

**MINUTES OF MEETING  
UTAH STATE BOARD OF REGENTS  
BOARD OF REGENTS' OFFICES, SALT LAKE CITY, UTAH  
MARCH 10, 2006**

Regents Present

Nolan E. Karras, Chair  
Jed H. Pitcher, Vice Chair  
Jerry C. Atkin  
Janet A. Cannon  
Rosanita Cespedes  
David J. Grant  
Greg W. Haws  
Meghan Holbrook  
James S. Jardine  
Michael R. Jensen  
David J. Jordan  
Gaby Kingery  
Josh M. Reid  
Sara V. Sinclair  
Marlon O. Snow

Regents Excused

Daryl C. Barrett  
Bonnie Jean Beesley  
Katharine B. Garff

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  
Harden R. Eyring, Director of Human Resources  
Carrie Flamm, Executive Director, Utah Student Association  
Brian Foisy, Assistant Commissioner for Financial Services  
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 N. Ward, Director, Utah Educational Savings Plan  
Gary S. Wixom, Assistant Commissioner for Academic Affairs

**INSTITUTIONAL REPRESENTATIVES**

University of Utah

David W. Pershing, Senior Vice President for Academic Affairs  
A. Lorris Betz, Senior Vice President for Health Sciences/Dean, School of Medicine  
Paul T. Brinkman, Associate Vice President for Budget and Planning  
Jack Brittain, Dean, David Eccles School of Business  
Arnold B. Combe, Vice President for Administrative Services

John G. Francis, Associate Vice President for Undergraduate Studies/Deputy Chief Academic Officer  
Leslie Park, Academic Advisor, University College  
Michael G. Perez, Associate Vice President for Administrative Services  
Laura Snow, Special Assistant to the President/Secretary to the University  
Russell K. Van Vleet, Assistant Professor, College of Social Work  
Peter Bruce, Student  
Casey Bullock, Student  
Raquel Friddle, Student  
Maria L. Rodriguez, Student  
Erik Skoy, Student  
Erika Thompson, Student  
Lindsay Thurgood, Student

Utah State University

Raymond T. Coward, Provost  
Whitney J. Pugh, Director, Budget Office

Weber State University

F. Ann Millner, President  
Brad Mortensen, Assistant Vice President for Support and Auxiliary Services  
Norman C. Tarbox, Vice President of Administrative Services

Southern Utah University

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

Snow College

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

Dixie State College

Lee G. Caldwell, President  
Donna Dillingham-Evans, Academic Vice President  
Stanley J. Plewe, Vice President of College Services

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

Brad Cook, Vice President for Academic Affairs  
Linda Makin, Director of Budgets  
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 Curtis, Assistant Vice President for Academic Services  
Kent Ferrel, Interim Vice President for Business Services  
David Richardson, Vice President for Academic Services

Utah College of Applied Technology

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

Representatives of the Media

Shinika Sykes, *Salt Lake Tribune*  
Amy Stewart, *Ogden Standard Examiner*  
Erin Stewart, *Deseret Morning News*

Others

Thomas C. Anderson, Office of the Attorney General  
William T. Evans, Education Division Chief, Office of the Attorney General  
Keith Stepan, Director, Division of Facilities Construction and Management

Chair Karras called the meeting to order at 8:30 a.m. and welcomed everyone. Due to an accident on I-15 southbound, several of the Regents and Presidents were delayed in arriving.

Remodeled Meeting Space. Commissioner Kendell explained that when the Regents purchased the Board of Regents Building, the owner had set aside some money for interior remodel of the street level. That funding, plus revenue from UHEAA operating funds, was used for the remodel. The new configuration provides more and better space for meetings and will be more accommodating. UHEAA saved millions of dollars in the purchase of the building and pays most of the operating costs for the building. All access to the building must now come through the lobby level. Chair Karras said in addition to Board of Regents meetings, other groups and conferences will be held in the new space.

### Legislative Update

Stating that his job called for equal parts of humor, patience and hope, and in remembrance of the International Olympics just ended, Commissioner Kendell gave his "Top Ten List" of reasons Utah's legislative session should have been held in Torino, Italy.

