

MINUTES OF MEETINGS

MEETING OF REGENTS, TRUSTEES AND USHE PRESIDENTS
GOVERNOR'S MANSION

August 18, 2005

Regents Present

Nolan E. Karras, Chair
Jed H. Pitcher, Vice Chair
Jerry C. Atkin
Daryl C. Barrett
Bonnie Jean Beesley
Rosanita Cespedes
Katharine B. Garff
David J. Grant
Meghan Holbrook
James S. Jardine
Michael R. Jensen
David J. Jordan
Gaby Bradford Kingery
Josh M. Reid
Sara V. Sinclair
Marlon O. Snow

Regents Excused

Janet A. Cannon
John C. Pingree

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
Mark H. Spencer, Associate Commissioner for Finance and Facilities and Executive Director, UHEAA
Lucille T. Stoddard, Associate Commissioner for Academic Affairs
Lynne Ward, Assistant Commissioner and Executive Director, UESP

Institutional Presidents

University of Utah – Michael K. Young
Utah State University – Stan L. Albrecht
Weber State University – F. Ann
Southern Utah University – Steven D. Bennion
Snow College – Michael T. Benson
Dixie State College – Lee G. Caldwell
College of Eastern Utah – Ryan L. Thomas
Utah Valley State College – William A. Sederburg
Salt Lake Community College – Cynthia A. Bioteau
Utah College of Applied Technology – Darrell K. White

Institutional Trustees

University of Utah – Jim Macfarlane and Randy Dryer
Utah State University – Richard Shipley and L.J. Godfrey
Weber State University – Tom Davidson and Barney Chapman
Southern Utah University – Dwayne Nielson
Snow College – John Willmore and Carl Albrecht
Dixie State College – Stephen Wade and Jeannine Holt
College of Eastern Utah – Dominic Welch and Tom Sawyer
Utah Valley State College – Jeanette Hales-Beckham and Dan Campbell
Salt Lake Community College – Dave Thomas and Peter Genereaux
Utah College of Applied Technology – Doug Holmes

Representatives of the Media

Jeff Allred, *Deseret Morning News*
Al Hartmann, *Salt Lake Tribune*
Steve Speckman, *Deseret Morning News*
Shinika Sykes, *Salt Lake Tribune*
Caitlin York, *Daily Utah Chronicle*

Others

Jon M. Huntsman, Jr., Governor
Jason Chaffetz, Chief of Staff
Michael Mower, Director of Legislative and Constituent Affairs
Dan James, Regents' Audit Committee

The Regents, Presidents, and Chairs and Vice Chairs of the institutional Boards of Trustees met on Thursday, August 18, in the Governor's Mansion. Chair Karras welcomed everyone and thanked them for taking time from their busy schedules to meet together. He introduced the new Regents – Rosanita Cespedes, Gaby Bradford Kingery and Josh Reid – and welcomed them to the Board of Regents. He then introduced SLCC President Cynthia Bioteau and Dixie President Lee Caldwell, both of whom have assumed their respective presidencies since the last Board meeting. Chair Karras commented on the importance of education, then invited everyone to enjoy their lunch.

Governor's Remarks

Following lunch, Chair Karras introduced Governor Jon M. Huntsman, Jr., and thanked him for hosting the meeting. He noted that he and Commissioner Kendell meet regularly with the Governor to discuss higher education issues. Governor Huntsman is a strong advocate for education who recognizes the important role of the Regents, Presidents and Trustees.

Governor Huntsman welcomed everyone to the Governor's Mansion. He noted that higher education issues had been well represented the previous day in a budget meeting with his staff. He thanked Commissioner Kendell for his excellent work and commended Chair Karras for his efforts as Chair of the State

Board of Regents. He acknowledged Hope Eccles, the Governor's Deputy for Higher Education, and thanked her for her valuable advice and counsel. Governor Huntsman also paid tribute to the USHE Presidents and Trustees and congratulated Presidents Bioteau and Caldwell on their appointments.

Governor Huntsman said education, economic development, quality of life and governance are his most important responsibilities as Governor. In preparing for the Legislative Session, a major issue will be the K-12 system. He advocated a more integrated K-16 system. The Governor will urge government officials to take a look at where we are and where we should be. The level of preparation is also important. The Governor said he would be looking at the earliest period of cognitive development (K-3), where milestones of literacy must be met, or students will not be able to catch up later in their education. Some ideas Governor Huntsman was considering included all-day kindergarten and teaching math, science and foreign languages to younger children. The Governor said he would be making some bold recommendations to the Legislature about literacy during the K-3 period.

Governor Huntsman urged the higher education community to maintain a spirit of collaboration. This meeting is an extraordinary opportunity to discuss these issues. In the future there will be an increasing focus on areas of excellence at our institutions. Every school can have centers of excellence in specific areas and can collaborate with peer institutions. This State cannot afford for every institution to offer the same programs or to have a medical or law school.

The Governor stressed the importance of economic development to higher education and to the State. He pledged the support of his administration and told the higher education officials, "You have our ear." Governor Huntsman noted that today's students will probably hold down several jobs in their lifetime. They must be taught not only the subject matter and skills, but how to learn. Great faculty can stimulate students and turn on their minds, motivating them to go on to become lifelong learners.

Chair Karras thanked Governor Huntsman for his remarks and said it was an honor to work with him and to be able to meet in his home. On behalf of the Utah System of Higher Education, he pledged to work with the Governor to bring about the best for the State and its citizens.

