is not included in square footage

Utah System of Higher Education
2005 University of Utah Leases and Rentals

Attachment 3

Dpt	Location	Gross Sq. Feet	Cost per Sq. Foot	Net or Full	Monthly Payment	Yearly Payment	Start	Type of Space
Academic Outreach & Continuing Education								
	Bountiful - 75 W. 2nd S., Bountiful (Stoker School)	24,851	2.86	N	\$5,919	\$71,028	7/1/92	Classroom
	Murray - Cedar Park, 5282 S. 320 W., #186	11,765	14.49	F	\$14,206	\$170,472	7/30/90	Classroom
	Park City - 1255 Park Avenue (Carl Winters Ed Fac.)	3,222	15.75	F	\$4,229	\$50,748	6/30/93	Education & related purposes. (554' subleased.)
	Sandy - 9875 South 240 West	20,000	13.57	N	\$22,621	\$271,452	9/1/94	Classroom
College of Fine Arts <small>College of Fine Arts rent is \$1.00 per year</small>								
	West Institute, 3rd South - L. D. S. Church	22,501		N			9/15/83	Classroom
Dialysis Centers:								
	Bountiful - 530 South 500 West	5,845	18.99	N	\$9,248	\$110,976	2/26/98	Medical office
	Cedar City - 1281 North North Field Road	4,850	18.75	N	\$7,579	\$90,948	5/1/02	Medical office
	Idaho Falls - 2225 Teton Plaza, #A	7,533	11.46	N	\$7,191	\$86,292	1/28/92	Outpatient hospital services
	Ogden - 5575 South 500 East	12,583	16.30	N	\$17,092	\$205,104	1/1/93	Clinical, teaching & research
	Provo - 1675 North Freedom Boulevard	6,594	17.55	N	\$9,645	\$115,740	7/1/91	Dialysis center
	Sandy - 8750 South Sandy Parkway, Bldg. #3	6,000	5.47	N	\$2,736	\$32,832	12/15/96	Clinic
	St. George - River Road and 700 South	7,160	17.44	N	\$10,407	\$124,884	3/1/97	Dialysis center
	1180 Summers Drive, Rexburg, ID	6,410	11.50	N	\$6,141	\$73,692	9/1/05	Dialysis center
615 Arapeen Drive								
	Dept. of Anesthesiology - 615 Arapeen Drive, #200	6,305	19.51	F	\$10,249	\$122,988	4/1/01	Research & clinical offices
	Dept. of Pediatrics (IICRC) - 615 Arapeen Drive, #202	6,490	24.76	F	\$13,391	\$160,692	6/1/01	Offices & laboratory
	Dept. of Technology Transfer - 615 Arapeen Drive, #110	6,338	22.09	F	\$11,667	\$140,004	3/1/99	Offices & laboratory
	Utah Diabetes Center - 615 Arapeen Drive, #100	16,811	25.89	F	\$36,265	\$435,180	11/1/00	Office & laboratory
675 Arapeen Drive								
	Utah Center for Reproductive Medicine - 675 Arapeen Drive, #205	10,798	25.55	F	\$22,993	\$275,916	10/28/02	Office and medical clinic
	The Utah Stem Cell Research - 675 Arapeen Drive, #101 & #302	9,222	24.50	F	\$18,828	\$225,936	9/1/05	Office and medical clinic
729 Arapeen Drive								
Hospital Activities:								
	Central Stores - 729 Arapeen Drive	9,172	5.23	N	\$4,000	\$48,000	3/1/98	Warehouse, distribution, storage
	Cold Storage Warehouse - 729 Arapeen Drive	2,700	4.63	N	\$1,041	\$12,492	4/1/99	Warehouse, distribution, storage
	Department of Radiology - 729 Arapeen Drive	2,140	12.84	N	\$2,290	\$27,480	1/1/01	Offices, reading room, computer room
	Dept. of Radiology - Film File Storage - 729 Arapeen Drive	1,843	5.81	N	\$893	\$10,716	3/1/98	Warehouse, distribution, storage
	Hospitals and Clinics - Radiology Outpatient Imaging - 729 Arapeen Drive	6,107	12.24	N	\$6,229	\$74,748	8/1/04	General storage & warehousing
	Surgical Specialty Center - 729 Arapeen Drive	3,209	13.66	N	\$3,653	\$43,836	5/1/02	Clinical exam room & offices
	University of Utah - Office of the Sr. Vice President of Health Sciences - 729 Arapeen Drive	41,669	11.06	N	\$38,422	\$461,064	1/1/98	Laboratory & office
	Hospitals and Clinics - Neurology Center - 729 Arapeen Drive	9,162	6.18	N	\$4,721	\$56,652	8/1/04	General warehousing, distribution & storage purposes
375 Chipeta Way								
	Family & Preventive Medicine's Health Research Ctr. - 375 Chipeta Way	38,856	19.20	F	\$62,170	\$746,040	4/1/01	Office, research, development & laboratory
	Sleep Disorder & Sinus Clinic - 375 Chipeta Way, #A	6,062	20.26	F	\$10,234	\$122,808	1/1/01	Office, research, development & laboratory
391 Chipeta Way								
	Dept. of Family & Preventive Medicine, Rocky Mountain Center for Occupational & Environmental Health Program - 391 Chipeta Way, #C	6,440	17.25	F	\$9,257	\$111,084	10/1/03	Office and lab
	Genetic Epidemiology - 391 Chipeta Way, #D1 & D-2	7,248	17.75	F	\$10,721	\$128,652	11/8/94	Office & laboratory space

Utah System of Higher Education
2005 University of Utah Leases and Rentals

Attachment 3

<i>Dpt</i>	<i>Location</i>	<i>Gross Sq. Feet</i>	<i>Cost per Sq. Foot</i>	<i>Net or Full</i>	<i>Monthly Payment</i>	<i>Yearly Payment</i>	<i>Start</i>	<i>Type of Space</i>
	Radiopharmacy (Subleased to PLCO Cancer) - 391 Chipeta Way, #A	5,047	18.00	F	\$7,571	\$90,852	12/1/96	Office & laboratory
	V.P. for Health Sciences - 391 Chipeta Way, #E, F & G	3,475	17.50	F	\$5,068	\$60,813	9/1/94	Office
410 Chipeta Way								
	Expansion Space - UNI - 410 Chipeta Way, #222, 225	3,329	13.11	N	\$3,637	\$43,644	10/8/96	Research, office & UNI
	Lung Health Study, #221 - 410 Chipeta Way, #221	2,845	14.33	TN	\$3,398	\$40,776	9/1/93	Office
	Cardiovascular Genetics -Expansion Space, 410 Chipeta Way, #219	2,046	16.00	N	\$2,728	\$32,736	4/1/04	Office
	Cardiovascular Genetics Research & Rocky Mountain Data2 - 410 Chipeta Way, #211	1,759	16.00	N	\$2,345	\$28,140	8/1/93	Office
	SOM Depts-Physiology & Cardiology 1 & 2 - 410 Chipeta Way, #156, 100 & 219 + storage	45,684	11.40	N	\$43,402	\$520,824	4/25/97	Office & laboratory
420 Chipeta Way								
	Health Sciences - 420 Chipeta Way	54,150	12.00	N	\$54,150	\$649,800	7/1/05	General office, medical office, research & laboratory
546 Chipeta Way								
	Pain Management Center - 546 Chipeta Way, #G200	6,986	14.67	N	\$8,543	\$102,516	8/17/95	Office
	Pain Management Center - 546 Chipeta Way, #2000	1,061	13.80	N	\$1,220	\$14,640	7/13/95	Office
	Preventive Cardiology - 546 Chipeta Way, #G100	10,408	14.93	N	\$12,948	\$155,376	8/7/95	Office
	Sports Medicine Clinic - 546 Chipeta Way, #G300	13,660	14.94	N	\$17,005	\$204,060	8/7/95	Office
585 Komas Drive								
	Telecommunications/ITS/NetCom/Poison Control -585 Komas Drive	60,000	11.61	N	\$58,054	\$696,648	10/1/03	Research & Office
417 Wakara Way								
	University of Utah Lease - Tenants (See comments) -417 Wakara Way	71,296	15.00	N	\$89,120	\$1,069,440	7/1/05	General office, medical office, research & laboratory
419 Wakara Way								
	Child Development Center - 419 Wakara Way, #100	8,463	14.36	N	\$10,130	\$121,560	11/8/96	Day care center
	College of Pharmacy/Medicinal Chemistry - 419 Wakara Way, #205	6,054	13.04	TN	\$6,581	\$78,972	10/1/00	Office & lab
420 Wakara Way								
	Human Resources, Payroll - 420 Wakara Way	22,159	25.50	N	\$47,096	\$565,152	5/1/02	General office, classroom, educational uses
421 Wakara Way								
	College of Pharmacy - 421 Wakara Way, #318	16,672	16.69	N	\$23,192	\$278,304	1/1/87	Research & office
	College of Pharmacy/Center for Cell Signaling - 421 Wakara Way, #360	4,076	14.79	N	\$5,025	\$60,300	3/1/01	Research & office
	Drug Information Center & Pharmacotherapy Outcomes Research Center - 421 Wakara Way, #204	6,525	15.45	TN	\$8,401	\$100,812	1/1/04	Office
	Medical Center (formerly Human Resources & Payroll) - 421 Wakara Way, #130, 140, 155 & 160	8,833	16.37	N	\$12,051	\$144,612	10/1/91	Office
	Pharmacological Outcomes Research Center -421 Wakara Way, #208	2,773	15.44	N	\$3,568	\$42,816	4/11/05	Office
423 Wakara Way								
	Energy & Geosciences Institute - 423 Wakara Way (1st/3rd floors)	32,380	14.18	N	\$38,250	\$459,000	9/1/96	Office
	Information Technology Services - 423 Wakara Way - #200, 216 & 203	2,319	14.39	TN	\$2,781	\$33,372	8/22/98	Office
520 Wakara Way								
	Health Sciences - Professional Education - 520 Wakara Way	52,000					5/1/99	Educational purposes
590 Wakara Way								
	Orthopedic Specialty Hospital - 590 Wakara Way	105,000	21.58	N	\$188,866	\$2,266,392	10/1/04	Full Service Hospital
OTHER OFF CAMPUS LEASES								
	Beehive Square Storage - Beehive Square Units - Bldg. 23-D, Units 19,20 & 21A	21,094	3.47	N	\$6,108	\$73,296	2/1/02	Storage
	College of Engineering - V.P. Pershing - Beehive Square Units - Bldg. 23C, 23B, 22B, 22C, 22A	27,458	5.34	N	\$12,208	\$146,496	7/1/95	Research and office
	Dept. of Andrology - 1055 North 300 West, #318, Provo, Utah	206	29.13	F	\$500	\$6,000	2/24/03	Lab and associated services