Tax cuts clearly dominated the 2006 legislative session. Roads were a major priority, as was public education. Commissioner Kendell congratulated public education for their success. He noted that 60 percent of the increase in revenues will be taken by tax cuts, transportation, and public education. Higher education – including UEN, UMEC and UCAT – received nearly \$40 million, much of it going to compensation, as well as \$100 million for capital projects. Commissioner Kendell expressed his appreciation to Associate Commissioner Buhler and the Commissioner's finance staff, as well as the institutional presidents and their legislative representatives.

Associate Commissioner Buhler referred to Replacement Tab A, which contained a written report and updated appropriations figures. He asked Associate Commissioner Spencer to report on the budget.

Budget. Dr. Spencer gave a slide presentation which showed the budget actions during the 2006 General Legislative Session affecting higher education. There has been significant growth in transportation funding over the three-year period from FY 2005 (1.86% of the state budget) through FY 2007 (6.3% of the state budget). During that same period, higher education's proportion of the state budget has dropped from 16.4% to 14.6%. At the close of the session, 6% of the state budget was left on the table for the tax cut, to be allocated in a special session. Of the \$1.2 billion surplus, higher education received 3.7%. One of the slides reflected the trend in proportion of state appropriations to higher education, from a high in 1993 of nearly 18% to slightly over 13% in FY 2007. Other slides showed how the \$34.5 million in ongoing funds and \$39.6 million in new funds will be allocated.

Associate Commissioner Spencer said higher education received the funding requested for fuel and power increases and several other items. New initiatives will fall to second-tier tuition, if they are funded at all.

Capital Facilities. Higher education received 50% of the requested funding for O&M of state-owned facilities, as well as 62% of the state-funded capital improvement projects. New buildings were approved for UVSC (library) and the Uintah Basin Applied Technology College.

Legislation. Associate Commissioner Buhler referred to his written report and commented briefly on a few of the bills that impacted higher education. He then summarized the "Lessons Learned" (page 3) and pointed out the need for higher education to develop a clear, credible and consistent message. Students remain an important part of the USHE team at the legislature. Mr. Buhler expressed his appreciation to the co-chairs and members of the Higher Education Appropriations Subcommittee for listening to and advocating higher education's needs. He also recognized the legislative representatives and thanked them for their hard work in representing the Utah System of Higher Education as well as their own respective institutions.

New Century Scholarship. Regent Jordan asked about funding for the New Century Scholarship. Associate Commissioner Buhler responded that higher education had been successful in obtaining some funding each year for this program. Legislation was enacted a few years ago to provide that if funding is not made available, participation could be limited. All of the state appropriation for the New Century program goes into scholarships; nothing has been charged to overhead. Regent Grant asked if additional funding could be allocated during the special session. Mr. Buhler responded that, presently, the only agenda item for the special session is the income tax cut. Commissioner Kendell said higher education officials are in the process of changing the intent of the program from early graduation to quality education. It is also planned that students who complete a more rigorous math and science curriculum would be eligible for a New Century Scholarship as well as those who attain an Associate's Degree while still in high school. It is hoped that both the New Century Scholarship and the Regents' Scholar Award prove to be so popular that the legislature will appropriate more funding.

Concurrent Enrollment. Commissioner Kendell noted the State Board of Education had taken a formal position the previous week, asking the Governor to veto HB 151, *Adjustments in Funding for Concurrent Enrollment*. Enrollment in concurrent enrollment has increased greatly, while state appropriations have been cut. A well balanced task force (five members from public education, five members from higher education) worked at length on this. Concurrent enrollment is presently funded at \$34 (per credit hour) but costs \$60 (per credit hour). The task force came to the conclusion that we should try to seek a minimum of \$50 per credit hour and recommended a fee to make up the difference. HB 151 was approved prior to the appropriation bill, so no one knew until the last night of the session whether a fee would be needed to fund concurrent enrollment. The intent was to protect concurrent enrollment because enrollment numbers fluctuate.