Commissioner Kendell thanked the Governor for appointing and reappointing the Regents and Trustees. He explained that the table seating had been organized to give the Presidents and their Trustee Chairs and Vice Chairs an opportunity to meet with the Regents on their Resource and Review Teams. He said he hoped to meet together on an annual basis.

Dr. Kendell said sometimes system issues override institutional issues. One such example is the decline of students entering college. In 1994, 41 percent of Utah's 19-year-olds were enrolled in college. Ten years later, in 2004, that number had decreased to only 31 percent. Utah has dropped from 12th to 32nd in our nation in the number of residents holding a bachelor's degree. These statistics indicate the big issues facing this State.

Chair Karras asked Regent Grant, recently appointed Chair of the Audit Committee, to lead the discussion on this subject. Regent Grant introduced Dan James, who will work with the Regents' Audit Committee. Mr. James is a CPA and former Weber State University Trustee. He said he hoped the chairs of the institutional audit committees could meet together in a workshop to discuss common issues and concerns. He thanked the Regents for the opportunity to work with the Audit Committee. Chair Karras introduced the other members of the Audit Committee: Regents Jerry Atkin, Mike Jensen and Jed Pitcher. He said he appreciated the sound financial expertise Mr. James will bring to the process.

Regent Grant referred to the summary of the Sarbanes-Oxley Act prepared by the Commissioner's staff and asked, "Do we comply?" Trustee Chairs should appoint a financial expert to the committee. Regent Grant suggested that the institutional audit committees may wish to consider adding a non-Trustee with financial expertise. That person need not be a CPA but should have a high degree of knowledge and experience. For example, it could be the Chief Financial Officer of an organization. Those appointments do not need the Regents' approval. A question was raised about whether or not the chair of the institutional audit committee could be the non-Trustee financial expert. The Regents recommend that the chair be a Trustee.

Questions were raised about a charter for the committee. Regent Grant said audit committees could adopt Regents' Policy R565 as their charter, or they may write one of their own. He clarified that the staff summary referred to both Regent and Trustee Audit Committees. He pointed out that audit committees do not take action and are not subject to the Open Meetings Act unless the number of Trustees serving on the committee is more than half of their Board of Trustees. Audit committee members may be reimbursed for their expenses.

Regent Grant noted that the Regents' Audit Committee had met with every institutional audit committee except one, and that is being scheduled.

The primary responsibilities of Trustee audit committees were shown on the handout. For each responsibility, a best practice was given. Hope Eccles asked that the language be clarified regarding audits and expertise. President Sederburg suggested delineating the link between the institutional auditor, Regent Auditor, internal auditor and external auditor. He suggested adding a responsibility to allow for anonymous "whistle blower" complaints or concerns. Regent Grant said that provision was included in policy R565.

Trustee Holmes asked about coordination of audits. He pointed out that the Ogden-Weber ATC had undergone five or six audits in the last few months. Mr. James said this was on his list of issues to be discussed.

Regent Grant distributed a document entitled "USHE Financial Ratios" and explained that it was still a work in progress. Once this information has been finalized, it will be used to monitor the institutions. He commended President Thomas for the improvement in CEU's primary reserve ratio. He explained that the term "viability ratio" referred to the number of times the reserve will cover the debt. The "return on net assets" ratio determines whether an institution is better off (financially) than on previous years by measuring the change on net assets (or economic return) from year to year. This ratio is affected by the practice of transferring ownership of new facilities from DFCM to an institution following completion of construction. The Audit Committee monitors

the overall financial health of the system and the institutions. Regent Grant said he was pleased that all of the institutions are moving forward in a fiscally sound manner. The Trustee audit committees are very important because this work should be done at the local level. President Sederburg asked if the State had a policy on building reserves. Does the State allow the institutions to have a financial reserve? Assistant Commissioner Foisy clarified State policy and said carryover ratios from the previous year were included.

Associate Commissioner Spencer said he had reviewed the audit committee reports recently. He will work with the CFOs and internal audit staff to determine what kind of reports would be most helpful to the Regents. Mr. James asked if the Regents' Audit Committee would work directly with the institutional audit committees. Dr. Spencer requested an updated list of institutional audit committee chairs.

Regent Jordan said he was concerned that the language in the Financial Ratios document could create a wrong impression. He recommended that the document be reformatted so that it does not lead the legislators to believe there is a large source of money available to the institutions. Regent Grant agreed and asked Associate Commissioner Spencer's staff to make that change.

Trustee Macfarlane said it would be helpful to have a member of the Regents' Audit Committee attend a meeting of an institutional audit committee every year. Regent Grant welcomed the suggestion. President Young said the audit process should be structured so that the full Board of Trustees was not circumvented. He pointed out that only the full board has decision-making authority.

Presidential Selection and Evaluation: Role of Regents and Trustees

Search Process. Commissioner Kendell commented on the importance of the presidential search committees forwarding five finalists' names to the Regents. He also stressed the importance of confidentiality in the selection process. There is merit in confidentiality up until the selection of the finalists. Publicizing the names of the entire candidate pool could easily jeopardize a candidate's present position. All candidates, especially those seriously considered, are told that the names of the finalists will be made public. When the finalists' names are released, there is much public exposure. Sometimes a candidate will receive another offer or decide that the fit is not right personally.

Regent Jardine recalled that in a recent presidential search, one candidate was "exposed" and therefore terminated by his board. Regent Jordan said the Regents had learned during one of the searches that some of the institutions with a transparent search process had reported that no one discussed their real thoughts in public meetings; the real discussions took place in the proverbial "smoke-filled rooms." The Regents have struck a balance between making the entire process transparent and making the whole process confidential. The present balance works. Commissioner Kendell said his staff is now doing thorough background checks on all finalists for presidential appointments.