Utah System of Higher Education
2005 University of Utah Leases and Rentals

Attachment 3

<i>Dpt</i>	<i>Location</i>	<i>Gross Sq. Feet</i>	<i>Cost per Sq. Foot</i>	<i>Net or Full</i>	<i>Monthly Payment</i>	<i>Yearly Payment</i>	<i>Start</i>	<i>Type of Space</i>
Dept. of Dermatology - Cottonwood Place Medical Center, #150, 160		5,058	18.97	F	\$7,994	\$95,928	1/15/02	General office & medical clinic
Dept. of Dermatology - Cottonwood Place Medical Center (6095 South 300 East, Murray), #250		2,878	17.00	N	\$4,076	\$48,912	4/15/04	General office & medical clinic
Dept. of Dermatology - Cottonwood Place Medical Center (6095 South 300 East, Murray), #270		1,853	18.50	N	\$2,857	\$34,284	10/1/05	General office & medical clinic
Dept. of Family & Preventive Medicine, Health Research Center - American Indian Health Project - Ayani' Neez Center @ Shiprock, New Mexico		1,070	15.12	F	\$1,348	\$16,176	4/1/03	Research office for prospective study of American Indians & Alaskan natives.
Dept. of Family & Preventive Medicine, Health Research Center - American Indian Health Project - Window Rock Shopping Center @ Window Rock, Navajo Nation (AZ)		1,000	9.60	N	\$800	\$9,600	3/13/03	Navajo Nation Study
Dept. of Neurosurgery - 100 North Medical Drive		3,550	17.17	F	\$5,079	\$60,948	7/1/02	Clinic and office
Dept. of Orthopedics - Ambulatory Care Center (PCMC)		3,853	17.17	F	\$5,513	\$66,156	7/1/02	Office and clinic space
Dept. of Pediatrics - Ambulatory Care Center (PCMC)		11,086	12.98	F	\$11,988	\$143,856	1/1/01	Medical office
Dept. of Psychiatry -515 South 700 East, #3Q		4,075	8.85	N	\$3,005	\$36,060	7/1/03	Medical office/general office
Dept. of Surgery - 747-757 East South Temple-#100, 101 + 102		5,466	14.02	F	\$6,386	\$76,632	11/1/94	Medical office
Development Office - 540 Arapeen Way		25,519	18.00	N	\$38,279	\$459,348	4/1/05	Offices
Energy & Geosciences Institute - 865 S. 600 W., Bldg. 22-C		17,100	4.65	N	\$6,631	\$79,572	8/1/98	Warehouse & office
Energy & Geosciences Institute - 16000 Memorial Drive, Houston, TX		973	15.50	N	\$1,257	\$15,084	9/15/02	Geological research & related business
Heartland Apartments #264 - 1617 W. Secret Garden, Salt Lake City, UT					\$635	\$7,620	9/6/05	Day care center
HealthNetwork - Basement - 1492 West Antelope Drive, Layton		3,528	15.52	N	\$4,564	\$54,768	2/4/99	General offices
HealthNetwork - Main Floor - 1492 West Antelope Drive, Layton		12,800	16.83	N	\$17,956	\$215,472	9/30/98	General offices
HealthNetwork - Stansbury Park - 220 Millpond, #100		12,000	22.67	N	\$22,672	\$272,064	8/2/99	General offices
Health Sciences ³ - 127 South 500 East (Ambassador Bldg.)		96,000	10.33	TN	\$82,602	\$991,224	5/1/02	Offices
Health Sciences Pediatrics - 295 Chipeta Way		51,000	18.00		\$76,500	\$918,000	12/2/04	General medical office
Hospital - Records - 134 South 400 East		15,419	5.29	N	\$6,800	\$81,600	10/15/95	Office & warehouse
Hospitals and Clinics - Gondola Bldg., Park City Resort Center		1,440	11.17	N	\$1,340	\$16,080	11/1/96	Medical clinic and office
Hospitals and Clinics - 1091 West Jordan Parkway, #350, 400, 450 & 500 South Jordan		6,369	15.91	N	\$8,446	\$101,352	8/1/03	General medical office
Information Technology Services - 650 Komas Way, #101, 102, 104, 108		22,472	16.91		\$31,667	\$380,004	9/12/05	Information technology service & related training and storage
Madsen Health Center (formerly Wasatch Clinics) - 555 Foothill Boulevard		32,000	9.79	N	\$26,095	\$313,140	4/3/88	Clinic
Marriott Library - 540 Arapeen Drive, #200		3,877	16.00		\$5,170	\$62,040	8/1/2005	Office
Medical Billing - 555 East 200 South, #100,150, & #200		11,170	14.29	N	\$13,300	\$159,600	11/1/93	Office
Moran Eye Center - 4400 South 700 East, #240		4,617	12.75		\$4,906	\$58,872	9/1/86	Medical office
Moran Eye Center - 6360 S. 3000 E. (Old Mill II Med. Ofc. Bldg.), #200		5,894	17.69	F	\$8,687	\$104,244	5/11/98	Medical office
Neuropsychiatric Institute - Adult Behavioral Clinic - 650 Komas Drive, #208		10,175	20.00		\$16,958	\$203,496	8/1/05	Office & medical clinic
Neuropsychiatric Institute (Home) - 650 Komas Drive, #200		8,970	20.60		\$15,399	\$184,788	8/1/05	Office & medical clinic
Parking Structure - Institute of Religion - South Campus Drive					\$31,963	\$383,556	8/19/03	Parking
Parking Surface Use - Institute of Religion - South Campus Drive							3/1/03	Parking (No monetary fee for lease. University has agreed to maintain the Licensed Space pursuant to the terms and conditions of the Agreement.)
Physics Department - Kia Martin 648 West Main Street, Delta, Utah		4,480	3.21		\$1,200	\$14,400	12/1/04	Office/lab space
Radiation Therapy (St. Marks Hospital) - 1250 East 3900 South (Ground Floor)		6,600	10.67	N	\$5,871	\$70,452	5/1/96	Therapy clinic
Redstone Project -Bldg. B - Redstone Business & Retail Center, Park City, UT		18,036	18.50		\$27,810	\$333,720	9/1/05	Medical Clinic
Spine Therapy Center - 1355 Foothill Boulevard, #200		4,785	10.22	N	\$4,074	\$48,888	6/5/92	Clinic
Sugar House Family Practice Clinic - SE Corner of Wilmington and Highland Drive		8,788	19.66	N	\$14,398	\$172,776	3/20/96	Clinic

Utah System of Higher Education
2005 University of Utah Leases and Rentals

Attachment 3

<i>Dpt</i>	<i>Location</i>	<i>Gross Sq. Feet</i>	<i>Cost per Sq. Foot</i>	<i>Net or Full</i>	<i>Monthly Payment</i>	<i>Yearly Payment</i>	<i>Start</i>	<i>Type of Space</i>
	Sugar House Rehabilitation Clinic-space F6 - SE Corner of Wilmington and Highland Drive	3,581	18.18	N	\$5,425	\$65,100	3/20/96	Clinic
	Virginia Tanner Creative Dance Program - 2580 Jefferson Avenue, Ogden						8/26/02	Classroom (New lease in process.)
	Virginia Tanner Creative Dance Program - 2080 Gold Dust Lane (Prospector Sq.) - Park City						8/26/02	Classroom (New lease in process.)
	West Valley Outreach - 1060 South 900 West (in Jordan Park)						11/1/02	Community resource building.
	Westside Studio - 631 West North Temple, #50	564	12.00		\$564	\$6,768	2/1/05	Community resource building.
		1,355,690			\$1,588,199	\$19,058,385		
Residential:		1,355,690						
	Hinckley Institute of Politics - 01 113 2950 Van Ness St. #113				\$1,850	\$22,200	4/15/02	Apartment
	Hinckley Institute of Politics - 01 230 2950 Van Ness St. #230				\$1,800	\$21,600	4/15/02	Apartment
	Hinckley Institute of Politics - 01 515 2950 Van Ness St. #515				\$1,895	\$22,740	4/15/02	Apartment
	Hinckley Institute of Politics - 01 610 2950 Van Ness St. #610				\$2,000	\$24,000	4/15/02	Apartment
	Hinckley Institute of Politics - 01 610 2950 Van Ness St. #713				\$2,325	\$27,900	8/26/05	Apartment
	Hinckley Institute of Politics - 01 910 2950 Van Ness St. #910				\$1,845	\$22,140	4/15/02	Apartment
	Hinckley Institute of Politics - 01 930 2950 Van Ness St. #930				\$1,800	\$21,600	4/15/02	Apartment
LAND:								
	KUED - Mt. Vision	.43 acre			\$3,184	\$38,208	10/1/95	Broadcasting & transmitting
	Physics Dept. - Dugway Proving Grounds	988 acres				\$0		
	Physics Department - Kia Martens -Millard County - near Delta, Utah	120 acres				\$0	2/1/04	
	Seismograph Station* - Various points in Utah	300 seismograph stations				\$0		
	U of U (Beta Corner Lease) - NE corner of University & 1st South	Land only				\$0	7/30/74	
	U of U Madsen Health Center-Parking Lot (formerly Wasatch Clinic) - L.D.S. Church	.75 acre			\$1,000	\$12,000	10/15/88	Parking lot

November 30, 2005

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: USHE – Annual Report on Institutional Residences

Issue

Regent Policy R207 requires staff to compile an annual Institutional Residence report. Board Policy provides for institutional coverage of expenses for maintenance, repair, utilities, insurance and domestic assistance related to the institutional residences. Residences serve a function as more than a home for the President. The residence is often used as a meeting place, for fundraising and receptions.

Variations in expenditures are due to many factors, e.g., size and age of the residence, requirements for repairs and maintenance, scope of institutional fund-raising activities, number of special events related to the mission and goals of the institution, etc.

Operation of the residence is funded through the E&G line. Presidents may also use discretionary funds generated from investments for other, non-operational expenses.

This year's report includes the replacement value of each home as calculated by the Utah Division of Risk Management. This value may not reflect the actual market value of the residence.

Commissioner's Recommendation

This is a discussion item only; no action is needed.

REK/MHS/KGW/KLH
Attachment

Richard E. Kendell, Commissioner

Utah System of Higher Education

Institutional Residences Operation and Maintenance Costs Report

	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Budget	2004-05 Actual	2005-06 Budget	Square Footage	Insured Value Property
U of U ⁽¹⁾	\$63,700	\$48,918	\$43,735	\$96,967	\$102,350	\$99,768	\$83,100	11,439	\$990,590
USU ⁽²⁾	\$17,270	\$76,900	\$47,778	\$76,826	\$72,000	\$71,032	\$72,000	10,944	\$1,128,673
WSU ⁽³⁾	\$28,155	\$10,999	\$19,668	\$24,462	\$19,066	\$0	\$0	-	-
SUU ⁽⁴⁾	\$11,069	\$16,899	\$14,351	\$15,436	\$16,000	\$18,191	\$19,000	11,314	\$1,040,888
SNOW		\$15,217	\$4,820	\$6,725	\$15,458	\$6,777	\$24,973	6,128	\$645,000
DSC	\$15,489	\$12,685	\$14,536	\$12,929	\$14,700	\$12,222	\$14,700	5,236	\$649,649
CEU ⁽⁵⁾	\$9,123	\$8,318	\$4,856	\$0	\$3,500	\$3,462	\$3,500	3,684	\$335,244
UVSC ⁽⁶⁾	\$17,657	\$89,410	\$36,234	\$21,112	\$26,074	\$24,859	\$22,940	5,075	\$444,018
SLCC	\$87,792	\$45,809	\$15,953	\$8,471	\$50,400	\$16,563	\$52,100	8,343	\$1,001,160

(1) UU: FY 2004, 2005, 2006 increase in expenses to address deferred maintenance issues.

(2) USU: Square footage includes unfinished space totaling 3,490 square feet.

(3) WSU: Sold the Institutional Residence in August of 2003.

(4) SUU: Square footage includes unfinished space totaling 2,921 square feet.

(5) CEU: All Residence Maintenance in 2003-04 paid for by the President with personal funds.

(6) UVSC: FY 2002 includes roofing and portico capital improvement projects. FY 2003 includes new furniture purchases.

November 30, 2005

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: USHE- Five-Year Capital Plans

Attached is a summary of the five year plans for each of the nine USHE institutions that submit facility requests to the Board of Regents. Each institution uses its own process to develop five year plans for approval by its board of trustees. Capital development plans must be flexible for a number of reasons:

- The political nature of capital funding at the state level may extend five year plans many years beyond the original anticipated date or accelerate to include several projects ahead of schedule;
- The dynamic process of raising funds may result in projects moving up or down in priority order within campus prioritization lists;
- Changing needs in economic development can result in new facility needs on campuses;
- Life safety assessments and independent engineering studies may change priorities as new deficiencies are discovered.

Each institution and its board of trustees maintain a flexible plan that can be reviewed each year. To ensure this occurs, Regent policy requires approval of campus master plans on a bi-annual basis.

Larger campuses are able to provide more comprehensive plans as part of the work of their facility group. The state Division of Facilities Construction and Management (DFCM) is beginning a new program to build comprehensive five year plans for all state agencies. Their plan includes working with smaller USHE campuses to ensure that each institution has the resources to provide meaningful long term planning. DFCM has already been in contact with institutions and will be utilizing the knowledge held on larger campuses to apply to five year plans across state government.

Attachment One is an attempt to anticipate when projects might be funded by the Legislature. This projection is driven by an assumption that the Legislature will continue to use a "pay-as-you-go" methodology for funding that transfers debt service savings into the capital budget. The plan also assumes that the USHE will receive approximately 67% of total funds available (based on the total amount of space managed by the System). The projection does not include the use of one-time funds that will become available each year. In the past the Governor and Legislature both recognized the value of using one-time funds for one-time expenses such as capital development.

State Board of Regents Meeting
November 30, 2005
Page 2

Attachment Two provides a comprehensive list of projects for each of the nine institutions that bring development requests to the Board of Regents. Anticipated dates for non-state funded projects to break ground is included. These dates are subject to change based on availability and timing of funding.

Recommendation

Information only.