Commissioner Kendell said his preference would be for the Governor to refer this issue to the K-16 Alliance rather than to veto HB 151. We also need to look at the distribution of the funding in order to ensure that disadvantaged students are able to enroll in concurrent enrollment courses. The Commissioner said he was confident the issue could be resolved amicably. He noted that concurrent students saved themselves and their families \$17 million in tuition charges for the past year, and the state saved \$16.5 million in appropriations to higher education.

Regent Cannon said public education appreciated the increase in WPU funding. Many programs they wanted, to improve opportunities for minorities and homeless students, were not funded. She commented that the State Board of Education had a lengthy, lively discussion in its last meeting about concurrent enrollment. They favored a \$2.3 million appropriation to bring funding up to the \$50 level. They were concerned about the wording of "up to \$30 per credit hour." In addition, there was great concern on the part of SBE members that low-income students, as well as many middle-income students, would not be able to participate. Public education also wanted to know exactly how/where the money would be spent.

Commissioner Kendell said there was no intent to request a \$30 fee in addition to the appropriation. They were parallel tracks. With the \$2.3 million appropriation, a fee would not be needed this year. Higher education would prefer state funding but requested a fee if appropriations were not made.

Regent Jardine asked if a concurrent enrollment fee would qualify for a waiver on the basis of inability to pay. (It would.) Commissioner Kendell said if HB 151 is vetoed, higher education will have no fees. With no fees, there would be no funding for financial aid, and higher education would be left without this revenue source. Had HB 151 become law, approximately one-third of the funding would go to higher education. Part of that money would be used for under-served students. Fee waivers from public education would be a better option for disadvantaged students. New fees would be used to support concurrent enrollment.

Chair Karras said the issue before the State Board of Education was that the Governor has 20 days in which to veto any bills, and public education wanted to give their input. The decision will ultimately be the Governor's.

**Regent Snow moved that the Board approve a resolution authorizing Commissioner Kendell to work in good faith with the State Superintendent and the task force already in place to reach an agreement on concurrent enrollment, in order to eliminate the need for Governor Huntsman to veto HB 151. The motion was seconded by Regent Atkin and was adopted unanimously.**

Regent Haws reported that the first motion adopted by the State Board of Education had the same intent – to try to work through the issue of concurrent enrollment. Later in the meeting, the Board decided to take a stronger position and voted to request the Governor to veto HB 151. The Board's concern was that if the fee were legislated, it would remove the pressure for the Legislature to appropriate funds in future years.

Regent Sinclair said she was concerned that this issue might tear the fabric of unity between public education and higher education. Chair Karras assured her that members of the K-16 Alliance are trying to understand the sensitivities of each other's issues. Our systems are working together for the betterment of our students. He praised Commissioner Kendell's sound leadership. Chair Karras said there would be more opportunity for discussion this summer to unitedly prepare for the next legislative session. We need to make the case for a quality education, and that it comes at a cost.

#### Administration of Oath of Office to Regent Greg W. Haws

Chair Karras administered the Oath of Office to Greg Haws, the new State Board of Education representative on the State Board of Regents. He noted that during the brief time he was able to teach at Weber State University, Regent Haws was one of his students. He welcomed Regent Haws to the Board and asked him to briefly introduce himself. Regent Haws said he was from Hooper, where he was a CPA for 15 years before being elected to public office. He served four years as Weber County Auditor/Treasurer. He is involved in real estate and owns a restaurant in Layton. Regent Haws quipped, "My children and my money went to BYU but my heart is at Weber State," where he taught accounting for many years. He has filed for reelection to the State Board of Education and said he was pleased to serve on the State Board of Regents.

The Regents adjourned to their respective committees at 9:47 a.m., and the Committee of the Whole reconvened at 11:12 a.m.

### Tuition Increases

Commissioner Kendell referred to Replacement Tab S. Legislation specifies that compensation increases are locked into tuition. The legislature approved a 3.5% compensation increase this year, of which one-half percent must be funded internal to the health care plans of the higher education institutions. One-third of the compensation increase must come from student tuition.

