

MEETING OF THE STATE BOARD OF REGENTS
BOARD OF REGENTS BUILDING, SALT LAKE CITY, UTAH
OCTOBER 26, 2006

Minutes

Regents Present

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

Regents Excused

David J. Jordan

Office of the Commissioner

Richard E. Kendell, Commissioner of Higher Education
David L. Buhler, Associate Commissioner for Public Affairs
Joyce Cottrell, Executive Secretary
David S. Doty, Assistant Commissioner and Director of Policy Studies
Carrie Flamm, Executive Director, Utah Student Association
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
Lauren Stimpson, Utah Scholars (State Scholars Initiative) Project Manager
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
Andrea Worthen, Educational Policy and Accountability Director

INSTITUTIONAL REPRESENTATIVES

University of Utah

Michael K. Young, President
Lorris Betz, Senior Vice President for Health Sciences
Paul T. Brinkman, Associate Vice President for Budget and Planning
John G. Francis, Associate Vice President for Undergraduate Studies and Assistant CAO

Stephen H. Hess, Associate Vice President for Information Technology
Michael Perez, Associate Vice President for Facilities
Michael A. Petersen, Executive Director, Utah Education Network
David W. Pershing, Senior Vice President for Academic Affairs
Laura Snow, Special Assistant to the President/Secretary of the University
Kim Wirthlin, Vice President for Government Affairs/Associate Vice President for Health Sciences

Utah State University

Stan L. Albrecht, President
David Cowley, Associate Vice President for Financial Services
Glenn Ford, Vice President for Business and Finance
Steven Hanks, Vice Provost for International Affairs
Sydney Peterson, Chief of Staff
Jacob Roskelley, Student

Weber State University

F. Ann Millner, President
Brad Mortensen, Assistant Vice President for Support and Auxiliary Services
Peter Owen, Student Body President

Southern Utah University

Gregory L. Stauffer, Interim President
Abe Harraf, Provost
Dorian G. Page, Interim Vice President for Administrative and Financial Services
Steven Kiisel, Student Body President

Snow College

Michael T. Benson, President
Tony Frustaci, Student Body President

Dixie State College

Lee G. Caldwell, President
Stanley J. Plewe, Vice President of College Services
Donna Dillingham-Evans, Vice President of Academic Services
Frank Lojko, Director of Government Relations, Institutional Research & Hurricane Center
Joseph C. Peterson, Dean of Arts, Letters and Sciences
Christina Schultz, Vice President of Advancement
Lance Adams, Student Body President
David Colegrove, Student

College of Eastern Utah

Ryan L. Thomas, President
Bradley King, Vice President for Institutional Advancement and Student Services
Michael King, Provost and Vice President for Academic Affairs
Aaron Hales, Student Body President

Utah Valley State College

William A. Sederburg, President

Cameron Martin, Assistant to the President for Policy Administration, Institutional Development & Planning

Val Peterson, Vice President for Administration and External Affairs

Salt Lake Community College

Cynthia A. Bioteau, President

Katherine Boswell, Vice President for Institutional Advancement

Julie Ann Curtis, Assistant to the Vice President of Academic Services

Dennis Klaus, Vice President of Business Services

David Richardson, Vice President of Academic Services

Utah College of Applied Technology

Robert O. Brems, President

Jared A. Haines, Vice President of Instruction and Student Services

Douglas Holmes, Interim Chair, Board of Trustees

Kirt Michaelis, Vice President of Administrative Services

Miles Nelson, Campus President, Southeast Applied Technology College

Representatives of the Media

Dustin Gardiner, *Daily Utah Chronicle*

Sheena McFarland, *Salt Lake Tribune*

Amy K. Stewart, *Ogden Standard-Examiner*

Erin Stewart, *Salt Lake Tribune*

Marcela E. Torres, KUER Radio

Other Guests

Dirk Anderson, Governor's Office of Planning and Budget

Thomas C. Anderson, Attorney General's Office

Steve Allred, Office of the Legislative Fiscal Analyst

Gary Carlston, Chair, CEU/SEATC Coordination Study Committee

Camilla Olsen, Utah Student Association

Spencer Pratt, Office of the Legislative Fiscal Analyst

Keith Stepan, Executive Director, DFCM

Chair Jed Pitcher welcomed everyone and called to order the Committee of the Whole at 9:00 a.m. He excused Regent David Jordan, who was out of town.

Resolution in Memory of Former Regent Jay Dee Harris

Chair Pitcher read a resolution paying tribute to former Regent Jay Dee Harris, who passed away on September 24. **Regent Atkin moved adoption of the resolution. The motion was seconded by Regent Karras and carried.** A copy of the resolution is on file in the Commissioner's Office.