Richard E. Kendell, Commissioner

REK/MHS/KW
Attachments

Utah System of Higher Education

Projected Capital Development Funding

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Ongoing Base	\$102,112,599	\$104,520,850	\$106,274,350	\$107,218,099	\$108,400,600	\$126,871,368
USHE if funded at 67% of Total	\$68,415,441	\$70,028,970	\$71,203,815	\$71,836,126	\$72,628,402	\$85,003,817
<i>Requested Projects</i>						
UU Law Expansion				\$35,000,000		
UU College of Nursing						\$12,850,000
UU Central Plant				\$4,200,000		
USU Ag Classroom			\$69,542,000			
USU HPER					\$25,000,000	
USU Animal Science Renovation						\$7,000,000
WSU Classroom	\$24,650,000					
WSU Davis Bldg II					\$22,000,000	
SUU Science				\$18,893,000		
SUU Shakespeare		\$1,845,000				
SUU Business Building				\$3,500,000		
Snow Library		\$18,531,000				
Snow Natural Sciences						\$18,000,000
DSC Science				\$8,743,000		
DSC Student Services						\$40,000,000
CEU Fine Arts		\$16,254,000				
CEU Community Library				\$2,500,000		
UVSC DLC	\$48,000,000					
UVSC Science and Health					\$20,000,000	
UVSC Business Bldg						\$16,000,000
SLCC Digital Design		\$30,524,900				
SLCC Land Purchases					\$6,000,000	
<i>USHE Projected Total</i>	\$72,650,000	\$67,154,900	\$69,542,000	\$72,836,000	\$73,000,000	\$93,850,000

Bold indicates 2005 Regent Priority

USHE Five Year Capital Development Priorities

		State Funds	Non-State Funds	Estimated Cost
University of Utah				
	<i>Five Year FTE Projection: 24,050</i>			
<i>State Funded 1</i>	Neuroscience and Biomedical Technology Research Building	\$105,900,000	\$21,900,000	\$127,800,000
<i>State Funded 2</i>	Park Building Restoration	\$2,300,000		\$2,300,000
<i>State Funded 3</i>	College of Law Expansion	\$35,000,000	\$10,000,000	\$45,000,000
<i>State Funded 4</i>	Art and Architecture Technology Center	\$3,100,000	\$3,100,000	\$6,200,000
<i>State Funded 5</i>	Campus Central Plant Upgrades	\$4,200,000	\$17,000,000	\$21,200,000
<i>State Funded 6</i>	College of Nursing	\$12,850,000	\$12,850,000	\$25,700,000
<i>State Funded 7</i>	Campus Learning Center	\$35,100,000		\$35,100,000
<i>State Funded 8</i>	Orson Spencer Hall Renovation	\$24,000,000		\$24,000,000
<i>State Funded 9</i>	Chemistry Expansion	\$10,000,000	\$39,000,000	\$49,000,000
<i>State Funded 10</i>	College of Humanities Phase II	\$12,000,000	\$8,000,000	\$20,000,000
<i>Non-State 1</i>	Student Rec. Center		\$37,900,000	\$37,900,000
<i>Non-State 2</i>	Red Butte Garden Amphitheatre/Rose Garden Facilities		\$2,400,000	\$2,400,000
<i>Non-State 3</i>	Eccles School of Business		\$30,500,000	\$30,500,000
<i>Non-State 4</i>	College of Pharmacy Expansion		\$66,800,000	\$66,800,000
<i>Not Prioritized</i>	Milton Bennion Hall Phase I (College of Education)		\$9,700,000	\$9,700,000
<i>Not Prioritized</i>	Health Sciences Academic Space		\$66,100,000	\$66,100,000
<i>Not Prioritized</i>	Health Sciences Ambulatory Bldg.		\$49,900,000	\$49,900,000
<i>Not Prioritized</i>	HSC Rehabilitation Center		\$46,400,000	\$46,400,000
<i>Not Prioritized</i>	Health Sciences Research Bldg.		\$97,600,000	\$97,600,000
<i>Not Prioritized</i>	Huntsman Cancer Research Hospital Phase II B		\$101,600,000	\$101,600,000
<i>Not Prioritized</i>	Huntsman Cancer Institute Phase III		\$78,100,000	\$78,100,000
<i>Not Prioritized</i>	Medical Sciences Building		\$50,800,000	\$50,800,000
Utah State University				
	<i>Five Year FTE Projection: 17,610</i>			
<i>State Funded 1</i>	Agriculture Science Replacement and Classroom Bldg.	\$61,000,000		\$61,000,000
<i>State Funded 2</i>	Agriculture Relocation	\$5,000,000		\$5,000,000
<i>State Funded 3</i>	HPER Building Expansion and Renovation	\$25,000,000		\$25,000,000
<i>State Funded 4</i>	Animal Science Renovation	\$7,000,000		\$7,000,000
<i>State Funded 5</i>	Biology and Natural Resources Renovation and Expansion	\$28,000,000		\$28,000,000
<i>State Funded 6</i>	Engineering Lab Renovation	\$6,000,000	\$10,000,000	\$16,000,000
2007 <i>Non-State 1</i>	Child Development Center (College of Education)		\$2,000,000	\$2,000,000
2007 <i>Non-State 2</i>	Stadium Phase II		\$10,000,000	\$10,000,000
Weber State University				
	<i>Five Year FTE Projection: 13,830</i>			
<i>State Funded 1</i>	Classroom Building	\$20,000,000	\$5,000,000	\$25,000,000
<i>State Funded 2</i>	WSU/Davis School Partnership	\$500,000		\$500,000
<i>State Funded 3</i>	Davis Campus Classroom Building	\$22,000,000		\$22,000,000
<i>State Funded 4</i>	Weber Campus Bldg 3&4 Replacement	\$23,000,000		\$23,000,000
<i>Non-State 1</i>	Hurst Center for Lifelong Learning		\$6,000,000	\$6,000,000
<i>Non-State 2</i>	Student Housing Phase II		\$18,000,000	\$18,000,000
Southern Utah University				
	<i>Five Year FTE Projection: 5,560</i>			
<i>State Funded 1</i>	Science Center Addition	\$13,800,000		\$13,800,000
<i>State Funded 2</i>	Shakespeare Land Acquisition	\$1,845,000		\$1,845,000
<i>State Funded 3</i>	Business Building Addition	\$3,500,000		\$3,500,000

NOTE: Numbers here are subject to change due to inflation, delays in construction and timing for funding.

USHE Five Year Capital Development Priorities

		State Funds	Non-State Funds	Estimated Cost
Snow College	<i>Five Year FTE Projection: 3,170</i>			
State Funded 1	Snow College-County Library and Classroom Building	\$18,531,000	\$4,100,000	\$22,631,000
State Funded 2	Natural Sciences Laboratory Building		TBD	
Non-State 1	Badger Stadium		\$4,000,000	\$4,000,000
Non-State 2	Traditional Skills Building Technology Building		TBD	
Dixie State College	<i>Five Year FTE Projection: 5,080</i>			
State Funded 1	Science Building Addition and Remodel	\$8,323,700		\$8,323,700
State Funded 2	Student Services	\$40,000,000		\$40,000,000
State Funded 3	Education Building	\$19,000,000		\$19,000,000
Land 1	Property Acquisition	\$10,000,000		\$10,000,000
Non-State 1	Student Housing		TBD	
Non-State 2	Institute for Continued Learning		TBD	
Non-State 3	Elderhostel Facility		TBD	
College of Eastern Utah	<i>Five Year FTE Projection: 2,070</i>			
State Funded 1	Fine Arts Building	\$5,000,000	\$11,500,000	\$16,500,000
State Funded 2	College/Community Library	\$2,500,000	\$3,000,000	\$5,500,000
State Funded 3	Prehistoric Museum	\$12,000,000	\$10,000,000	\$22,000,000
State Funded 4	College/Community Rec Center	\$4,000,000	\$3,000,000	\$7,000,000
Blanding Campus	College/Community Rec Center	\$2,000,000	\$3,000,000	\$5,000,000
Utah Valley State College	<i>Five Year FTE Projection: 17,920</i>			
State Funded 1	Digital Learning Center	\$37,750,000		\$37,750,000
State Funded 2	Science/Health Sciences Bldg.	\$20,000,000		\$20,000,000
State Funded 3	Business Building	\$16,000,000		\$16,000,000
State Funded 4	Student Academic Classroom Building (Purchase of Inst. Bldg.)	\$14,500,000		\$14,500,000
Non-State 1	Fine and Performing Arts Building	\$38,000,000		\$38,000,000
Salt Lake Community College	<i>Five Year FTE Projection: 16,270</i>			
State Funded 1	Digital Design & Comm. Ctr/ South City Campus Student Center	\$30,524,900	\$13,487,000	\$44,011,900
State Funded 2	Conversion of Auto Trades Building	\$18,000,000		\$18,000,000
State Funded 3	Classroom Building - Jordan Campus	\$20,000,000		\$20,000,000
State Funded 4	Draper Classroom/Student Services/Admin	\$28,000,000		\$28,000,000
State Funded 5	Business Bldg. Addition (Redwood)	\$22,000,000		\$22,000,000
Land 1	Sandy Center Purchase	\$21,500,000		\$21,500,000
Land 2	Draper Campus Site	\$6,000,000		\$6,000,000
Land 3	Herriman Campus Site	\$2,000,000		\$2,000,000
Land 4	Tooele Campus Site	\$2,000,000		\$2,000,000
Non-State 1	Challenger Facility (Redwood)		\$3,000,000	\$3,000,000
Non-State 2	Facilities/Campus Service/Parking Service Building (Redwood)		\$1,500,000	\$1,500,000

NOTE: Numbers here are subject to change due to inflation, delays in construction and timing for funding.

November 30, 2005

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: USHE – Report on Use of Faculty/Staff Salary Retention Funds

Background

The USHE committed to report on the use of approximately \$2.5 million in salary retention funds provided by the State Legislature during the 2005 General Session.

Issue

During the 2005 General Session the Utah State Legislature appropriated approximately \$2.5 million in funding to support the State Board of Regents' request for "Faculty and Staff Retention Funding." The Legislature provided funding to address specific personnel issues at each of the respective campuses and to ensure that the institutions are able to retain the brightest and most crucial faculty and staff that may be lured away for increased salaries.

Over the course of the year Presidents took a "rifle shot" approach to using this funding. The most critical needs on each campus were addressed with specific – and in some cases, substantial – funding. The attached report demonstrates the fiduciary responsibility of campus Presidents to be solid stewards of this money.

Recommendation

Information only.

REK/MHS/KGW/KLH
Attachment

Richard E. Kendell, Commissioner

AUTHORIZING RESOLUTION
UNIVERSITY OF UTAH DEFEASANCE

Salt Lake City, Utah

December 9, 2005

The State Board of Regents of the State of Utah met in regular session (including by electronic means) at the University of Utah offices in Salt Lake City, Utah on December 9, 2005, commencing at 9:00 a.m. The following members were present:

Nolan E. Karras	Chair
Jerry C. Atkin	Member
Daryl C. Barrett	Member
Bonnie Jean Beesley	Member
Janet A. Cannon *	Member
Rosanita Cespedes	Member
Katharine B. Garff	Member
David J. Grant	Member
Meghan Holbrook	Member
James S. Jardine	Member
Michael R. Jensen	Member
David J. Jordan	Member
Gaby Kingery	Member
John C. Pingree*	Member
Jed H. Pitcher	Member
Josh Reid	Member
Sara V. Sinclair	Member
Marlon O. Snow	Member

Absent:

Also Present:

Richard E. Kendell	Commissioner of Higher Education
Joyce Cottrell, CPS	Secretary

After the meeting had been duly convened and called to order by the Chair, the roll had been called with the above result, and after other matters not pertinent to this resolution had been discussed, the Chair announced that one of the purposes of the meeting was the consideration of various matters with respect to the defeasance of University of Utah Bonds.