President Young agreed that there is a good balance in the current process. Speaking personally, he said many of his friends who have been through these searches have told him they feel that their own jobs would be jeopardized if their names were published during the entire process. There is real utility in the public

part of the process. By the time the final decision is made, any problematic information would have come to light. Dr. David Ward, President of the American Council on Education, has said he thought Utah's presidential search process was outstanding.

Regent Jardine commended Commissioner Kendell for opening up the process to include more campus and Trustee involvement. He asked the Trustees if they felt good about the present search process. Trustee Thomas said on the latest SLCC presidential search, the Trustees felt very much included. He commended Commissioner Kendell, Chair Karras, Regent Beesley and everyone involved in the search for going out of their way to ensure that the Trustees were involved. Trustees do not want a president who does not think there is a real reporting line between the two boards. The Trustees' voice is important in selection and ongoing dialogue. Regent Jardine reflected that in the last four presidential searches, the Trustees and Regents seemed to agree on what was needed for the position. In the past, the Regents have sometimes felt the institution needed a change agent, and the Trustees did not. In such cases, the Regents and Trustees had to talk through the issues. Trustee Wade thanked Commissioner Kendell for involving the Trustees from the beginning of the Dixie State College search process.

R208, Resource and Review Teams and R209, Evaluation of Presidents. Commissioner Kendell noted that the formal evaluation of Presidents has shifted away from the Resource and Review Teams to an external team. He used President Young as an example, as he is beginning his second year as President of the University of Utah. Commissioner Kendell will contact President Young for suggestions on an external consultant. When they have come to agreement, the Commissioner will convey that suggestion to the Regents. Formal evaluations will be conducted on the Presidents' 2nd, 6th, and 10th year of service. Resource and Review Teams, including Trustee chairs, will be consulted and will help with the planning. At the end of the interview process, a report will be written and sent to the President for response. Both the report (with recommendations) and the President's response will be sent to the Regents' Chair and Vice Chair and the Chair of the Board of Trustees. This process will provide valuable feedback that cannot be obtained otherwise.

Assistant Commissioner Doty reviewed the process for Resource and Review Teams as outlined in Policy R208. He explained that it would be a more informal process, unlike the formal evaluation as outlined in Policy R209. He clarified that the presidential evaluations will not take the place of the annual review. Neither is it the intent to minimize the role of either the Regents or Trustees in the annual review.

President Sederburg asked if it was intended that the annual reviews be informal discussions but formal reviews. He pointed out that it was important to note that Presidents serve at the pleasure of the Regents and do not have annual contracts. It was recommended that the word "informal" be eliminated from Policy R208.

Trustee Macfarlane asked if a process was in place in case an institution had a problem with its president. Dr. Doty said the Commissioner had tried to incorporate best practices in the policy to deal with that possibility.

Regent Grant asked if the Regents' meeting on campus with the respective Trustees would continue to contain an evaluation of the President. Commissioner Kendell stated that it would not. Trustee Macfarlane

asked if the Trustees could continue to meet every year in private to evaluate their president, after which the chair would provide feedback to the Regents. Commissioner Kendell said that would be appropriate. If a Board of Trustees would like to invite a Regent on its institution's Resource and Review Team to attend that meeting, that would also be appropriate.

Program Quality and Reviews: Role of Institutions and Trustees

Associate Commissioner Stoddard led the discussion for this topic. She distributed a handout explaining Institutional Program Reviews and a schedule of Program Reviews which had been developed by her staff. She explained that the criteria are not as detailed nor explicit in the present policy as they should be. She advised the Presidents and Trustees to follow the process outlined in Policy R411, *Review of Existing Programs*. Every program should be reviewed on campus every 5-7 years. Some of the Trustees asked how they could be certain that every program was reviewed on schedule and what they should do if they find areas to be addressed. Dr. Stoddard said this is a great opportunity for the institutions to recognize the positive things that are happening on their campuses. A suggestion was made that under the authority of the Trustees, a matrix could be developed to show when every program was due for review and to ensure that the schedule is kept current. Associate Commissioner Stoddard assured that Trustees that the Commissioner's staff is always ready to help the institutions with this process.

President Albrecht explained the program review process on the USU campus. He explained in detail how USU reviewed its academic programs in compliance with Policy R411. Areas discussed were the purpose for the review, responsibility for conducting the review, process, procedures, and evaluation factors. He noted that in addition to institutional reviews, programs are subject to other types of review, such as accreditation reviews. He concluded by relating a recent discussion with an alumnus of Utah State University, who assured President Albrecht that USU's Engineering program was every bit as good, if not better, than engineering programs that are ranked top in the country. He pointed out that the only thing USU lacked was a big price tag.

Associate Commissioner Stoddard and President Albrecht offered to respond to questions. Trustee Holmes asked why no UCAT programs were included on the schedule for program reviews. Dr. Stoddard agreed that UCAT is unique and said her staff was in the process of developing a process for evaluating UCAT programs. In such a process, reviewers would be looking at competencies, rather than credit hours. Commissioner Kendell pointed out that not every institution would follow the USU pattern, which works very well for that institution. Program evaluations are intended to improve quality and strengthen programs. He asked the Trustees how they would evaluate their respective programs. What would work best at their own institution? He noted that program review was the responsibility of the Trustees and should be done according to what best fits the institution.