Commissioner Kendell recommended a systemwide first-tier tuition increase of 4%. He explained that this should cover the amount of funding needed for compensation increases. Second-tier tuition is set by the institutions following their Truth in Tuition hearings but is subject to approval of the Regents. The Commissioner explained the second-tier tuition requests on page 2 of his cover memo to Tab S. UCAT and UEN increases were also itemized.

Vice Chair Pitcher asked President Bioteau why she was not requesting a second-tier tuition increase. President Bioteau said tuition for SLCC students was already 135% of peer institutions. As long as compensation and utilities were funded, no additional increase was necessary this year.

Regent Jordan expressed concern about the large tuition increase requested by Dixie State College and asked President Caldwell to justify his request. President Caldwell explained that when he was first appointed president of Dixie State College, he asked the Commissioner's staff to travel to St. George to assist him with some issues. One of the big issues was Dixie's budget. The Commissioner's Office recommended a tuition increase and elimination of the two-tier tuition policy. They also recommended a decrease in upper-division tuition. Even with the proposed increase, Dixie's tuition will still be below peer average. Most of the tuition revenues will go into hiring additional full-time faculty and reducing the proportion of full-time to adjunct faculty. The additional funding will also enable college officials to reduce the high credit load for teachers. Part of the money would also be used to address need-based financial aid. Regent Grant noted that had President Huddleston proposed tuition increases consistent with the System for the past few years, Dixie's budget would contain an additional \$3.5 million.

Regent Jordan asked President Caldwell what percentage of the total instructional hours at Dixie is in lower division courses. President Caldwell said 95% of Dixie's courses are taught at the lower division. Regent Jordan expressed concern about asking lower-division students to pay for the expanding mission of Dixie State College. The legislature made DSC a baccalaureate degree-granting institution, but a mission change comes with a price tag. The legislature needs to pay for this mission change rather than expecting the students to absorb the cost. Dixie has a community college mission at its core. He asked for assurance that the tuition revenues would not be diverted for the expansion of programs at the baccalaureate level. President Caldwell said Dixie had experienced a large turnover because of retirement. The college has been able to add more Ph.D.-qualified faculty but still needs to address core quality issues. Regent Kingery asked President Caldwell for his tuition projections for the next three to five years. President Caldwell said, based on the Commissioner's recommendation, the college would likely have another year at a similar level of increase. Regent Jardine suggested that Dixie's reference points should be SLCC, Snow and CEU.

Commissioner Kendell said he supported Dixie's request, but clarified that this was not a two-year endorsement. The data will be studied and the situation addressed again next year. He agreed with Regent Jordan that if the legislature is going to change an institution's mission, they should take financial responsibility for the cost of that change. Senator Hickman made it clear that money for new programs in his proposed bill SB 121 would not have come from other higher education budget priorities. Commissioner Kendell said he had encouraged Dixie officials to adopt a single tuition schedule. He indicated that he also supported the hiring of additional full-time faculty to replace adjuncts and/or converting adjunct faculty to full-time faculty. He stressed that Dixie State College is the community college for Southern Utah. They will offer bachelor's degrees, but they will always play the community college role.

Regent Grant referred to Attachment 3 and asked if it would be beneficial to look at the distribution of 1-20 credit hours across the system. Commissioner Kendell explained that each institution develops policies on incentives for students to take more credit hours. He said he was willing to look at the distribution of credits to see if some patterns might be useful. Regent Jordan recommended that Commissioner Kendell lead the discussion of this issue but that he let the Presidents drive it. The Regents should be guided by the Presidents because they best know their institutions. Regent Grant asked about a weighted one-hour cost average by institution across the system. President Caldwell pointed out that many students on scholarships are taking a minimum number of credits. Also, a majority of USHE students work and are limited in the numbers of hours they can be in classes.

**Regent Grant moved approval of the Commissioner's recommendations to: (1) finalize the first-tier tuition increase at 4 percent for all USHE institutions, (2) approve the final second-tier tuition proposals for each institution as described in Attachment 2 to Replacement Tab S, and (3) authorize the tuition rates for UCAT, UCAT General Education, and Utah Electronic College. Regent Atkin seconded the motion. Vote was taken on the motion, which was adopted.**

**Vice Chair Pitcher moved that the Regents convene in executive session to discuss "the character, professional competence, or physical or mental health of an individual or individuals." The motion was seconded by Regent Sinclair and was adopted.**

Following an executive session luncheon meeting, the Regents reconvened in Committee of the Whole at 1:30 p.m.