* Non-voting member from State Board of Education

The following resolution was introduced in written form and after full discussion, pursuant to motion made by Regent _____ and seconded by Regent _____, was adopted by the following vote:

YEA:

NAY:

The resolution is as follows:

RESOLUTION NO. 2005-__

A RESOLUTION OF THE BOARD OF REGENTS OF THE STATE OF UTAH (THE "BOARD") AUTHORIZING ALL NECESSARY ACTION TO DEFEASE CERTAIN OUTSTANDING BONDS ISSUED FOR AND ON BEHALF OF THE UNIVERSITY OF UTAH (THE "UNIVERSITY"); AUTHORIZING THE EXECUTION BY THE BOARD FOR AND ON BEHALF OF THE UNIVERSITY OF AN ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the State Board of Regents of the State of Utah (the "Board") is a state institution of higher education, duly established under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended; and

WHEREAS, pursuant to the provisions of Title 53B, Chapter 1, Utah Code Annotated 1953, as amended, the Board is authorized to act as the governing authority of the University of Utah (the "University") for the purpose of exercising the powers contained in Title 53B, Chapter 21, Utah Code Annotated 1953, as amended (the "Act"); and

WHEREAS, pursuant to a General Indenture of Trust, dated as of June 1, 1997 (the "General Indenture"), as heretofore amended and supplemented, a Second Supplemental Indenture of Trust (the "Second Supplemental Indenture"), dated as of June 1, 1998, and a Fifth Supplemental Indenture of Trust (the "Fifth Supplemental Indenture," and together with the General Indenture and the Second Supplemental Indenture, the "Indenture"), dated as of August 1, 2005, each between the Board and Wells Fargo Bank, N.A. as trustee, the Board previously issued, for and on behalf of the University, its (i) University of Utah Auxiliary and Campus Facilities System Revenue and Refunding Bonds, Series 1998A, and (ii) University of Utah Auxiliary and Campus Facilities System Revenue Refunding Bonds, Series 2005A (collectively the "Bonds"); and

WHEREAS, the University has approximately \$8,000,000 available to defease a portion of the outstanding Bonds through the purchase of certain qualifying United States government securities under the Indenture (the "Defeasance"); and

WHEREAS, in order to accomplish the purposes set forth in the preceding recital, the Board and the University desire to execute an Escrow Deposit Agreement (the "Escrow Agreement") between the Board, the University and Wells Fargo Bank, N.A., as escrow Agent (the "Escrow Agent"), in substantially the form attached hereto as Exhibit A; and

WHEREAS, the Board and the University have determined that the Defeasance will be in their best interests;

NOW THEREFORE, IT IS HEREBY RESOLVED by the State Board of Regents of the State of Utah, as follows:

The terms defined or described in the recitals hereto shall have the same meanings when used in the body of this resolution.

All actions heretofore taken (not inconsistent with the provisions of this resolution), by the Board and the University directed toward the Defeasance are hereby ratified, approved and confirmed.

The form of Escrow Agreement attached hereto as Exhibit A is in all respects hereby authorized and approved by the Board. Upon a determination by the University to proceed with the Defeasance, the Chair, Vice-Chair and/or Chair of the Finance Facilities and Accountability Committee, and Secretary of the Board and the President and Vice-President for Administrative Services of the University are hereby authorized and directed to execute and deliver the Escrow Agreement in substantially the form approved hereby for and on behalf of the Board and the University.

The appropriate officials of the Board and the University, and each of them, are hereby authorized and directed to execute and deliver any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this resolution and the documents authorized and approved herein, including the execution and delivery of the release of security documents under the Indenture.

The Escrow Agreement is authorized and approved with such additions, modifications, deletions and changes thereto as may be deemed necessary or appropriate and approved by the Chair, Vice-Chair and/or Chair of the Finance Facilities and Accountability Committee, and Secretary of the Board and the President and Vice-President for Administrative Services of the University in order to conform the Escrow Agreement to the final terms of the Defeasance and the Indenture, whose execution thereof on behalf of the Board and University, respectively, shall conclusively establish such necessity, appropriateness and approval with respect to all such additions, modifications, deletions and changes incorporated therein.

It is hereby declared that all parts of this resolution are severable, and if any section, clause or provision of this resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, clause or provision shall not affect the remaining sections, clauses or provisions of this resolution.

All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict herewith are, to the extent of such conflict, hereby repealed. This repealer shall not be construed so as to revive any resolution, order, regulation or part thereof heretofore repealed.

This resolution shall take effect immediately upon its approval and adoption.

PASSED, APPROVED AND ADOPTED this 9th day of December, 2005.

(SEAL)

Chair

ATTEST:

Secretary

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and seconded, adjourned.

(SEAL)

Chair

ATTEST:

Secretary

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the State Board of Regents of the State of Utah, this 9th day of December, 2005.

(SEAL)

Secretary

SCHEDULE 1

NOTICE OF MEETING

SCHEDULE 2

ANNUAL MEETING SCHEDULE

EXHIBIT A

FORM OF ESCROW AGREEMENT

[See Transcript Document No. _____]

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT is entered into as of the 1st day of December, 2005, between the State Board of Regents of the State of Utah (the "Board"), the University of Utah (the "University"), and Wells Fargo Bank, N.A., as escrow agent (the "Escrow Agent").

WITNESSETH:

WHEREAS, the Board and the University are state institutions of higher education duly organized and existing under the Constitution and laws of the State of Utah; and

WHEREAS, the Escrow Agent is a national banking association organized and existing under the laws of the United States, having its principal corporate trust office in Salt Lake City, Utah; and

WHEREAS, pursuant to a General Indenture of Trust, dated as of June 1, 1997 (the "General Indenture"), as heretofore amended and supplemented, a Second Supplemental Indenture of Trust (the "Second Supplemental Indenture"), dated as of June 1, 1998, and a Fifth Supplemental Indenture of Trust (the "Fifth Supplemental Indenture," and together with the General Indenture and the Second Supplemental Indenture, the "Indenture"), dated as of August 1, 2005, each between the Board and Wells Fargo Bank, N.A. as trustee, the Board previously issued, for and on behalf of the University, its (i) University of Utah Auxiliary and Campus Facilities System Revenue and Refunding Bonds, Series 1998A, (the "Series 1998A Bonds") and (ii) University of Utah Auxiliary and Campus Facilities System Revenue Refunding Bonds, Series 2005A (the "Series 2005A Bonds, and together with the Series 1998A Bonds, the "Bonds"); and

WHEREAS, the University desires to redeem and defease certain of the Bonds as evidenced by bonds with the maturity dates, principal amounts and interest rates show below (collectively, the "Defeased Bonds"):

DEFEASED BONDS

Series 1998A Bonds to be defeased:

Maturity Date	Principal	Interest Rate
<u>April 1</u>	<u>Amount</u>	

Series 2005A Bonds to be defeased:		
Maturity Date	Principal	
<u>April 1</u>	<u>Amount</u>	<u>Interest Rate</u>

WHEREAS, the University has determined to redeem and defease the Defeased Bonds by depositing with the Escrow Agent legally available moneys for such purpose (the “Available Moneys”) pursuant to a resolution adopted by the Board on December 9, 2005 (the “Resolution”); and

WHEREAS, the University has herewith deposited with the Escrow Agent, moneys sufficient, together with investment income thereon, to pay the principal of and interest on the Defeased Bonds from the date hereof through the redemptions thereof (at a redemption price of 101% of the principal amount thereof plus accrued interest for the Series 1998A Bonds and 100% of the principal amount thereof plus accrued interest for the Series 2005A Bonds) on April 1, 2008 for the Series 1998A Bonds and April 1, 2015 for the Series 2005A Bonds (collectively, the “Redemption Dates”); and

WHEREAS, the University and the Escrow Agent, acting in its capacity as escrow agent, desire to enter into this Escrow Deposit Agreement to provide for the taking of certain actions so as to accomplish the redemption and defeasance of the Defeased Bonds with the Available Moneys;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

The Escrow Agent hereby acknowledges receipt from the University the sum of [\$8,000,000] of legally available funds of the University (the "Available Moneys") (i) \$_____ of which will be used to purchase U.S. Treasury Securities or State and Local Government Securities hereinafter described in Exhibit A hereto (the "SLGS") and (ii) \$_____ of which is to be maintained in cash. The maturing principal of and interest on the SLGS and the cash in the Escrow Fund will produce amounts verified in writing by Causey Demgen & Moore, Inc., Accountants, to be sufficient to pay the principal of and interest on the Defeased Bonds from the date hereof to their respective Redemption Dates.

There is hereby created and established with the Escrow Agent special and irrevocable escrow funds designated the "University of Utah Auxiliary and Campus Facilities System Revenue and Refunding Bonds, Series 1998A Escrow Fund" (the "1998A Escrow Fund") and the "University of Utah Auxiliary and Campus Facilities System Revenue Refunding Bonds, Series 2005A Escrow Fund" (the "2005A Escrow Fund") and together with the 1998A Escrow Fund, the "Escrow Fund") to be held by the Escrow Agent, acting as escrow agent, as trust funds for the benefit of the holders of the Defeased Bonds. The Escrow Fund shall be held by the Escrow Agent separate and apart from other funds of the Board, the University, or the Escrow Agent.

The Escrow Agent, acting in its capacity as escrow agent, agrees that the total principal amount of and interest on the SLGS and the cash will be held in trust for the holders of the Defeased Bonds and irrevocably agrees to apply said principal amount and interest, as the same become due, and the cash to the payment of the principal, premium, if any, and interest requirements on the Defeased Bonds through their final maturities or their respective Redemption Dates.

a) The Escrow Agent agrees to pay principal of, premium, if any, and interest on the Defeased Bonds as aforesaid notwithstanding any failure by the University to pay when due

any further fees or expenses of the Escrow Agent or any Paying Agent relating to the Defeased Bonds. It is expressly understood that any such fees or expenses incurred by the Escrow Agent acting as escrow agent will be reimbursed by the University as provided in this Section 4 and in Section 10 hereof.

The University agrees to pay to the Escrow Agent upon the execution and delivery of this Escrow Deposit Agreement such amounts as may be necessary to pay the fees and expenses of the Escrow Agent acting as escrow agent.

Except as provided in Section 6 hereof, the Escrow Agent shall not have further power or duty to invest any funds held under this Escrow Deposit Agreement or to sell, transfer or otherwise dispose of or make substitutions of the SLGS and the cash.

b) This Escrow Deposit Agreement may be amended or supplemented, the SLGS and the cash or any portion thereof or proceeds thereof sold, redeemed, invested or reinvested, or proceeds thereof disbursed, in any manner (any such amendment, supplement or direction to sell, redeem, invest or disburse to be referred to as a “Subsequent Action”), upon submission to the Escrow Agent of each of the following:

A certified copy of the proceedings of the Board authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the Board.

An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that the Subsequent Action will not cause the interest on the Defeased Bonds to become includable in gross income for federal income tax purposes.

An opinion of a firm of nationally recognized independent certified public accountants to the effect that the amounts (which will consist of cash or deposits on demand held in trust or receipts from direct full faith and credit obligations of the United States of America, not callable or redeemable at the option of the issuer thereof), available or to be available for payment of the Defeased Bonds will remain sufficient to pay when due all principal of, premium, if any, and

interest on the Defeased Bonds after the taking of the Subsequent Action.

Except as provided in Paragraph (a) hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Escrow Deposit Agreement.

Except as provided in Paragraph (a) hereof, all of the rights, powers, duties and obligations of the Board and the University hereunder shall be irrevocable and shall not be subject to amendment by the Board or the University and shall be binding on any successor to the officials now comprising the governing body of the Board or the University during the term of this Escrow Deposit Agreement.

c) The University hereby irrevocably instructs the Escrow Agent, and the Escrow Agent agrees to cause the trustee for the holders of the Defeased Bonds to mail on behalf of the Authority, a notice, in substantially the form attached hereto as Exhibit B-1 or Exhibit B-2, as applicable, that provision for the redemption and defeasance of all the Defeased Bonds have been made as provided in this Escrow Deposit Agreement. Such notice shall be mailed by the Trustee to the holders of the Defeased Bonds, the Bond Insurer (as defined in the Indenture), all Nationally Recognized Municipal Securities Information Repositories, and the Municipal Securities Rulemaking Board as required and in accordance with the provisions of the Indenture.

The Escrow Agent shall also cause the trustee for the Defeased Bonds, to mail notice of redemption of the Defeased Bonds in the manner required by the Indenture. Such notice of redemption shall be given by the Trustee by sending a copy of the notice of such redemption by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the respective Redemption Dates for the Defeased Bonds, to the Registered Owners of such Defeased Bonds at the address of each such owner as it appears on the bond registration books of the Trustee, all Nationally Recognized Municipal Securities Information Repositories, and the Municipal Securities Rulemaking Board. Such notice shall also be filed with the paying agent for the Defeased Bonds.

The Defeased Bonds subject to redemption will be called for redemption on their respective Redemption Dates at a

redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date of redemption. The Escrow Fund created hereby shall be irrevocable and the holders of the Defeased Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Fund, including all amounts representing principal and all amounts representing interest on the SLGS and the cash in the Escrow Fund until used and applied in accordance herewith.

The University shall cause financing and continuation statements to be filed with respect to this Escrow Deposit Agreement in such manner and in such places as may be required by law fully to protect the security of the holders of the Defeased Bonds and the right, title and interest of the Escrow Agent, to all amounts deposited in the Escrow Fund and the principal and interest with respect to the SLGS and the cash deposited in the Escrow Fund and shall take or cause to be taken all action necessary to preserve the aforesaid security so long as any of the Defeased Bonds remain unpaid.

d) The Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the University for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim for any such payment under the Resolution or the Indenture, and that it has no lien on the moneys in the Escrow Fund for any such payment.

The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that any person purporting to give any notice or receipt of advice or make any statements in connection with the provisions hereof has been duly authorized to do so.