President Sederburg asked how institutional self-studies, which are part of the accreditation process, fit into the program review process. President Albrecht urged the institutions to avoid duplication whenever possible. Recent self-studies would fit directly into the R411 review.

President Young requested collaboration with each of the institutions on the schedule. All programs are subject to external review. Much paperwork is necessary, even if internal, national and regional reviews and the R411 reviews are done in a short period of time. He suggested coordination so that the same department not be reviewed every year or two by a different group or process. President Albrecht recommended combining the reviews so that the accreditation review would also serve as the R411 review.

Institutional Roles and Missions

Chair Karras said the Regents must determine what institutions do best and then help them to do even better. For instance, the University of Utah would like to have AAU (American Association of Universities) status. That does not demean the other institutions; rather, it would be beneficial to the entire State. He stressed that the Regents tried to be as fair as possible in assessing the needs of the State. He reflected that sometimes the Program Review Committee is viewed as putting barriers between the Regents and the institutions when it comes to approving or disapproving programs. He assured the Presidents and Trustees that this is not the case.

The Regents are making an effort to delegate many important functions to the Trustees. Program review, for example, is a critical responsibility of the institutions. He encouraged the Trustees to ask uncomfortable questions, if necessary. As Chair of the Board of Regents, he announced his plan to give increasing responsibility to the Trustees for technology and strategic issues which directly affect the institutions' mission and role.

At a recent meeting attended by Chair Karras, Dr. Gary Cornia commented on the growing gap in Utah's ability to fund State government. All of the State agencies then fight over what little funding is left. Chair Karras acknowledged that there is a great need for funding our highway system. However, there is also a tremendous need to fund education. Every USHE institution is greatly underfunded. We have learned to get along with less, and we will likely have to continue to do so.

Chair Karras said the State Board of Education and State Board of Regents were in the process of developing a way to get more students into the education system. Utah is rapidly falling behind. He referred to a book he had recently read, *The World is Flat* by Thomas Friedman, and encouraged everyone to read it. All of Utah's citizens need to aware of how critical education is for the future of our State.

Commissioner Kendell said part of the SBE-SBR effort was being directed toward shifting the focus from college entrance requirements to high school completion requirements. The new recommendations for high school graduation will include four years of math, starting in the 9th grade, four years of English, three years of science, and three years of history as a core program for all high school students. Data recently released by the ACT demonstrated that more and more Utah students are failing in math. Commissioner Kendell stressed that in our economy and in our State, we cannot afford for this to continue. The joint plan will advocate a much more vigorous program of study in order to prepare students for college and the future. Chair Karras pointed out that high school graduation did not necessarily mean students were sufficiently prepared for college.

Commissioner Kendell referred to an article in the July issue of *Atlantic* entitled "Countdown to Meltdown." The article was written in the form of a memo from the Chief of Staff to the United States President in 2020. He recommended that everyone read the article, which was speculative but thought-provoking.

Chair Karras thanked Commissioner Kendell and his staff for their work in organizing this meeting. He asked the Trustees for their input on how this dialogue and process could be improved.

The meeting concluded at 4:00 p.m.

MEETING OF THE STATE BOARD OF REGENTS
REGENTS' OFFICES, SALT LAKE CITY, UTAH
August 19, 2005

Regents Present

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

Regents Excused

(None)

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
Brian Foisy, Assistant Commissioner for Budget and Finance
Kimberly Henrie, Budget Officer
Phyllis C. Safman, Assistant Commissioner for Academic Affairs

Mark H. Spencer, Associate Commissioner for Finance and Facilities and 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

Michael K. Young, President
Paul T. Brinkman, Associate Vice President for Budget and Planning
Arnold B. Combe, Vice President for Administrative Services
Charles Evans, Director, Administrative Services
John G. Francis, Associate Vice President and Deputy Chief Academic Officer
Raymond F. Gesteland, Vice President for Research
Michael G. Perez, Associate Vice President for Facilities
Ronald J. Pugmire, Associate Vice President for Investment Management
Barbara H. Snyder, Vice President for Student Affairs
Ali Hasnain, Student Body President
John Poelman, Student Body Vice President

Utah State University

Stan L. Albrecht, President
W. Glenn Ford, Vice President for Business and Finance
Darrell E. Hart, Assistant Vice President for Facilities

Weber State University

F. Ann Millner, President
Marie Kotter, Chair, Health Sciences Department
Ken Johnson, Chair, Health Administrative Services Department
Brad Mortensen, Assistant Vice President for Support & Auxiliary Services
Norm Tarbox, Vice President of Administrative Services
Michael B. Vaughan, Provost

Southern Utah University

Steven D. Bennion, President
Abe Harraf, Provost
Gregory L. Stauffer, Vice President of Administrative and Financial Services