Retirement of President Steven D. Bennion. Chair Karras distributed copies of an editorial from the *Deseret Morning News* recognizing President Bennion, who has been called as an LDS Mission President in New York City. President Bennion remarked that going from Ephraim to Rexburg to Cedar City and then to the "Big Apple" was quite a change. He thanked the Regents for their support and expressed his appreciation to the SUU staff with whom he works. After his return from New York, he hopes to teach at SUU. Chair Karras said President Bennion knows his students and their achievements. Students are clearly his priority.



Programs Committee

Utah State University – Bachelor of Arts and Bachelor of Science Degrees in Religious Studies (Tab B). Chair Jardine noted that similar programs exist across the country. This is a well respected program. One application will be for military personnel to learn of the religion(s) in the areas to which they are deployed. The Program Review Committee (PRC) approved the request, as did the Programs Committee. Regent Jordan pointed out that there are two endowed chairs in this program. **Chair Jardine moved approval of the University's request for Bachelor of Arts and Bachelor of Science Degrees in Religious Studies. Regent Pitcher seconded the motion, which was adopted.**

Weber State University – Bachelor of Arts and Bachelor of Science Degrees in Philosophy (Tab C). Chair Jardine noted that Weber State University has had philosophy classes, but there is now student demand for baccalaureate degrees. This program falls within Weber's mission, and the University is prepared for the program. **Chair Jardine moved approval of Weber State University's request for Bachelor of Arts and Bachelor of Science Degrees in Philosophy. Regent Pitcher seconded the motion, and it was adopted.**

Utah Valley State College – Bachelor of Science Degree in Information Systems (IS) and a Related Interdisciplinary Minor in Information Systems (Tab D). Chair Jardine explained that classes and Associate Degrees had been offered in this program. There is high market demand, and the program is appropriate for the College's mission. **Chair Jardine moved approval of UVSC's Bachelor of Science Degree and Interdisciplinary Minor in Information Systems. Vice Chair Jordan seconded the motion, which was adopted.**

Salt Lake Community College – Revised Mission Statement (Tab E). Chair Jardine asked President Bioteau to explain the evolution of the college's mission statement. President Bioteau said the revised mission statement had evolved with input from advisory committees. A college-wide strategic committee developed three different mission statements which were sent to the entire college for opinions and suggestions. Community meetings were held last fall to get input. The proposed mission is constant in its purpose but brings a more contemporary importance to the partnerships with business and industry, community, and transfer education. Chair Jardine reported the committee had remarked that it was a model of vision and clarity. **Chair Jardine moved adoption of Salt Lake Community College's revised mission statement. Regent Atkin seconded the motion, which was adopted.**

Proposed Policy R468, Regents' Scholar Award (Tab F). Chair Jardine said the Commissioner requested approval of the concept and authorization to move this policy forward in conjunction with the K-16 Alliance. The policy, which was enthusiastically approved by the Programs Committee, provides an additional incentive for achieving students. Commissioner Kendell said the Regents' Scholar Award could have the potential of being a "big gear" in this state. It will require raising some money for scholarships, but this will be done. Chair Jardine said questions had been raised in committee about whether there are sufficient teachers for the additional courses, should this become a popular option. **Chair Jardine moved approval of Policy R468, Regents' Scholar Award. Regent Jensen seconded the motion, which was adopted.**

Consent Calendar (Tab G). **On motion by Chair Jardine and second by Regent Pitcher, the following items were adopted on the Programs Committee's Consent Calendar:**

University of Utah –

- A. The Utah Criminal Justice Center
- B. Graduate Certificate in Biomedical Informatics
- C. Center for Integrated Design and Construction

Information Calendar (Tab H). Chair Jardine offered to respond to questions on the Information Calendar items.