The Escrow Agent may act relative hereto in reliance upon advice of nationally recognized bond counsel in reference to any matter connected herewith, and shall not be liable for any mistake of fact or error of judgment, or for any acts or omissions of any kind, unless caused by its willful misconduct or gross negligence.

The Escrow Agent may resign and be discharged of its duties hereunder provided that: (i) it has given thirty (30) days written notice to the University of such resignation; (ii) the University has appointed a successor

to the Escrow Agent hereunder; (iii) the Escrow Agent and the University have received an instrument of acceptance executed by the successor to the Escrow Agent hereunder; and (iv) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents, SLGS, moneys and investments held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (iv) above. Upon receipt by the University of the written notice described in clause (i) above, the University shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible.

This Escrow Deposit Agreement shall terminate when all amounts held hereunder for the payment of the principal of and interest and redemption premium, if any, on all Defeased Bonds has been paid to the Paying Agent for the Defeased Bonds. The Escrow Agent shall thereupon be released and discharged with respect thereto and hereto and any remaining amounts hereunder shall be deposited with the University. Except as otherwise provided in Section 6 hereof, this Escrow Deposit Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without (i) the written consent of the holders of 100% in principal amount of the unpaid Defeased Bonds at the time such action is made, and (ii) the written consent of the Escrow Agent; provided, however, that the University and the Escrow Agent may, without the consent of, or notice to the holders of the unpaid Defeased Bonds enter into such agreements supplemental to this Escrow Deposit Agreement as shall not adversely affect the rights of such holders hereunder and shall not be inconsistent with the terms and provisions of this Escrow Deposit Agreement, for any one or more of the following purposes:

to cure any ambiguity or formal defect or omission in this Escrow Deposit Agreement; or to grant to or confer upon the Escrow Agent for the benefit of the holders of the Defeased Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this

Section 12, including the extent, if any, to which any change, modification, addition or elimination affects the rights of such holders of the Defeased Bonds or that any instrument executed hereunder complies with the conditions or provisions of this Section 13.

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and attested as of the date first above written.

STATE BOARD OF REGENTS OF THE
STATE OF UTAH

By: _____
Chair

ATTEST:

Secretary

UNIVERSITY OF UTAH

By: _____
Vice President of Administrative Services

WELLS FARGO BANK, N.A., as
Escrow Agent

By: _____
Authorized Officer

EXHIBIT A

ESCROW FUND

Investments Purchased with Available Moneys

Maturity Date

Principal Amount

Rate

EXHIBIT B-1

FORM OF NOTICE OF REFUNDING AND DEFEASANCE

UNIVERSITY OF UTAH AUXILIARY AND CAMPUS FACILITIES SYSTEM
REVENUE AND REFUNDING BONDS, SERIES 1998A

Maturing on and after April 1, 2008

in the aggregate principal amount of \$_____

NOTICE IS HEREBY GIVEN that for the payment of the principal of and interest on the bonds of the above-designated series maturing on and after April 1, 2009 (the "Defeased Bonds") of the State Board of Regents of the State of Utah (the "Board"), there have been deposited in escrow with Wells Fargo Bank, N.A., Salt Lake City, Utah (the "Escrow Agent") moneys which, except to the extent maintained in cash, have been invested in United States Government Obligations, the projected principal payments to be received from such securities and the projected interest income therefrom have been calculated to be sufficient, with said cash, to pay the interest requirements on the Defeased Bonds when due through April 1, 2008, which is the maturity date for a portion of the Defeased Bonds or which is the date upon which the Board has elected to call and redeem the Defeased Bonds prior to their maturities at a redemption price of 101% of the principal amount of the Defeased Bonds, plus accrued interest to the redemption date.

In accordance with the terms of Article X of the General Indenture of Trust of the Board under which the Defeased Bonds were issued, the Defeased Bonds are deemed to have been paid.

This notice has been given pursuant to the direction of the State Board of Regents of the State of Utah and the University of Utah and dated this ____ day of _____, 20__.

WELLS FARGO BANK, N.A., as Trustee

EXHIBIT B-2

FORM OF NOTICE OF REFUNDING AND DEFEASANCE

UNIVERSITY OF UTAH AUXILIARY AND CAMPUS FACILITIES SYSTEM
REVENUE REFUNDING BONDS, SERIES 2005A

Maturing on and after April 1, 2015

in the aggregate principal amount of \$_____

NOTICE IS HEREBY GIVEN that for the payment of the principal of and interest on the bonds of the above-designated series maturing on and after April 1, 2016 (the "Defeased Bonds") of the State Board of Regents of the State of Utah (the "Board"), there have been deposited in escrow with Wells Fargo Bank, N.A., Salt Lake City, Utah (the "Escrow Agent") moneys which, except to the extent maintained in cash, have been invested in United States Government Obligations, the projected principal payments to be received from such securities and the projected interest income therefrom have been calculated to be sufficient, with said cash, to pay the interest requirements on the Defeased Bonds when due through April 1, 2015, which is the maturity date for a portion of the Defeased Bonds or which is the date upon which the Board has elected to call and redeem the Defeased Bonds prior to their maturities at a redemption price of 100% of the principal amount of the Defeased Bonds, plus accrued interest to the redemption date.

In accordance with the terms of Article X of the General Indenture of Trust of the Board under which the Defeased Bonds were issued, the Defeased Bonds are deemed to have been paid.

This notice has been given pursuant to the direction of the State Board of Regents of the State of Utah and the University of Utah and dated this ____ day of _____, 20__.

WELLS FARGO BANK, N.A., as Trustee

ESCROW DEPOSIT AGREEMENT

Dated as of December 1, 2005

among

STATE BOARD OF REGENTS OF THE STATE OF UTAH,

THE UNIVERSITY OF UTAH,

and

WELLS FARGO BANK, N.A.



Utah System of Higher Education

Report on uses of Faculty and Salary Retention Funds

The Utah System of Higher Education employs more than 27,000 employees statewide – approximately 13,000 of these employees are compensated using state tax dollars. During the 2005 General Session the Utah State Legislature appropriated approximately \$2.5 million in funding to support the State Board of Regents' request for "Faculty and Staff Retention Funding." The Legislature provided funding to address specific personnel issues at each of the respective campuses and to ensure that the institutions are able to retain the brightest and most crucial faculty and staff that may be lured away for increased salaries. This report fulfills the Commissioner's commitment to provide an accounting of how the retention funds were spent.

Funding for faculty and staff retention were provided with the understanding that the system would apply the funds in a targeted manner rather than providing an across the board enhancement. To fulfill this commitment the State Board of Regents issued a set of standard guidelines for expending these funds but stopped short of issuing specific criteria that must be met by each institution. The guidelines were as follows:

1. Funding should be focused and not applied to whole departments, colleges, or categories of faculty and staff.
2. Funds should be directed toward critical State needs, e.g. educating nurses or special education teachers; fostering economic development activities tied to the institution, or advancing critical institutional priorities.
3. Funding would go principally to faculty, however, exceptions could be made for important staff positions.
4. Funds could be used for faculty and staff who are at risk of leaving the institution and for competing offers elsewhere, assuming again that such factors as R and D related funding, institutional priorities, critical State needs, and economic development opportunities are considered.
5. Programs that are important to the institution and that are at risk of losing their accreditation would be eligible for faculty or staff funding.
6. Some faculty or staff who have significant achievements in teaching or research, but who have not been recognized financially for their work could be eligible for this funding. The factors listed in number two (2) above could apply in these cases.

The Commissioner believes each institution properly narrowed the use of funds to address the most significant needs on campus. Even with the substantial funding provided this year the System maintains a substantial, documented need for additional salary equity and retention funds.

The following pages provide detail as to how each of the USHE institutions applied the funding and the key personnel issues that were addressed on the respective campuses.

University of Utah

Currently the University of Utah employs approximately 4,100 employees on state appropriated funding. Of these employees, 99 individuals (64 faculty and 35 staff) have received adjustments in their compensation packages using the retention funds allocated to the University by the State Board of Regents.

As of August 15, 2005, the U had allocated approximately \$693,038 or 83%, of the \$837,900 of retention funding primarily in the form of preventive salary adjustments, that is, salary adjustments designed to forestall future retention problems. Deans were asked to identify those faculty and staff that were at greatest risk of being lured away because of salary disparities. The range of the salary retention program was limited to academic and student services areas.

The distribution of individuals receiving retention funding by academic unit and by faculty or employee type is as follows:

- Architecture: 1 Assoc Professor
- Business: 1 Asst Professor and 1 Assoc Professor
- Education: 1 Asst Professor and 1 Assoc Professor
- Fine Arts: 1 Asst Professor, 2 Assoc Professors, and 4 Staff
- Health: 1 Asst Professor and 1 Assoc Professor
- Humanities: 1 Instructor, 9 Asst Professors, 10 Assoc Professors, 7 Professors and 3 Staff
- Law: 3 Staff
- Medicine (Human Genetics): 1 Asst Professor
- Mines and Earth Science: 2 Instructors, 1 Asst Professor, 3 Assoc Professors and 1 Staff
- Science: 3 Associate Professors, 7 Professors and 8 Staff
- Social & Behavioral Science: 1 Asst Professor, 2 Assoc Professors, 2 Professors, and 3 Staff
- Academic Outreach and Continuing Education: 5 Staff
- Libraries: 2 Staff
- Student Affairs: 4 Staff
- Undergraduate Studies: 2 Staff
- Academic Administration: 2 Deans and 2 Assoc VPs for Academic Affairs

The remaining \$144,628, or 17%, has been held back to use in making counteroffers or otherwise addressing retention problems that, based on past experience, will likely occur some time during 2005-06.

Utah State University

Utah State University employs approximately 2,500 employees on state appropriated funding. Of these employees, 75 individuals (all faculty) have received adjustments in their compensation packages using the retention funds allocated to the University by the State Board of Regents.

Utah State University received \$421,500 in retention funding for FY2005-06. Utah State University has distributed the USHE Retention Funds to 75 faculty across seven colleges. Around \$75,000 will go to the College of Science, and between \$50,000

and \$60,000 to the Colleges of Agriculture, Business, Education and Human Services, Engineering, and Humanities, Arts and Social Sciences. The College of Natural Resources will receive \$30,000. The selection of faculty members receiving these salary increases was based on a careful assessment of their value to the University and the likelihood of their recruitment by peer institutions. The proposed salary increases range on average an increase to base salary of 5-10%. We believe that all levels of faculty are vulnerable to recruitment by other institutions, and therefore, the split across rank is approximately equal (29 professors, 22 associate professors and 24 assistant professors). While the departure of associate professors and professors will mean the loss of active and extensive research programs, the loss of assistant professors will occur before the "pay off" of these new hires has been realized.

The vast majority of these faculty have been successful in obtaining significant federal funding from NIH, NSF, DOD, NASA and USDA. The loss of these grants will result not only in decreased indirect cost recovery but mean a loss of student training at both undergraduate and graduate levels, a hallmark of Utah State University. The curriculum vitas of these faculty clearly indicate strong national and international standing in their fields of research.

A few specific cases are noteworthy. First, the Colleges of Engineering and Science have requested funding for five assistant professors that were hired through the Governor's Initiative for Engineering and Computer Science. These young faculty are actively involved in moving research towards technology commercialization, with several patent applications in the last few years coming from this group. They carry an excitement and entrepreneurial spirit into the classroom that students are clearly responding to.

The College of Business, particularly the Department of Business of Information Systems, faces severe faculty drains because of dramatically lower salaries than other institutions. The loss of these senior faculty with demonstrated academic standing would seriously jeopardize future accreditation by AACSB. Further compounding the problem, current salaries within the College would not provide sufficient funding for replacement in today's competitive market.

Faculty within the College of Humanities, Arts and Social Sciences are significantly lower (around 30%) than national averages for equivalent faculty, particularly in English, History and the fine arts. These faculty present significant flight risks at a crucial time, when the University has started development of the School of the Arts.

USU has recently proposed an expansion of the microbe technology area as the first area of investment in the USTAR program. Several faculty in this area of research are themselves very susceptible to recruitment by other institutions and would create a noticeable loss of expertise at a time when expansion is planned.

Around \$20,000 has been used to adjust inequities experienced by female faculty whose salaries are not comparable to males with equivalent role assignments, years at the institution, and career accomplishments. These salary inequities were caused by low starting salaries that have not been adjusted over time. Females receiving these adjustments include four in agriculture, one in natural resources and one in business. All have established themselves as strong researchers, teachers and student mentors, as well as bring diversity to colleges that have historically been lacking.

An additional \$50,000 of the funding has been matched by University departments and colleges (Business, Education and Human Services, Engineering, and Science) and used to offset offers presented by other institutions. While the USU counter offers are not often a direct match, they do provide evidence that the institution values these individuals and in almost all cases, the faculty have declined the other offer.