Snow College

Michael T. Benson, President

Dixie State College

Lee G. Caldwell, President

College of Eastern Utah

Ryan L. Thomas, President

Michael King, Provost and Vice President for Academic Affairs

Utah Valley State College

William A. Sederburg, President

Val Peterson, Vice President for Administration & External Affairs

J. Karl Worthington, Associate Vice President of Academic Affairs

Salt Lake Community College

Cynthia A. Bioteau, President

Julie Ann Curtis, Assistant to the Academic Vice President

Don Porter, Vice President for Business Services

David Richardson, Vice President for Academic Services

Utah College of Applied Technology

Darrell K. White, President

Representatives of the Media

Tiffany Erickson, *Deseret Morning News*

Shinika A. Sykes, *Salt Lake Tribune*

Caitlin York, *Daily Utah Chronicle*

Others Present

Brian Baker, Zions First National Bank

Linda Dunn, Utah Campus Compact

Carl Empey, Zions First National Bank

Carrie Flamm, Executive Director, Utah Student Association

Kim Hood, Governor's Office of Planning and Budget

Evan Hunter, Chapman and Cutler

Ken Nye, DFCM

Chair Karras called the Committee of the Whole to order at 8:30 a.m. He noted that the Regents and Presidents had enjoyed a dinner the previous evening to recognize the service of George Mantes, Maria Sweeten, Trent Kemp, Judd Morgan and Bob Huddleston. The Regents appreciate their many contributions to higher education, and they were pleased to pay tribute to these remarkable individuals. Chair Karras told the Regents that new committee assignments were in their folders. Regent Atkin will chair the Finance and Facilities Committee, with Regent Sinclair as Vice Chair. Regent Jensen will chair the UHEAA Board of Directors.

Swearing in of New and Reappointed Regents

Chair Karras administered the Oath of Office to Regents Jerry Atkin, Rosanita Cespedes, Jim Jardine, Mike Jensen, Gaby Kingery, and Josh Reid. Regents Cespedes, Kingery and Reid introduced themselves and told a little about their backgrounds.

Election of Vice Chair

Regent Jensen nominated Regent Jed Pitcher as Vice Chair of the State Board of Regents. The nomination was seconded by Regent Snow. Chair Karras asked if there were other nominations. Hearing none, the Regents unanimously elected Regent Pitcher as Vice Chair. Chair Karras congratulated Regent Pitcher and said he looked forward to working more closely with him. Vice Chair Pitcher thanked Associate Commissioner Spencer and his staff for their work with the Finance Committee. He recognized Kimberly Henrie, Kevin Walthers and Brian Foisy for their efforts. He expressed his support for Regent Jensen as Chair of the UHEAA Board of Directors and Regent Atkin as Chair of the Finance Committee.

Chair Karras announced that a group photo of the Regents would be taken in the Board Room following the Board meeting, with individual photos being taken in the Library. He urged all of the Regents to stay for the photo shoot.

The Regents were dismissed to their committees at 8:45 a.m.

Committee of the Whole

The Committee of the Whole reconvened at 11:00 a.m.

Update on Lisa Speckman. Chair Karras circulated a photo postcard of Lisa Speckman with her young daughter. He recalled that the Regents and Presidents had contributed to a special fund when Lisa was first hospitalized several months ago. Lisa's recuperation is going well. She is currently in Chicago, where she is learning to adjust to prosthetics. Steve and Lisa have bought a home in Bountiful and will be moving there when Lisa returns home.

Acknowledgment of Endowment to the University of Utah. Chair Karras congratulated President Young for the substantial endowment received by the University of Utah for medical research. President Young said the endowment would provide for the designation of 12 endowed chairs. Those professors will present a symposium on the benefits of research they have done with these funds. Chair Karras noted that the donor, Art Benning, had been a good friend. This was an extraordinary gift which will improve many lives.

Strategic Directions for Utah Higher Education

Commissioner Kendell referred to Tab U and said this document, which is a work in progress, had been discussed at length at the last Council of Presidents meeting. The Presidents still need to discuss how to implement these issues. In addition to the System issues, there will also be institutional initiatives. The document will be updated for each Board of Regents meeting. An action plan will be implemented for the successful completion of each of the major themes.

Commissioner Kendell circulated two recent articles – an article from ACT entitled “Crisis at the Core,” and an ASCU perspective entitled “Improving Alignment and Advancing Students.” He urged the Regents and Presidents to read both articles because they are relevant to this issue.

Reports of Board Committees

Academic, CTE and Student Success (Programs) Committee

Weber State University – Associate of Science in Health Sciences Degree (Tab A). Chair Jardine noted the very strong number of applications in health sciences and related programs. This proposal would add a degree program which students can enter and then specialize. The ASHS Degree would prepare students for employment in various areas of health care as well as satisfy course prerequisites for several health profession programs offered by WSU. **Chair Jardine moved approval of Weber’s ASHS Degree. The motion was seconded by Regent Beesley and carried.**

Southern Utah University – Mission Statement (Tab B). Chair Jardine said the committee had reviewed SUU’s Mission and Role Statement, which will be incorporated into Policy R312, *Configuration of the Utah System of Higher Education and Institutional Missions and Roles*. The Mission Statement was previously approved by the school’s Board of Trustees. **Chair Jardine moved approval of SUU’s Mission Statement. The motion was seconded by Regent Barrett and carried.**

Snow College – Associate of Applied Science Degree in Traditional Building Skills (Tab C). Chair Jardine reported that Snow College had developed this program after a 1993 fire in the Governor’s Mansion revealed the lack of Utah contractors with sufficient restoration expertise. Students in this program will learn to work with adobe as well as masonry. Committee members found this to be a fascinating program. They also learned that only a few cities in the United States were listed on the Historical Register as cities. One of these is Williamsburg, Virginia; another is Spring City, Utah. **Chair Jardine moved approval of Snow College’s AAS Degree in Traditional Building Skills. The motion was seconded by Regent Holbrook and carried.**

Regent Policy R470, General Education, Course Numbering, Lower-Division Pre-Major Requirements, Transfer of Credits, and Credit by Examination (Tab D). Chair Jardine explained that Policy R470 combined several previous transfer policies and enhances the transfer and articulation process within the System. Utah is far ahead of many other states in its articulation efforts. The Commissioner’s staff was directed to rewrite § 8.4.1 on page 12 of the proposed policy for clarification. The policy should take into account the need of students generally. The existing policy should be implemented in practice to recognize individual student needs. That slight revision will not require approval of the full Board, but only by the Chair of the Programs Committee. **Chair Jardine moved approval of Policy R470. The motion was seconded by Regent Beesley. Included**

in the motion was implied approval to delete Policies R472, R463, R471, R465, and R467. Vote was taken on the motion, which carried. Chair Karras asked Associate Commissioner Buhler to discuss this policy with Utah legislators.