Higher Education Budget Request for 2007-2008

Commissioner Kendell gave a brief overview of what could be expected during the 2007 Legislative Session. Regent Jardine asked the Commissioner to explain why higher education was included but public education was exempted from the recent spending cap. Associate Commissioner Buhler explained that public education is seen as the constitutionally mandated responsibility of the state, while higher education is generally seen as optional. Regent Karras asked the Commissioner by what amount the Legislature could be expected to increase tuition. Commissioner Kendell said the best estimates were that the first-tier tuition increase would be approximately three percent (3%). The Presidents will set their second-tier tuition after they know the level of funding appropriated by the Legislature.

Commissioner Kendell referred to Tab A and said the Utah System of Higher Education budget request would be approximately \$47 million, plus compensation. Combined, the budget request for 2007-2008 would be approximately \$68 million. Approximately one million dollars (\$1 million) is included in the ongoing budget for O&M funding. There was presumed to be agreement that when a new building was approved for funding, O&M funding would naturally follow. However, that has not been the case. We are asking that the state take care of its existing buildings before adding new facilities, and that O&M be funded for new projects. Commissioner Kendell paid tribute to Steve Hess for his firm advocacy of information technology needs.

Regent Jensen thanked the Commissioner for including money for institutional partnerships in the budget request. Commissioner Kendell gave some examples of what is already being done, as well as some partnerships planned for the future. More money (perhaps another million dollars) may be needed for the partnership budget, increasing to a total of \$6 million. There has been great collaboration and agreement among the institutions.

The Commissioner pointed out there would be three different versions of the higher education budget request – the Regents' request, the Governor's recommendations, and the Legislative Fiscal Analyst's recommendations. Commissioner Kendell said he and his budget staff had met with the Governor's budget staff the previous day to present the higher education budget request. GOPB officials gave no indication of what their recommendations would be. The Commissioner cautioned the Regents not to overlook the existing base budget when considering the total System budget request. The base budget includes compensation and mandated costs

Initiatives. Commissioner Kendell said Utah currently has 354 openings for engineers that cannot be filled. Another 550 openings are anticipated in the next twelve months. A significant deterrent to economic growth for the state is the lack of engineers. The Commissioner will strongly urge the Governor and legislators to continue to support the Engineering Initiative, as well as other math and science initiatives. Last year the state (all public and private institutions) trained only chemistry teachers for public education. The original legislation called for a \$10 million appropriation for the Engineering Initiative. To date only \$5 million of ongoing funds has been appropriated. The 2007-2008 budget will request the remaining \$5 million.

Regent Grant asked about a Teacher Education Initiative. Commissioner Kendell explained that the T. H. Bell Program was meant to prepare teachers; however, it has not been fully funded for several years. If it can be fully funded, it will be the beginning of a Teacher Education Initiative. This state is losing teachers

rapidly due to retirement, teachers moving out of state for higher salaries, etc. According to projections, Utah will be short a minimum of 1000 teachers every year. Within 60 days the Commissioner's staff will present a K-16 Alliance report on the need for teachers and the proposed Teacher Education Initiative. The report will contain several options, such as better salaries for math and science teachers, short-term training to enable current teachers to update their credentials, and others. The report will be presented to the 2008 Legislature. Detailed plans will be prepared for a subsequent legislative session. Utah has many possibilities for new growth, but funding must be provided to train the workforce.

Financial Aid. The budget includes a request for need-based financial aid for ongoing funding, plus one-time money – indexed for inflation, based on tuition increases – for 5400 students. This will go to students who receive Pell grants at an amount insufficient to complete their education. Under the proposed plan, the average grant will be approximately \$800, and will go to the students who can least afford to pay for their own education. Commissioner Kendell noted the recent provisions in the New Century Scholarship requirements to add increased rigor in the high school curriculum as a qualification for eligibility.

The budget request would represent a \$67 million increase over the current budget. Commissioner Kendell stressed that this is not as much an expense to the state but is an investment in Utah's future.

Steve Kiisel, SUU Student Body President and President of the Utah Student Association, expressed the appreciation and support of the students for the proposed increases in financial aid. He said he had been a recipient last year of some much-needed financial aid. As a first-generation college student, it was badly needed and greatly appreciated.

UCAT Budget Request. President Brems distributed copies of UCAT's budget request, which will be presented to the UCAT Board of Trustees on November 1. One highlight of the budget is \$3 million for the Jobs Now Campus Initiatives. A breakdown of the budget request was shown on page 2 of the handout.