Weber State University

Weber State University employs approximately 1,300 employees on state appropriated funding. Of these employees, 50 individuals (46 faculty and 4 staff) have received adjustments in their compensation packages using the retention funds allocated to the University by the State Board of Regents.

Weber State University received \$247,100 in retention funding to address necessary salary adjustments to ensure that the highest quality of faculty and staff remain at Weber State University as well as recruit new faculty and staff to support the ongoing mission of WSU. With the money received, Weber State officials have identified the distribution of individuals to receive this funding as follows:

- Political Science faculty for outstanding work, including recognition as the 2003 Carnegie Foundation Professor of the year in Utah.
- Archeologist who regularly receives funding from the U.S. Department of Agriculture
- Foreign Language faculty member with a significant grant from the U.S. Department of Education.
- Health Professions faculty member with a \$600,000 grant from the Department of Health and Human Services.
- Zoology faculty member with a significant grant from the National Institute of Health (WSU's first NIH award).
- Zoology faculty member with a strong record of working with undergraduates on research projects and a series of National Science Foundation grants supporting undergraduate research,
- Junior faculty member in Physics.
- Marketing faculty member
- Health Professions faculty member recognized with several awards for outstanding teaching as well as several vocational education grants.
- Two counselors in key student support roles.
- Recruit information technology staff member for critical university role
- Recruit Ph D faculty for the nursing program.

Southern Utah University

Southern Utah University employs approximately 650 employees on state appropriated funding. Of these employees, 44 individuals (29 faculty and 15 staff) have received adjustments in their compensation packages using the retention funds allocated to the University by the State Board of Regents.

Southern Utah University received \$102,200 in retention funding for FY 2005-06. Given the fact that SUU salaries for both faculty and staff are over 17 percent below our peers, the provision of these funds is most timely. For both faculty and professional staff, we compete in national markets. We hire and lose people to places all over the nation. With the growth in the economy in southern Utah, we also lose people to businesses nearby to substantial increases. Southern Utah University officials have targeted the retention funds in the following ways:

- Select faculty members who are in critical fields to the state, have high market demand, impressive achievements of faculty whose salaries are embarrassingly low compared to competition, and in programs where a particular individual is pivotal to the success of the program.
- Equity adjustments for select faculty in nursing, technology, science, business and education.
- Equity adjustments for select staff in finance/accounting to reduce employee turnover in this crucial institutional support function.
- Equity adjustments for the two counselors in key student support roles.
- Two key academic administration positions (vice president/ dean level)

Snow College

Snow College employs approximately 425 employees on state appropriated funding. Of these employees, 19 individuals (6 faculty and 13 staff) have received adjustments in their compensation packages using the retention funds allocated to the college by the State Board of Regents.

The Snow College received \$52,600 in retention funding for FY2005-06. With the money received, Snow College officials have identified the distribution of individuals to receive this funding as follows:

- A senior accreditation officer retained to assist with planning and assessment
- Promoted key staff members to strengthen and oversee library services
- Strengthened campus security personnel for staff retention
- Retained information technology staff for data management
- Made successful counteroffer to retain one faculty member in the business department and one in engineering
- Recruited one faculty member in Nursing to meet student enrollment demands

Dixie State College

Dixie State College employs approximately 420 employees on state appropriated funding. Of these employees, 8 individuals (8 faculty) received an adjustment in their compensation package using the retention funds allocated to the college by the State Board of Regents.

Dixie State College received \$55,200 in retention funding for FY 2005-06. Dixie State officials have determined that all \$55,200 will be used to retain members of the Dixie Nursing Faculty. The funds were used to enhance the salary of the Nursing director position as well as provide salary adjustments for 7 additional nursing faculty members.

College of Eastern Utah

The College of Eastern Utah employs approximately 200 employees on state appropriated funding. Of these employees, 6 individuals (1 faculty and 5 staff) have received adjustments in their compensation packages using the retention funds allocated to the college by the State Board of Regents.

The College of Eastern Utah received \$35,600 in retention funding for FY2005-06 and used the funding in the following manner.

- Increase professional development opportunities for faculty (fund sabbatical replacements and attendance at professional conferences)
- Provide salary stipend to 1 tenured faculty member to work in the office of the Vice President for Academic Affairs to develop a crucially important academic assessment plan and program for the college
- Increase salaries for advising staff.

Utah Valley State College

Utah Valley State College employs approximately 1,550 employees on state appropriated funding. Of these employees, 44 individuals (42 faculty and 2 staff) have received adjustments in their compensation packages using the retention funds allocated to the college by the State Board of Regents.

Utah Valley State College received \$235,400 in retention funding for FY 2005-06. The distribution of individuals receiving retention funding is as follows:

- 18 Faculty members in the fields of Nursing, Technology, and Engineering
- Salary adjustments directed toward recruiting and retaining faculty with salaries significantly below national averages based on discipline and degree; salary adjustments for recruit/retain staff in mission critical areas: 13 faculty and 2 staff
- Salary adjustments for faculty with significant achievements and contributions to UVSC: 11 faculty

Salt Lake Community College

Salt Lake Community College employs approximately 1,800 employees on state appropriated funding. Of these employees, 9 individuals (2 faculty and 7 staff) have received adjustments in their compensation packages using the retention funds allocated to the college by the State Board of Regents.

Salt Lake Community College received \$229,300 in retention funding for FY 2005-06. Retention funds were used to enhance 3 full-time positions, to fund a portion of a position that was losing grant funding and to make five staff salary adjustments. The distribution of individuals receiving retention funding is as follows:

- Retention of key faculty and staff members crucial to the success of students in the following programs
 - Telecommunications and Technology
 - Director of Biotechnology Program

- Dental Hygiene Coordinator
- Assessment and Accreditation Coordinator
- Equity adjustments for staff members currently receiving salaries 31-34% below market average.
 - Manager of Power Plant
 - Director of Academic Advising
 - Assistant Director of Facilities
 - Director of Internal Audit
 - Manager of Training and Development

Utah College of Applied Technology

The Utah College of Applied Technology employs approximately 620 employees on state appropriated funding. Of these employees, 135 individuals (108 faculty and 27 staff) have received adjustments in their compensation packages using the retention funds allocated to the college by the State Legislature.

The Utah College of Applied Technology received \$334,000 in retention funds and has used the funds in the following manner.

- Equity salary increases for Nursing and Healthcare Faculty
- Equity salary increases for director of student services
- Equity salary increase for Diesel Mechanics Instructors
- Competitive salary adjustments for key IT staff
- Competitive salary adjustments for Front Office Manager and other staff members
- Equity salary increases for Business Technology Staff

State Board of Regents Office

The State Board of Regents office employs approximately 24 employees on state appropriated funding. Of these employees, 5 individuals (all staff) have received adjustments in their compensation packages using the retention funds allocated to the University by the State Board of Regents.

The State Board of Regents Office received \$10,100 in retention funds and has used the funds in the following manner.

- Equity salary increases for four staff positions.
- Competitive hiring increase for one staff position.

November 30, 2005

MEMORANDUM

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

The Commissioner recommends approval of the following items on the General Consent Calendar:

- A. Minutes – Minutes of the Regular Meeting of the State Board of Regents held October 27, 2005, at Utah Valley State College in Orem, Utah
- B. Grant Proposals
 1. University of Utah – National Institutes of Health; “NIAMS: CORT;” \$1,485,437. Alan Light, Principal Investigator.
 2. University of Utah – National Institutes of Health; “Center of Research Translational for Pachyonychia Congenita;” \$1,287,999. Sancy Leachman, Principal Investigator.
 3. Utah State University – Department of Health and Human Services; “Animal Models of Human Viral Infections for Evaluation of Experimental Therapies: Influenza and Orthopox Viruses;” \$2,116,236. Robert Sidwell, Principal Investigator.
 4. Utah State University – US Department of Defense/Missile Defense Agency; “Micro Satellite Distributed Sensing Experiment, Sensor Development, Fabricate, Integrate, and Test Phase;” \$6,836,927. Dean Wada, Principal Investigator.
 5. Utah State University – National Institute on Disability and Rehabilitation Resources; “Center on Children and Youth with Disabilities and Special Health Care Needs (D/SHCN);” \$4,000,000. Richard Roberts, Principal Investigator.
 6. Utah State University – National Institutes of Health; “Mammalian PRMT1 Substrate Selection and Mechanism;” \$1,587,500. Joan Hevel, Principal Investigator.

7. Utah State University – US Office of Naval Research; “Net-centric Mobile Sensor Lab;” \$1,899,961. Robert Pack, Principal Investigator.
8. Utah State University – Department of Homeland Security; “Compact Hi-flux Neutron Generator;” \$1,092,746. W. Edwards, Principal Investigator.
9. Utah State University – National Institutes of Health; “Insulin Resistance, Cognition, and Alzheimer’s Disease: The Cache County Study;” \$2,965,243. Ronald Munger, Principal Investigator.
10. Utah State University – US Department of Transportation; “Federal Funding of a New Tier II University Transportation Center;” \$2,000,000. Kevin Womack, Principal Investigator.
11. Utah State University – National Institutes of Health; “Daphnia Functional Comparative Genomics Resource;” \$1,187,238. Michael Pfrender, Principal Investigator.
12. Utah State University – Department of Health and Human Services; “Head Start Innovation and Improvement Project Assistance;” \$1,373,748. Karl White, Principal Investigator.
13. Utah State University – Howard Hughes Medical Institute; “Biology of Life: Biology and Engineering Undergraduate Research Scholars (BEURS);” \$2,199,134. Anne Anderson, Principal Investigator.
14. Utah State University – Department of Health and Human Services; “National Center for Inclusive Community-Integrated Services for Children with Special Health Care Needs;” \$1,626,586. Richard Roberts, Principal Investigator.
15. Utah State University – National Science Foundation; “Microbial Observatory: Functional Diversity in Nitrogen Cycle Processes and Communities After Dairy Waste;” \$1,052,577. Jeanette Norton, Principal Investigator.

C. Grant Awards

1. Utah State University – Department of Health and Human Services; “Animal Models of Human Viral Infections for Evaluation of Experimental Therapies: Influenza and Orthopox Viruses;” \$2,116,236. Robert Sidwell, Principal Investigator; Dale Barnard, John Morrey, Donald Smee, Co-Principal Investigators.

2. Utah State University – NASA Jet Propulsion Laboratory; “Wide-field Infra-red Survey Explorer (WISE);” \$1,250,000. Scott Schick, Principal Investigator.
3. Utah State University – NASA Jet Propulsion Laboratory; “Wide-field Infra-red Survey Explorer (WISE);” \$1,100,147. Scott Schick, Principal Investigator.
4. U.S. Department of Defense/Missile Defense Agency; “Squadron Ground Station (SGS) Software Modification and System Acquisition, and SUS Sustainment;” \$2,384,756. Niel Holt, Principal Investigator.