Consent Calendar, Programs Committee (Tab E). The Consent Calendar included only one item: UVSC's proposal to establish a Center for Digital Design and Development. Chair Jardine said the discussion in committee revealed no clear criteria to distinguish a center. UVSC's proposed center would respond to private industry and business needs and would involve students in programs with business and industry. The committee discussed ways to ensure that all local issues (student rights, intellectual property, risk issues) are being supervised. They were satisfied that a very sophisticated board had been put in place for the proposed center and asked all institutions to identify and satisfy themselves on all such legal issues. A suggestion was made that perhaps an audit check list could be developed to make sure clear direction was given and that resources were made available without creating risk.

In the past, the University of Utah and Utah State University have created centers. By engaging in technology transfer enterprises, all of the other institutions are moving more and more in this direction. Chair Jardine noted that the research universities have access to experienced legal counsel with regard to risk, but the other institutions may have to use the services of someone in the Attorney General's office who may not have expertise in this particular area. The Regents need to give more help to the non-research institutions as they venture into this area.

Commissioner Kendell said the System was involved in the creation of a Utah Innovation Network which would take every USHE institution into a network of resources to which they would not otherwise have access. There has been great success in this endeavor in other areas. While research universities have intellectual property and other areas of potential development, there is a need for a connection with the business community. At the same time, other institutions are developing many promising ideas and practices which also need to be connected. A web site will eventually be established with a training site for statewide access.

Chair Jardine moved approval of UVSC's Center for Digital Design and Development. The motion was seconded by Regent Barrett and carried.

Information Calendar, Programs Committee (Tab F). The following items were brought forward for the Regents' information:

1. University of Utah – Human Factors Certificate in the Department of Psychology
2. Utah State University
 - A. Emphasis in Creative Writing with the English Major
 - B. School of the Arts within the College of Humanities, Arts & Social Sciences (HASS)
 - C. Computational Engineering Emphasis within the Bachelor of Science in Mechanical Engineering
3. Utah Valley State College
 - A. Minor in Religious Studies

- B. Fire Science Program's existing B.S. Degree in Public Emergency Services Management (PESM) to be offered through online delivery
- C. Restructure of the School of Computer Sciences and Engineering Technology and The School of Technology, Trades and Industry

Chair Jardine referred to the last item and said a cohort of students who were traditionally served by the College's community college function would likely go to Mountainland ATC. The committee was satisfied with what UVSC is doing but questioned how the line had been drawn between Weber State University and Ogden-Weber ATC. Chair Jardine noted that there is no grand plan in place and by approving this item, the Regents are only approving what has been agreed in this particular service area. He acknowledged that this is a very complicated area. President Sederburg reassured the Regents that this restructuring was only a money-saving issue to combine colleges. It was not intended to deal with the evolution of career and technical education, although it is a natural progression.

Institutional Reviews Summary (Tabs G, H, I and J). Chair Jardine said the committee was not able to discuss the programs reviews because of time constraints. They will be carried over to the next Board agenda.

Chair Karras thanked Chair Jardine for his report.

Finance, Facilities and Accountability Committee

Proposed Revisions to Policy R205, *Presidential Appointment, Term of Office, and Compensation and Benefits*, and Policy R207, *Institutional Residences for Colleges and Universities in the Utah System of Higher Education* (Tab K). Chair Atkin said the proposed revisions clarified the language to allow Presidents to take a car allowance and/or housing allowance in place of using a state-owned vehicle and living in on-campus housing, respectively. The committee suggested the following amendments to the proposed revisions:

Policy R205, Section 3.4.4.4. ~~Although sometimes provided at other institutions,~~ The Presidents of Utah public higher education institutions do not receive the following: personal financial planning counsel, loans of any type, automobile for spouse, and family travel.

Policy R207, Section 3.8. Exceptions to policy ~~not applicable to the Commissioner of Higher Education~~ - The provisions of this policy . . . to accommodate the residential housing requirements of the Commissioner or institutional Presidents. The Board of Regents anticipates providing housing allowances for institutional presidents only in exceptional circumstances.

Chair Atkin moved approval of the revisions to Policies R205 and R207, as amended above. The motion was seconded by Vice Chair Sinclair and carried.

Long-Term Enrollment Projections (Tab L). Chair Atkin pointed out that the enrollment projections were provided primarily for planning purposes. They were based on many assumptions, some of which will change. It is notable that the model suggests low to no growth for the next decade, then growth is expected to resume. This may create challenges worth considering. **Chair Atkin moved the Commissioner's recommendation, as amended to read: The Commissioner recommends that the Regents consider and adopt the attached**

USHE long-term enrollment projections, to be used for planning purposes and input to the facilities prioritization process. In addition, the Commissioner recommends that the Regents consider the feasibility of budgeting, using both the high and low enrollment estimates, and consider the management issues which are generated by these estimates. The motion was seconded by Regent Grant and adopted.