Regent Grant pointed out the disparity in priorities between the UCAT budget request and the System budget request. He suggested more parallel priorities as a System. Commissioner Kendell explained that, by statute, the Regents do not approve the UCAT capital facilities or budget requests; they only approve the request for the other nine institutions as a System. UCAT has a statutory obligation to present its budget request directly to the Legislature. **Regent Grant moved that the Regents request statutory authority to approve the UCAT budget request. Regent Sinclair seconded the motion. Regent Garff moved to amend the motion, that the Regents seek the possibility of seeking statutory authority to approve the UCAT budget and capital facilities requests, and that the Commissioner and UCAT President work together to design a similar format for those requests for greater ease of understanding. Regent Atkin seconded the motion, and Regent Grant agreed to the amendment.**

Regent Cannon said the UCAT legislation was created for several reasons, one of which was to prevent mission creep. UCAT has a unique mission within the Utah System of Higher Education.

Regent Karras offered a substitute motion: that the Regents approve the budget request, and that the Commissioner come back to the Regents with a proposal for seeking statutory authority over the UCAT budget and capital facilities requests, but that no further steps be taken at this time. Commissioner Kendell asked that the motion include the UEN budget and the flexibility to add another million dollars to the System budget for institutional partnerships. Regent Holbrook seconded the

motion, and Regents Grant and Garff withdrew their original and amended motions. The substitute motion was adopted.

State Building Board's Final Recommendations on Capital Projects

Commissioner Kendell referred to Replacement Tab B, which was distributed to the Regents. The Building Board made its own rankings, which, in some instances, were at odds with the Regents' priority ranking and Q&P analysis. Commissioner Kendell said he and his budget staff had met with the Chair of the State Building Board and DFCM staff and discussed at length the Q&P process. Regent Jardine asked if the Building Board disagreed with the Regents' calculations, had a different approach, or if their process was entirely objective. If it is the latter, something is broken and should be addressed.

Commissioner Kendell expressed his appreciation to Keith Stepan, DFCM Executive Director, for his support of higher education through the years. However, the Building Board had a different view of what is best for higher education. Director Stepan said the Building Board works for nine months of the year on its priorities. Members have five objectives which are satisfied differently from the Q&P process. This year they used the Q points except for two projects (the University of Utah and Utah State University). Every project is visited during the year to assess the need. The Building Board's process is primarily objective, but becomes subjective toward its conclusion. The Q&P process is highly valued by higher education, but not by the State Building Board. Regent Barrett asked if the Regents could see the rankings before the subjective process began. Associate Commissioner Spencer agreed to seek this information and send it to the Regents.

Regent Hasnain asked what percentage of the Building Board's rankings are usually funded by the Legislature. Dr. Spencer said the Legislature has its own process. Legislators generally fund approximately \$100 million for capital projects. Director Stepan said traditionally, the first ten priorities are considered for first-year consideration. He noted that higher education has two-thirds of the state's physical facilities.

Regent Karras asked about UCAT capital facilities priorities. Commissioner Kendell said those projects are prioritized by the UCAT Board of Trustees. He is working with them to develop similar standards. Regent Karras said it would be helpful to have the same standards applied to UCAT projects as the rest of the System. The Regents need some objective criteria to evaluate UCAT projects. Regent Reid pointed out that UCAT had three projects included in the Building Board's top ten priorities. President Brems acknowledged that this year was better than usual for UCAT. Regent Jardine suggested the Commissioner explore the possibility of having a Regent appointed as a permanent member of the State Building Board. Regent Karras said that was not really necessary because the Legislature makes the final decision.

The Regents were dismissed to their respective committees at 10:20 a.m. and reconvened in Committee of the Whole at 11:15 a.m.

Update on the Utah Science Center/The Leonardo

Commissioner introduced Joe Andrade, Director of The Leonardo, who presented a PowerPoint presentation on the general education, technical and science education available at The Leonardo. He cited

the findings of the recent "Nation At Risk" report that indicated the need for more education in these areas. Mary Tull, Executive Director, said The Leonardo is trying to impact science education through a multidisciplinary approach, with Leonardo da Vinci's notebook and concepts of incorporating the arts and sciences as a model. Mr. Andrade said patrons (mostly pre-teens and older) pick a data set that interests them. More than 400,000 people access this information each year in person, and many more access it electronically. The grand opening of The Leonardo will be on April 15, 2009, to coincide with da Vinci's birthday.

Mr. Andrade said he would like to visit each USHE institution during the next few months to discuss the many opportunities that are available, including potential research projects. He requested the appropriate contact for each institution.

Commissioner Kendell thanked Mr. Andrade and Ms. Tull for their presentations.