Richard E. Kendell, Commissioner

REK:jc
Attachments

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 UTAH STATE BOARD OF REGENTS
 UTAH VALLEY STATE COLLEGE, OREM, UTAH
 OCTOBER 27, 2005

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MINUTES OF MEETING
UTAH STATE BOARD OF REGENTS
UTAH VALLEY STATE COLLEGE, OREM, UTAH

October 27, 2005

Regents Present

Nolan E. Karras, Chair
Jed H. Pitcher, Vice Chair
Jerry C. Atkin
Daryl C. Barrett
Janet A. Cannon
Rosanita Cespedes
Katharine B. Garff
David J. Grant
Meghan Holbrook
Michael R. Jensen
David J. Jordan
Gaby Bradford Kingery
Sara V. Sinclair
Marlon O. Snow

Regents Excused

Bonnie Jean Beesley
James S. Jardine
Josh M. Reid

Office of the Commissioner

Richard E. Kendell, Commissioner
David L. Buhler, Associate Commissioner for Public Affairs
Joyce Cottrell, Executive Secretary
Amanda Covington, Director of Communications
David S. Doty, Assistant Commissioner and Director of Policy Studies
Kimberly Henrie, Budget Officer
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Mark H. Spencer, Associate Commissioner for Finance and Facilities/Executive Director, UHEAA
Lucille T. Stoddard, Associate Commissioner for Academic Affairs
Kevin Walthers, Assistant Commissioner for Finance and Facilities
Lynne Ward, Assistant Commissioner and Executive Director, UESP
Gary S. Wixom, Assistant Commissioner for CTE and Special Projects

Institutional Representatives

University of Utah

John G. Francis (Acting President), Associate Vice President for Academic Affairs
Laura Snow, Special Assistant to the President/Secretary to the University
Ali Hasnain, Student Body President and Utah Student Association (USA) President

Utah State University

Glenn Ford (Acting President), Vice President for Business and Finance
Noelle Cockett, Interim Provost
Quinn Millett, Student Body President

Weber State University

Norm Tarbox (Acting President), Vice President of Administrative Services

Brad Mortensen, Assistant Vice President for Support and Auxiliary Services
Michael Vaughan, Provost
Ryan Starks, Student Body President and USA Executive Vice President

Southern Utah University

Steven D. Bennion, President
Abe Harraf, Provost
Gregory L. Stauffer, Vice President for Administrative and Financial Services
Micah Keith, Student Body President

Snow College

Michael T. Benson, President
Bradley A. Winn, Provost
John Vincent, Student Body President

Dixie State College

Lee G. Caldwell, President
Donna Dillingham-Evans, Interim Academic Vice President
Stanley J. Plewe, Vice President of College Services
Tony Cronk, Student Body President

College of Eastern Utah

Brad King (Acting President), Vice President of Student Services
Jesse Holt, Student Body President

Utah Valley State College

William A. Sederburg, President
Eva Bernfeld, Curriculum Manager
Bob Clark, Director of Physical Plant
Brad Cook, Academic Affairs Vice President
Cory Duckworth, Vice President for Student Affairs/Strategic Planning
Val Hale, Assistant Vice President for External Affairs
Megan Kennedy, Assistant Athletic Director
Linda Makin, Director of Budgets
Wayne Mangelson, Senior Director, Career and Student Employment
Cameron Martin, Assistant to the President
Michael Jaughan, Director, Campus Events
James L. Michaelis, Associate Vice President for Facilities Planning
Karen Olsen, Executive Assistant to the President
Bob Rasmussen, Assistant Vice President for Student Life/Dean of Students
Jared Sumsion, Student Body President
Ellen Sweat, Senior Budget Analyst
Douglas Warner, Associate Vice President for Finance and Human Resources
Karl Worthington, Associate Vice President for Academics
Frank Young, Director of Space Development Engineering
Karen Acerson, Member, UVSC Board of Trustees

Jeff Kahn, UVSC Foundation

Salt Lake Community College

David Richardson (Acting President), Vice President for Academic Services
Kent Ferrel, Interim Vice President for Business Services

Utah College of Applied Technology

Darrell K. White, Interim President
Jared Haines, Vice President for Academic and Student Services

Representatives of the Media

Anna Chang-Yen, *Provo Daily Herald*
Maria Villaseñor, *WSU Signpost*
Steve Speckman, *Deseret Morning News*
Shinika Sykes, *Salt Lake Tribune*

Others

Carrie Flamm, Executive Director, Utah Student Association
Kim Hood, Governor's Office of Planning and Budget
Ken Nye, Deputy Director, Division of Facilities Construction and Management
Michael A. Petersen, Executive Director, Utah Education Network
Spencer Pratt, Office of the Legislative Fiscal Analyst

Following a breakfast meeting with the UVSC Board of Trustees and meetings of the Board Committees, Vice Chair Jed Pitcher called to order the Committee of the Whole at 11:00 a.m.

Regent Pitcher excused Regents Beesley, Jardine and Reid, and introduced the vice presidents who were representing their institutions. He noted that Regent Reid had participated in the Finance Committee discussion via telephone.

Introduction of Count Nikolai Tolstoy. President Sederburg introduced Rusty Butler, who in turn introduced Count Nikolai Tolstoy, senior member of the Tolstoy clan and an adjunct professor at UVSC, living in Great Britain. Count Tolstoy lectures on his predecessor, Leo Tolstoy and the Tolstoy heritage, as well as Merlin and the Arthurian Legends.. He is an author in his own right, having recently published the first volume of his stepfather's (Patrick O'Brien's) biography.

USHE 2006-2007 Budget Request

Commissioner Kendell noted that in 1993 higher education's share of the State's appropriated budget was nearly 18%. After dipping to less than 15% in 2001, we are presently at approximately 16%. Sixty-five percent of the USHE budget comes from State appropriations, and 35% comes from student tuition. We would like that ratio to be 75:25. He pointed out that \$5243 per FTE comes from State funds, which is 11.2% below 1999 levels.

While some decision-makers view higher education as just another agency with an "empty bucket" to be filled by legislative appropriation, it is really an investment which will yield financial benefits to the State. There is a direct correlation between level of education and lifetime earnings. Commissioner Kendell referred to information from the Department of Workforce Services, listing occupations with the most expected Utah openings and the highest-paying Utah occupations with 100 or more annual openings anticipated between 2002 and 2012. The Commissioner pointed out that all of the jobs in the latter category require higher education.

It was pointed out in the Regents' joint meeting with the State Building Board that approximately two-thirds of all state-owned buildings are higher education facilities. Commissioner Kendell noted that during the past decade, only 34% of the funding for USHE capital projects had come from State appropriations. The remaining 66% was received in the form of donations, grants, student fees, and revenue bonds. Dr. Kendell said higher education provides a real return on investment, and hopes that the Legislature will continue to make the investment.

A copy of Commissioner Kendell's slide presentation will be attached to the official minutes and retained in the Commissioner's Office.

The Commissioner called attention to Replacement Tab K in the Regents' folders which contained the 2006-2007 USHE budget request. He noted that the budget request had been developed around the major themes discussed in the Regents' meetings in St. George last April. He reviewed the budget priorities:

1. Salary and Compensation
2. Efficiency and Productivity Measures
3. Student Success Initiatives
4. Mission-Based Priorities/Funding Correction
5. Workforce Development Initiatives
6. Economic Development

Salary and Compensation. Commissioner Kendell said higher education would request the same consideration given to public education and other state employees. The Legislature appropriated funding last year to retain key faculty and staff in critical areas. That money has been very well used for a small group of very critical people, and we will be able to make a very favorable report to the Legislature about the appropriation of those funds. The 2006-2007 budget will request another \$5 million. Regent Grant asked about distribution of the retention funds. Commissioner Kendell responded the institutions had flexibility in administering their funding, but all of the money was used for compensation, including benefits.

Efficiency and Productivity. Commissioner Kendell said he had been assured that our \$3.5 million request for operations and maintenance (O&M) of our facilities would be funded as a housekeeping item. Institutions have anticipated a \$6.3 million increase in fuel and power expenses. Anticipated increases are due to increases costs and not to increased utilization. Actual costs may exceed those estimates. Our institutions have committed to keep their utilities flat except for the new buildings that come online. Vice President Winn verified that Snow College would submit a request for fuel and power increases.

Student Success. Last year the Legislature appropriated funding for the New Century Scholarship. However, many more students take advantage of this program than the State has funded. Commissioner Kendell explained that the UCOPE request (need-based financial aid) was based on the average level of funding per student in the WICHE states. Student success funding is allocated in the form of a block grant to the schools, to be used

as they determine most appropriate. Regent Kingery stressed the importance of need-based financial aid. We must provide the necessary resources to enable students to achieve success.

Mission-based Priorities. Commissioner Kendell explained that this money would be divided between the institutions and used as it is most needed. Although he and the Presidents are still in the process of determining a formula for distributing mission-based funding, the amount in the budget request will not change, nor will the funding categories.

Workforce Development. The 2006-2007 budget includes a request that the State continue to fund the Engineering and Nursing Initiatives. The "Jobs Now" Initiative was developed during the 2005 Legislative Session. The USHE is requesting \$1 million, and UCAT is requesting \$2 million in this category. It is critical that students be informed at an earlier age of the potential for jobs paying high salaries and the education/training required for those jobs.

Economic Development. Commissioner Kendell stated that every institution in this state plays a vital role in local, regional and state economic development. USTAR is not a higher education initiative; it is an economic development initiative. State leaders are advocating the creation of 12-20 business centers throughout Utah, but they have not developed a firm plan nor identified the funding source at this point in time. It is possible that the proposed business centers can be merged with the Innovation Centers embedded in the USTAR plan.

Commissioner Kendell requested the Regents' approval of the \$45,344,100 budget request. **Regent Grant moved approval of the 2006-2007 USHE budget request. The motion was seconded by Regent Holbrook.**

Vice Chair Pitcher recognized Ali Hasnain, University of Utah Student Body President, and Ryan Starks, Weber State University Student Body President, who asked to comment on the budget proposal. Ali expressed the students' appreciation for the opportunity to present their top funding priority as need-based financial aid. Ryan thanked Commissioner Kendell for referring to a college education as an investment. He shared his own experience and said he would not have been able to go to college without that help. He pointed out that it is no longer only students from the lowest income groups who need financial aid. Ali introduced the other student leaders in attendance: Chris Wharton, Westminster College; Micah Keith, Southern Utah University; John Vincent, Snow College; Jared Sumsion, Utah Valley State College; Jesse Holt, College of Eastern Utah; Tony Cronk, Dixie State College; Quinn Millet, Utah State University; and Carrie Flamm, Executive Director of the Utah Student Association.

Vote was taken on the motion to approve the budget request. The motion carried unanimously.

Utah Education Network

Dr. Michael A. Petersen, Executive Director of the Utah Education Network (UEN), explained that the UEN provides the network connectivity used by all of the schools in the state, at an annual cost of \$9 million. UEN's top funding priority is for a course management program, which would be made available to all of the institutions. Through a bidding process, WebCT Vista was chosen as the best course management tool for the Utah System of Higher Education. It has been tested on a pilot basis for the past two years at Salt Lake Community College and Weber State University. This tool will allow UEN to pay licensing fees (\$1.6 million) on a perpetual basis. The institutions would then be free from paying the current annual system license fee. Most institutions would move hosting the course management system to UEN, saving them the cost of servers and IT staff. This approach would

cost \$3 million less annually than an institutional approach to course management. Dr. Petersen anticipated that during the next two to three years, every class and every student will utilize a course management system.

Vice President Tarbox spoke in support of UEN's proposal. Weber State University has been able to save a significant amount of money by using this course management system. It will provide very significant savings to the entire system. Vice President King said CEU has been using WebCT and has found that it creates a whole new paradigm for students and a new environment for them to be able to contact their instructors more efficiently, especially adjunct faculty who do not have offices or office hours. President Benson said he had met recently with nursing students in Nephi who were able to take advantage of this system. President Caldwell also spoke in support of the course management system.

Regent Pitcher thanked Dr. Petersen for his presentation.

Tax Reform

During lunch, Vice Chair Pitcher introduced Dr. Gary Cornia, Director of BYU's Romney Institute of Public Management. He is a former Utah State Tax Commissioner and chaired Governor Walker's Tax Review Commission. Dr. Cornia said tax reform is needed for a variety of reasons, all of which have implications for education. The most fundamental reason for reforming the tax structure are to respond to the globalization of the world's culture and to support educating our children. We cannot compete globally without a highly trained and educated workforce. In the next 15 years, Utah's public education system anticipates receiving 150,000 new students, many of whom will be non-English speaking. Educating a non-English-speaking student is more costly than educating a native student.

Dr. Cornia's recommendations included lowering the state sales tax rate to 3.75%, taxing services, flattening personal income tax rates, eliminating corporate income tax, and cutting expenditures, if necessary. These actions would stabilize revenue streams, control risk, minimize the need for a "Rainy Day Fund," provide the state with the flexibility to cope with changing economic and demographic conditions, and attract needed capital.

CEU Vice President King mentioned that in addition to the burgeoning population growth in school-age children, our country is seeing an increasing growth in the number of senior citizens. He pointed out it will cost more to care for an 80-year-old senior citizen than a first-grader, for example.

Regent Barrett asked what position the Regents should take on this issue. She suggested that the State Board of Regents, State Board of Education, institutional Boards of Trustees and individual school boards speak out unitedly and collectively in support of tax reform. Commissioner Kendell pointed out that an alliance had been created with public education to keep our students in school until they graduate, to encourage them to prepare for college and then to go to college and get a degree. Cultural, political and legislative leaders must also join in this investment in our state.

Vice Chair Pitcher thanked Dr. Cornia for his presentation. Chair Karras suggested that he be invited to make the same presentation to the USHE Boards of Trustees, the State Board of Education, and the local school boards.