Finance, Facilities and Accountability Committee

USHE – Proposed 2006-2007 Fee Increases (Tab I). **Chair Atkin referred to Attachment 1 of Replacement Tab I and moved approval of the recommended fee schedules as presented. Regent Holbrook seconded the motion, and it was adopted.**

USHE – Proposed Revisions to Policy R513, *Tuition Waivers and Reductions* (Tab J). Chair Atkin reported that the proposed policy revisions were to provide compliance with HB 66, which was enacted by the recently completed legislative session. The bill repealed the sunset date of July 2009 for the existing 500 waivers previously granted to the USHE and also authorized an additional 400 non-resident transition waivers for the system. The 900 waivers were reclassified to more efficiently meet the needs of the institutions. Attachment 1 to Tab J outlined the new allocation of awards to the institutions. **Chair Atkin moved approval of the proposed revisions to Policy R513. The motion was seconded by Regent Jensen and adopted.**

University of Utah – Authorization for Increased Differential Tuition for MBA and Other Business Master's Degree Programs (Tab K). Chair Atkin said the demand was straight-forward and consistent with what other institutions are doing. The request was for a two-year phased increase, from \$1250 per semester in 2005-2006, to \$1550 per semester in 2006-2007, and \$1850 per semester in 2007-2008. Approximately 600 students per year would be affected by the tuition differential. Currently, 23 graduate programs at the four USHE universities have differential tuition. **Chair Atkin moved approval of the University's request for an increased differential tuition for its MBA and other business Master's Degree programs. Regent Holbrook seconded the motion, which was adopted.**

University of Utah – Authorization for New Differential Tuition for Undergraduate Business Degree Programs (Tab L). Chair Atkin reported strong demand for the need to hire instructors in business programs. The proposed increase will put the cost closer to market. Regent Jensen asked if a differential tuition was appropriate for undergraduate programs. Senior Vice President Pershing responded that the University does not intend to come back to this Board for approval of tuition differential unless national norms require it to hire competitive faculty. University officials concluded that it did not seem fair to students in other programs to absorb the increased costs for specific programs. Regent Jardine recalled that he was Chair of the University of Utah Board of Trustees when the first tuition differential was enacted for the Graduate School of Medicine. He asked for assurance that the Regents would not be "breaking a contract" with earlier agreements. Dr. Pershing said the tuition differential would be phased in and only applies to the core business courses, not pre-business courses. **Chair Atkin moved approval of the University's request for a differential tuition in its**

**undergraduate Business Degree programs. Regent Reid seconded the motion, which was adopted by the Board.**

Utah State University – Land Sale to Utah Power for Substation (Tab M). Chair Atkin reported that there is critical need for a new substation to support the Innovation Campus and other city needs. Utah Power is willing to pay full market value (approximately \$325,000) for a 2.6-acre parcel of land used by the College of Agriculture and the Agriculture Experiment Station. Proceeds from the sale will be used to support College of Agriculture and Agriculture Experiment Station research activities. **Chair Atkin moved approval of the sale. Regent Jensen seconded the motion. Regent Karras noted a conflict of interest because he serves on the Utah Power Board of Directors. The motion was adopted.**

Salt Lake Community College – Purchase of Property Adjacent to South City Campus (Tab N). Chair Atkin reported that the agenda item had been withdrawn at the request of the institution.

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

- A. USHE – Money Management Reports
- B. Proposed Revisions to Policy R506, *Inventory of Budget-Related and Self-Supporting Courses*
- C. UofU and USU – Capital Facilities Delegation Reports

USHE – 2006-2007 Data Book (Tab P). Chair Atkin noted that the USHE Data Book was now available on CD, which saved \$3,500 in printing costs. He encouraged the Regents to read the Executive Summary. This report was for information only.

University of Utah – Briefing on Proposed Hospital Expansion/Follow-up to Regents' Executive Committee Meeting on February 7, 2006 (Tab Q). Chair Atkin explained that the University Hospital's expansion plan was accelerated due to rising construction costs and the process of adding additional floors to the west wing. This expansion will increase the cost of the project from \$90 million to \$120 million. It was approved by the Executive Committee on February 7 in order to get bonding approval from the legislature, and the legislature approved the bond in its general session. The Regents will receive a final report and details of the bonding in April. Senior Vice President Lorris Betz and Gordon Crabtree, Interim CEO of the University Hospital, gave a brief explanation of the project and responded to questions.