Chair Karras urged the Regents and Presidents to consider the funding implications that might result from no enrollment growth. A recent article in *Utah Business* presented a picture of the changing face of education delivery in Utah and in our society. He noted that our growth estimates have been high for the past three years. Chair Karras said the LDS Church had recently surveyed 11- to 19-year-olds in anticipation of future missionary service. The numbers showed that the population growth appears to be slowing because there are fewer 11-year-olds than 19-year-olds. However, in a few years we will be facing another spike in the number of students wanting to get into college.

Chair Atkin pointed out that it is easier to manage a business if there is growth. When growth ceases, it becomes increasingly difficult to manage the cost effectiveness. Higher education may be dealing with this issue in the future. Regent Jordan asked how our projections compared with national trends. Chair Karras said at least one state had to import students into their school in order to survive. Commissioner Kendell noted that participation rates had declined over the past decade. We need to take another look at our model and determine whether or not it is adequate for what we want to do. We are assuming a dip in high school enrollments. We have not really considered the one-year gap of LDS students going on missions. Retention will be a major issue for all of higher education in the future.

Regent Grant noted that minority participation rates may be different. Economic conditions will also affect enrollment. Many variables need to be considered. Regent Jordan noted that it was not that long ago that the Regents dealt with the Legislature's decision to change out-of-state enrollment. We will be facing increasing competition for these students, and the Legislature must be aligned with the realities of increasing competition for out-of-state students. This may have a disparate impact on some institutions, such as USU.

University of Utah – Non-State Funded Capital Development Project: Student Recreation Center (Tab M). Chair Atkin said the student recreation center would be funded by bonds. The committee heard that there are well-established connections between on-campus recreation centers and improved academic quality. There is very strong student support to increase fees to amortize this bond. **Chair Atkin moved approval of the project, seconded by Regent Jardine.** President Young clarified that part of the facility would be paid with outside donations, so the net fee increase per semester per student will be \$47, not \$60. He noted that the University of Utah is ranked 7th in the nation in the lowest debt level per student. A survey demonstrated substantial student support and fairly significant intention to use this center. The University is entering into an agreement to provide electronic casebooks for students to reduce costs of textbooks. This will save the students a considerable amount of money each semester.

Chair Karras invited Ali Hasnain, Student Body President, and John Poelman, Student Body Vice President, to speak. The students summarized the development of the initiative and said there was

overwhelming support for this project, in spite of the increase in fees to fund it. Several students took a field trip to another university to see their recreation center and how it enhanced the student experience.

Regent Jensen said this would mean a 15% increase in student fees and a 2.5% increase in combined tuition and fees. While this is still below other Research I universities, it is still a significant increase. President Young said the tuition and fees paid by University of Utah students was about 75% of the average Research I institution. Regent Jensen referred to the section in the students' handout which read, "The center and our nearby residence halls will complement one another, with the center helping fill the student housing which, in turn, will lead to greater use of the center." He asked, "Are we building a recreation center to fill the residence halls? Are we shifting the University from a commuter campus to a residential campus?"

Regent Jardine said he had spoken with previous University administrators about this issue. The fact that this project has consistently had support from the past four or five student administrations is very important. Regent Jardine noted that four of his children had attended or were attending the University of Utah. In addition, he spent 11 years working in the student LDS stakes surrounding the University. There is a very high concentration of students in married student housing in close proximity to campus. Regent Jardine said he believed there would be a core group of students who will support this facility. University officials have tried a variety of ways to get students back on campus; many go to class and then go directly to work.

Regent Kingery said she initially had great concerns about this project, but she trusted the research done by the current student administration. She cautioned about ideology of student fees. They are not to be a first resource for such projects, and this should be an exception to the rule. She expressed her concern that this would set a precedent for other institutions. If the Regents approve this facility, they need to hold the administration accountable to see that promised donations materialize. The complete burden for this facility cannot be placed on the students. She further urged the Regents to consider the message this would be sending to all students and to the legislators.

President Sederburg said UVSC would be very supportive of this project. It is a standard for universities throughout the country and will have a phenomenal impact on the students. Regent Jordan asked President Young the total cost and how much would be funded by students and how much by outside donations. President Young said projections are based on at least a \$10 million gift. No donations had been received yet, but the project will not begin until donations exceed that figure.

Chair Karras pointed out that this would also require Legislative approval for the 25-year bond, in addition to Regent approval. **Vote was taken on the motion to approve the recreation center. It was adopted unanimously.**

University of Utah – Purchase of Research Building in Delta, Utah (Tab N). Chair Atkin noted that interesting research was being done with three large telescopes in the desert near Delta. The Japanese government is contributing \$13 million toward this project. **Chair Atkin moved approval of the purchase. The motion was seconded and carried.**

Utah State University – Property Purchase for Uintah Basin Campus (Tab O). Chair Atkin said two parcels of property immediately adjacent to the existing campus would be purchased at the appraised value of \$175,000. The University has the money to fund the project from a surplus in the Uintah Basin Education Center Construction Account. In addition, there is much community participation and in-kind contributions. **Chair Atkin moved approval of the property purchase. The motion was seconded and carried.**

Weber State University – Authorizing Resolution for Revenue Bonds for the Shepherd Union Building Renovation Project, Series 2005 (Tab P). Chair Atkin said this was the third and final approval stage for this project, which has been approved previously by the Regents and the Utah Legislature. The Regents had questions about the competitive bond sale process. Carl Empty, bond counsel, noted that this process is being used increasingly by the State of Utah and other bonding authorities because it ensures the most favorable pricing and eliminates underwriter fees. **Chair Atkin moved approval of the Authorizing Resolution. The motion was seconded by Regent Holbrook and adopted by the following vote:**

AYE:

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

NAY:

(None)

The Regents requested a report in the September meeting about how well this process had worked.