Assistant Commissioner Walthers referred to the attachments to Tab L in the Regents' folders. At the conclusion of the September Board meeting, the Regents requested a report on the Building Board's priorities of state capital projects. The results were:

<u>USHE Projects</u>	<u>Regents' Priority</u>	<u>Bldg Board's USHE Rank</u>	<u>Bldg Board's State Rank</u>
WSU Class Room Building/Chiller Plant	1	2	6
USU Relocation of Innovation Campus	1	4	11
USU Agriculture/Classroom Replacement Bldg	2	6	16
UVSC Digital Learning Center	3	1	1
SLC Digital Design/South City Campus Student Ctr	4	5	15
DSC Science Building Addition	5	7	20
CEU Fine Arts Replacement	6	8	21
SUU Science Center Addition	7	9	22
Snow College-County Library/Classroom Building	8	3	9

<u>UCAT Projects</u>	<u>Trustees' Priority</u>	<u>Bldg Board's UCAT Rank</u>	<u>Bldg Board's State Rank</u>
DATC Technology/Manufacturing	1	2	8
MATC North Utah County Campus	2	3	13
UBATC/USU Vernal Campus	3	1	2
OWATC Health Technology Building	4	4	17

Regent Pitcher invited DFCM Deputy Director Ken Nye to comment on the State Building Board's actions. Mr. Nye reported that the Building Board agreed that the prison in Gunnison had to be funded next year, so some other projects were moved down on the list. Building Board members considered how their rankings compared with the Regents' recommendations and agreed that the Regents had ranked their projects appropriately.

The State Building Board understood that the Regents did not wish to prioritize the USU relocation with the other higher education capital projects, so they will consider it with other economic development projects at their next meeting. They felt strongly that USU's Agriculture Building should be replaced but were concerned about the size of the replacement project. Had the facility been smaller, it would probably have ranked much higher. The Building Board ranked UVSC's Digital Learning Center as its #1 priority in the state because the large high schools in the Salt Lake Valley have 75% more library space than UVSC. Snow's project scored well because the Building Board had been hearing for several years about the critical need for libraries on college campuses. They also thought the Regents may have scored that project lower because it is a small institution. Mr. Nye commented that SLCC's facility would probably score better next year because Building Board members now have a better understanding of the project.

Regent Jordan commented that it was extremely frustrating to have spent so much time trying to prioritize higher education projects, only to have them totally scrapped by the State Building Board. This indicates a fundamental communication failure between the two boards. If the Building Board had questions or needed further details about the Regents' ranking or any of the higher education projects, the Regents' expectation is that they would ask for clarification. Commissioner Kendell said the fundamental difference is in the way the two boards approach these projects. The Regents' process is quantitative, whereas the Building Board members vote their

preferences. "Q" points, life safety considerations, and donations are key factors in the Regents' process. The Commissioner and his staff will work with the DFCM staff to assure the Building Board understands Regent priorities.

Reports of Board Committees

Academic, CTE, and Student Success (Programs) Committee

Utah State University – Ph.D. Degree in Geology (Tab A). Vice Chair Jordan reported that the committee heard a presentation in significant detail from the department faculty about the need for more earth scientists at the Ph.D. level, in Utah as well as regionally and nationally. The committee was assured that teaching would continue to be done in both the undergraduate and master's levels by full-time faculty, not Teaching Assistants. **Regent Jordan moved approval of USU's Ph.D. Degree in Geology. The motion was seconded by Regent Barrett and carried.**

Consent Calendar, Programs Committee (Tab B). **On motion by Regent Jordan and second by Regent Snow, the following items were approved on the Programs Committee's Consent Calendar:**

1. Dixie State College
 - A. Discontinuance of the Auto Body AAS Degree and applicable certificates
 - B. Discontinuance of the Office Administration AS and AAS Degrees and applicable certificates
 - C. Discontinuance of the General Drafting AS and AAS Degrees and applicable certificates

2. Southern Utah University – Emphasis in Architectural/Civil Design Technology within the Engineering Technology major

Information Calendar, Programs Committee (Tab C). Vice Chair Jordan reported that CEU had relabeled some of its biology courses to make them compatible with the USHE common course numbering system.

Proposed Revisions to Policy R411, *Review of Existing Programs* (Tab D). The Regents determined in their last meeting that policy R411 should include more detail for continuing program reviews. **Vice Chair Jordan moved approval of the proposed revisions, with one amendment. Section 5.1.2 was amended to read: "Institutional CAOs shall provide summaries of the annual results of program reviews to the office of Academic Affairs. The summaries should include institutional procedures, major findings, five-year enrollment and budget data, all recommendations, comments, significant issues, and plans for addressing those issues."** The motion was seconded by Regent Barrett and carried.

Regent Pitcher thanked Vice Chair Jordan for his report.

Finance, Facilities and Accountability Committee

Utah Valley State College – Campus Master Plan (Tab E). Chair Atkin said college officials had told the committee that the existing campus space will probably be sufficient for another 20 years. They raised a question of whether or not to consider land banking for future growth needs. The committee suggested that this be included in the college's five-year plan. **Chair Atkin moved approval of UVSC's Campus Master Plan. The motion was seconded by Regent Jensen and carried.**

Dixie State College – Follow-up on College Building Purchase (Tab F). Chair Atkin said the purchase of an apartment building to be used for married student housing at Dixie State College had been approved at the last

Board meeting, subject to final approval by the Commissioner following a 45-day due diligence. Since that time, college officials determined that a revenue bond for the purchase would be a better option. The purchase will be subsidized by other auxiliary services. The College's net-revenue-to-bond-payment coverage ratio exceeds the requirement of the bond covenants. As noted in Replacement Tab F, such authorization requires formal Regent approval and must be authorized by the Legislature. Regent Atkin noted that affordable housing is becoming an increasing priority, and this is a desirable piece of property next to the campus. **Chair Atkin moved approval of the College's proposal to issue revenue bonds for the purchase of student housing. The motion was seconded by Regent Grant and adopted.** Chair Atkin noted that this would return for final approval by the Regents after it has been authorized by the Legislature.

Consent Calendar, Finance Committee (Tab G). **On motion by Chair Atkin and second by Regent Holbrook, the following items were approved on the Finance Committee's Consent Calendar:**

1. UofU and USU Capital Facilities Delegation Reports
2. Authorization for Commissioner Kendell to opt for a car allowance rather than a state-owned vehicle

Fall 2005 Third-Week Enrollment Report (Tab H). Chair Atkin noted that three institutions' enrollments were down in headcount and seven were down in budget-related FTE. The committee requested five-year projected enrollment estimates.

Report on USHE Recent Bond Activities (Tab I). Chair Atkin said this report had been requested by the Regents and was presented for information only. Details were provided on the WSU Sheperd Union Building Bonds, SUU Refunding Bonds, and UHEAA Student Loan Revenue Bonds.

Review of Institutional Five-Year Plans (Tab J). Chair Atkin said the committee had discussed various ways of considering this information in the future. Chair Karras recalled that the committee had also requested a report of anticipated growth at private institutions so we will know how to provide the training for the need being filled by the private schools. Regent Jordan told of a recent NPR story about the exploding number of private advisors counseling high school students on getting into college, selecting the right major, applying for financial aid, etc. The customary charge for a two-year service was \$3000 per student.

Vice Chair Pitcher thanked Chair Atkin for his report.

General Consent Calendar

On motion by Regent Atkin and second by Regent Snow, the following items were approved on the Regents' General Consent Calendar (Tab M):

- A. Minutes – Minutes of the Regular Meeting of the State Board of Regents held September 15-16, 2005, at Utah State University in Logan, Utah
- B. Grant Proposals (on file in the Commissioner's Office)
- C. Grant Awards

1. University of Utah – University of Utah – National Institutes of Health/National Institute of Child Health and Human Development; “Utah Autism Program;” \$1,108,893. William M. McMahon, Principal Investigator.
2. University of Utah – Huntsman Cancer Foundation; “Huntsman Cancer Institute - FY 2005-2006;” \$10,000,000. Randall W. Burt, Principal Investigator.
3. University of Utah – National Institutes of Health/National Cancer Institute; “Surveillance, Epidemiology, and End Results (SEER) Program;” \$1,229,509. Wallace L. Akerley, Principal Investigator.
4. University of Utah – National Institutes of Health/National Library of Medicine; “National Network of Libraries of Medicine (NN/LM);” \$1,187,270. Wayne J. Peay, Principal Investigator.
5. University of Utah – National Institutes of Health/National Heart Lung & Blood Institute; “Genetics and Consequences of Nicotine Addiction;” \$2,359,864. John R. Hoidal, Principal Investigator.
6. University of Utah – National Institutes of Health/National Institute on Drug Abuse; “Differential Effects of Methamphetamine and Cocaine;” \$1,056,611. James W. Gibb, Principal Investigator.
7. University of Utah – Utah Department of Human Services (Prime HHS/Administration on Children and Families); “Title IV-E: Training Grant;” \$1,695,349. Norma J. Harris, Principal Investigator.
8. University of Utah – National Institutes of Health/National Institute on Aging; “The Utah Study of Fertility, Longevity and Aging;” \$1,183,304. Ken R. Smith, Principal Investigator.
9. Utah State University – US DOD/US Navy; “Time Critical Sensor Image/Data Processing Task Order #3;” \$1,050,000. Niel Holt, Principal Investigator.
10. Utah State University – National Science Foundation; “National Center for Engineering and Technology Education;” \$2,341,827. Christine Hailey, Principal Investigator; Kurt Becker and Maurice Thomas, Co-Principal Investigators.
11. Utah State University – Hewlett Foundation; “Stimulating the Development and Use of Open Educational Resources;” \$1,500,000. David Wiley, Principal Investigator.

D. Proposed Policy Revisions

- A. Amendments to Policy R603, Terrel H. Bell Teaching Incentive Loan Program. During the 2005 General Session, the Utah Legislature passed H.B. 74 amending the statute establishing the Terrel H. Bell Teaching Incentive Loan Program. Specifically, HB 74 expands eligibility for the program to part-time students and emphasizes that incentive loans shall be awarded to students preparing to teach in critical areas of need, which may include special education teachers, speech or language pathologists, and any other licensed professionals providing services to pupils with

disabilities. Therefore, this policy has been revised to reflect these amendments. New language has been added to clarify that part-time students are eligible for the awards, and to emphasize that awards should be made consistent with the Utah State Office of Education's criticality index of high-need areas.

- B. Amendments to Policy R952, *Discrimination, Harassment, and Staff Employment Grievances*. The hearing guidelines of this policy are revised to clarify the role of advisors, if any, in the hearing process. Also, the amendments describe the materials to be considered by the various decision makers, as well as the persons from whom the decision makers may seek advice.
- C. Amendments to Policy R981, *Procurement*. These amendments replace the Office of the Commissioner's adoption by reference of the University of Utah procurement regulations. This more detailed policy is based on the University regulations as modified to meet the needs of the Office of the Commissioner.
- D. New Policy R985, *Personal Communications Device Program*. This policy authorizes the Office of the Commissioner to support the use of personal communications devices by selected employees. The office can either provide the device and pay the activations fees, or subsidize the acquisition of an employee owned device and provide a periodic reimbursement to the employee for activation fees relating to Office business.

Strategic Directions for Utah Higher Education

Commissioner Kendell referred to the update to Tab N in the Regents' folders, which more clearly stated the objectives of each strategic theme.

I. K-16. A K-16 Alliance has been formalized. Governor Huntsman has indicated that he would like to serve on the Alliance. In addition, legislative leadership has been asked to nominate people to serve on the Alliance. The Expectations Document has been developed to inform students that they need to begin in high school to prepare for college admission. Religious and political leaders will also be contacted to solicit their support.

VI. Economic Development. The Regents' Economic Development Committee has been appointed and has begun to meet. The Commissioner noted that all priorities shown for Year I had been accomplished.

Commissioner Kendell stated that this was a working document. It will be updated for each Board meeting.

Report of the Commissioner

Commissioner Kendell commented that Dr. Cornia's presentation was very sobering. He suggested that it would be helpful for Dr. Cornia to make his presentation around the state. The Commissioner pointed out that if the flat tax is enacted, the 529 tax deduction for UESP would be eliminated.

Commissioner Kendell asked the Regents to read the Highlights of Notable Accomplishments in their folders.

Report of the Chair

Chair Karras said Regent Barrett had suggested that the Board evaluate itself. She will put together some ideas to be presented to the Regents for their future consideration.

Utah State University Memorial Service

On behalf of the President Albrecht and the entire USU family, Vice President Ford thanked everyone for their thoughts, prayers, and condolences following the September 26 automobile accident which took the lives of eight students and an instructor. A memorial service will be held at 1:30 pm on Monday, November 7, in the Dee Glen Smith Spectrum to pay tribute to those who were killed in that tragic accident. President Albrecht and Elder L. Tom Perry will speak, and the Mormon Tabernacle Choir will perform at the service. Vice President Ford thanked Regent Pitcher for helping to move the student from Oregon to a hospital in Portland to be near his family.

Adjournment

Vice Chair Pitcher thanked President Sederburg and his staff for their hospitality and for allowing the Regents to meet on UVSC's beautiful campus. He announced a brief meeting of the Regents' Executive Committee immediately following this meeting.

The meeting was adjourned at 2:13 p.m.

Joyce Cottrell CPS
Executive Secretary

Date Approved