Utah Valley State College – Briefing on Proposed Lease-Purchase of Building for Culinary Arts Program (Tab R). Chair Atkin reported that UVSC was exploring options for a lease-purchase agreement on a facility to house its Culinary Arts Program. Final approval will be requested in a later meeting. The report was provided for information only; no action was required.

Chair Karras pointed out that approval of the minutes of the Executive Committee meeting on February 7 included ratification of actions taken during that meeting. **On motion by Regent Sinclair and second by Regent Atkin, the following items were approved on the Regents' General Consent Calendar:**

- A. Minutes –
  - 1. Minutes of the Regular Meeting of the State Board of Regents held January 11, 2006, at Salt Lake Community College, Salt Lake City, Utah
  - 2. Minutes of Meeting of the Executive Committee of the State Board of Regents held February 7, 2006, including ratification of actions taken by Executive Committee
- B. Grant Proposals – On file in the Commissioner's Office
- C. Grant Awards
  - 1. University of Utah – National Institutes of Health; National Institute of Children's Health & Human Services; "Multicenter Network of Maternal Fetal Medicine Units;" \$2,886,875. Michael W. Varner, Principal Investigator.
  - 2. Utah State University – NASA Jet Propulsion Laboratory; "Wide-field Infra-red Survey Explorer (WISE);" \$3,484,740. Scott Schick, Principal Investigator.
  - 3. Utah State University – NASA Jet Propulsion Laboratory; "Wide-field Infra-red Survey Explorer (WISE);" \$2,406,078. Scott Schick, Principal Investigator.

#### Commissioner's Report

Commissioner Kendell thanked President Bennion for his many contributions to the state and the Utah System of Higher Education. He wished President Bennion well and said he would be missed.

A framed photograph of the Board was given to each Regent.

The USHE Data Book is accessible online, and the CD is very convenient. Commissioner Kendell expressed his appreciation to Associate Commissioner Spencer and his staff for a job well done.

The Commissioner reviewed the notable accomplishments at each of the USHE institutions and commented briefly on each one.

Commissioner Kendell commented on an article from the *Deseret Morning News* which was in the Regents' folders regarding the Utah Educational Savings Plan. The program has over \$1.2 billion in assets with more than 60,000 subscribers, and the staff is constantly expanding to keep up with the demand. The Commissioner reminded everyone that income tax reform is underway in Utah. Preserving the income tax credit

is a positive thing for the state as well as UESP subscribers. During the recent session, Executive Director Lynne Ward spoke personally with most of the legislators to stress the importance of the UESP program.

Commissioner Kendell referred to the USHE 2006 Report Card which had been distributed to the Regents and Presidents. He pointed out the increase in earning capability with each level of postsecondary education. In 1975, students who dropped out of high school had a slight advantage over graduates. Income for high school graduates, as compared to drop-outs, is now greater by a large margin. With each degree or year of postsecondary training or education, the income level is greatly increased. This report stresses the importance of education beyond high school.

#### Report of the Chair

Chair Karras introduced Joan Kendell (the Commissioner's wife) and happily reported that she was a graduate of Weber High school.

Chair Karras expressed his appreciation to Commissioner Kendell, Associate Commissioner Buhler, and the higher education legislative team. At one point it appeared that the total appropriation for higher education would be minimal, but the Senate provided the ability to fund some of the programs. Chair Karras thanked the Senate for their advocacy and tenacity. He encouraged the Regents, Presidents and others to personally thank their Senators and Representatives for their support of higher education, especially the Higher Education Appropriations Subcommittee. Chair Karras also thanked the Presidents for the great job they do every day.

#### Adjournment

Regent Snow moved the meeting be adjourned. The motion was seconded by Vice Chair Pitcher, and the meeting was adjourned at 2:15 p.m.

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Joyce Cottrell CPS  
Executive Secretary

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Date Approved