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

- A. 2005-2006 Budget Implementation Reports
- B. 2005-2005 Appropriated Operating Budgets
- C. Spring Semester and End-of-Year Enrollment Reports
- D. UofU and USU – Capital Facilities Delegation Reports
- E. Southern Utah University – Property Sale of Residential Lots

F. Institutional Trustee Audit Reports

USHE – Preview List, 2006-2007 Capital Development Projects (Tab R). Chair Atkin noted that this was a preliminary list, which would be on the agenda for approval at the September Board meeting. Institutions were requested to list their two or three top projects, if practical, and to submit a five-year plan of their capital development projects. Chair Karras invited the Regents to tour the institutions to check on capital projects. Those interested should coordinate with Associate Commissioner Spencer.

USHE – Follow-Up Report, Opportunities to Combine Bond Issues (Tab S). Chair Atkin said this report had been provided as the result of a request in a previous Board meeting. The report concluded that combining bond issues was not practical nor feasible for a number of reasons outlined in the report.

USHE – Institutional Annual Report on Research Grants and Contracts Activity (Tab T). Chair Atkin noted the volume of research being done at USHE colleges and universities. The Regents commended the institutions for their research activity. They requested that subsequent reports show research activity at all institutions, as well as donations to the schools.

Chair Karras thanked Chair Atkin for his report.

General Consent Calendar

Chair Karras noted that a quorum of voting members of the Board had not been present at the June 10 meeting and that approval of the minutes of that meeting would ratify the actions taken in the absence of a quorum. **On motion by Regent Atkin and second by Regent Snow, the following items were approved on the Regents' General Consent Calendar** (Tab V):

A. Minutes

1. Minutes of the Special Board of Regents Meeting held May 23, 2005 at Salt Lake Community College in Salt Lake City, Utah
2. Minutes of the Regular Board of Regents Meeting held June 10, 2005 at the Ogden-Weber Applied Technology College in Ogden, Utah
3. Minutes of the Special Board of Regents Meeting held July 12, 2005 at Dixie State College in St. George, Utah

B. Grant Proposals (Complete list on file in Commissioner's Office)

C. Grant Awards

1. University of Utah – National Park Service; "Assistance for the University of Utah Museum of Natural History;" \$4,930,000. Sarah B. George, Principal Investigator.

2. Utah State University – NASA Langley Research Center; “Geostationary Imaging Fourier Transform Spectrometer (GIFTS);” \$1,560,203. Gail Bingham, Principal Investigator.
3. Utah State University – US Department of Education; “To Operate Regional Resource Center, Region No. 5, Utah State University;” \$1,300,000. John Copenhaver, Principal Investigator.
4. Utah State University – USDA Cooperative State Research Service; “Functional Genomics in Nature;” \$1,374,166. Bart Weimer, Principal Investigator.
5. Utah State University – Duke University; “Epidemiology of Alzheimer’s Dementia in Cache County, Utah;” \$1,457,927. Maria Norton, Principal Investigator.

Utah Educational Savings Plan Settlement Agreement

Executive Director Lynne Ward referred to Tab W and reported that the UESP had filed a settlement agreement with the Security and Exchange Commission. They agreed to settle because UESP was already working on improving the areas cited by the SEC, and those issues have been resolved. The UHEAA Board of Directors has been kept up to date on all improvements. The SEC filed several judgments against the former director and issued an investor guide for 429 savings plans. UESP sent each account holder a letter to let them know of recent developments. There have been few responses, several of which were complimentary. Director Ward reported that the UESP accounts currently total one billion dollars.

Chair Karras said the Regents will expect diligent reviews by the UHEAA Board. Regent Jardine reported that one of the interesting disclosures was that John Roberts, Supreme Court nominee, is investing his funds in this program. Commissioner Kendell acknowledged Dr. Spencer and Ms. Ward, along with Anna West and Amanda Covington, for their work on the settlement agreement.

Report of the Chair

Resolutions. Vice Chair Pitcher referred to the Resolutions in the Regents’ folder acknowledging the work of Presidents Judd Morgan and Bob Huddleston. Both men and their wives were honored at a dinner the previous evening. Vice Chair Pitcher moved adoption of the resolutions for President Morgan and President Huddleston. The motion was seconded by Regent Snow and adopted.

Changes to Committee Assignments. Chair Pitcher noted that as Vice Chair, Regent Pitcher would serve on the Programs Committee. Regent Reid has agreed to serve on the Finance Committee as well as the UHEAA Board of Directors.

Governor’s Education Summit. Chair Karras said an Education Summit was being planned by Governor Huntsman on August 30. It appears to have a public education focus, although some Regents have been invited to attend.

Commendation to CEU. Regent Gaff said she had gone to Range Creek in response to the invitation issued by CEU President Ryan Thomas. She thanked President Thomas and said it had been a wonderful experience in which she learned the connection between CEU, SLCC and the University of Utah, as well as the research that goes on continually at that site.

Report of the Commissioner

Commissioner Kendell called attention to the Highlights of Notable Accomplishments at the USHE institutions. He commented on the research grants coming into this State. He told President Benson that he had enjoyed reading about the jazz specialists who recently visited Snow College from the Julliard School of Music and asked how the musicians had viewed the experience. President Benson said it had been a very positive experience for the students as well as the musicians, who want to return to Ephraim next year.

Adjournment

The meeting adjourned at 12:30 p.m.

Joyce Cottrell CPS
Executive Secretary

Date Approved