Reports of Board Committees

Programs Committee – Regent Michael R. Jensen, Chair

University of Utah – Master of Health Care Administration (MHA), As a Stand-Alone Degree and as a Joint Offering with Three Professional Degrees: Master of Business Administration (MBA/MHA), Master of Public Administration (MPA/MHA), and Master of Public Health (MPH/MHA) (Tab C). Students may complete the degree as a stand-alone master's degree or as a joint degree in combination with an MBA, MPA, or MPH. Chair Jensen said if this joint program were not offered, students would be required to take an additional year of classes to obtain an additional degree. Additionally, this degree will enable the University to seek accreditation from the Commission on Accreditation of Healthcare Management Education (CAHME). **Regent Jensen moved approval of the University's request. The motion was seconded by Regent Jardine and carried.**

Utah State University – Master of Science Degree in Computer Engineering (Tab D). Chair Jensen noted computer engineering is not necessarily the same as software engineering, but is a broader field. The program has two options: to allow graduates to pursue advanced degrees, and to provide graduate students for research projects. In the past, USU students wanting to continue their graduate work have been required to go to other institutions (often out of state). **Chair Jensen moved approval of USU's request. The motion was seconded by Regent Cespedes and carried.**

Information Calendar, Programs Committee (Tab E). Chair Jensen commented briefly on each item. The new track in jazz studies will be the University of Utah's seventh track in the Master of Music Degree. The University also seeks to add a Graduate Certificate in Historic Preservation. Southern Utah University will change the name of its Electronics Engineering Technology Department to Electronics and Computer Engineering Technology. Salt Lake Community College is making organizational changes in its School of Business by splitting some of the divisions.

University of Utah – Graduate School Reviews (Tab F). Chair Jensen pointed out these reports were carried over from the previous Board meeting. Policy R411 requires each institution to conduct periodic program reviews and provide a summary of the findings to the Commissioner's Office. (Universities are on a seven-year cycle, and state and community colleges are on a five-year cycle.) The University has now

completed the process, with Memoranda of Understanding (MOUs) outlining what needs to be done in each of the schools. Chair Jensen noted common threads of diversity and faculty retention in all of the program reviews.

Finance Committee – Regent Jerry C. Atkin, Chair

Proposed Revisions to Policies R926, Use of Office-Owned IT Resources, and R927, Use and Security of Property (Tab G). By policy, employees of the Commissioner's Office are allowed some incidental personal use of office equipment. Policies R926 and R927 outline the terms and procedures for such use. **Chair Atkin moved approval of the proposed revisions to Policies R926 and R927. The motion was seconded by Regent Sinclair and was adopted.**

First-Tier Tuition Range for 2007-2008 (Tab H). Chair Atkin said the Commissioner's recommendation was for the percentage of tuition increase necessary to fund the compensation increase approved by the Legislature for state employees. Increases of one, two, three, and four percent were listed in the cover memo to Tab H. Health insurance costs are expected to increase by 9.5 percent, and dental insurance is expected to increase by four percent. Those increases were factored into the estimated tuition increases. **Chair Atkin moved approval of the tuition increase necessary to fund the institutional share of compensation. Regent Snow seconded the motion, which carried.**

Utah State University – Endowment Investment Policy (Tab I). Chair Atkin said the System had designed a generic investment policy but allowed institutions to design their own, if desired. The Regents previously approved the University of Utah's investment policy. USU's is similar but more tailored to the institution's distinct needs. **Chair Atkin moved approval of USU's Endowment Investment Policy. Regent Grant seconded the motion, which carried.**

Weber State University – Approving Resolution, Refunding of Student Facilities System Revenue Bonds, Series 2001A (Tab J). Chair Atkin reported the refunding was expected to save the University approximately \$28,000 per year in debt service payments on the bond for student housing, which currently has a balance of \$9.7 million. **Chair Atkin moved approval of the transaction, seconded by Regent Reid, at a net present value savings of at least three percent, with the provision that Chair Pitcher, Vice Chair Beesley, or Committee Chair Atkin give final approval, should the net present value ultimately exceed three percent. The motion was adopted with the following vote:**

YEA:

Jerry C. Atkin
Daryl C. Barrett
Bonnie Jean Beesley
Rosanita Cespedes
Katharine B. Garff
David J. Grant
Ali Hasnain
Meghan Holbrook
James S. Jardine
Michael R. Jensen
Nolan E. Karras
Jed H. Pitcher

Josh M. Reid
Sara V. Sinclair
Marlon O. Snow

NAY: (None)

Utah Valley State College – Purchase of Property Contiguous to Campus (Tab K). Chair Atkin reported this was a small lot adjacent to property already owned by the college. The parcel appraised for \$128,000, but the owner has agreed to sell for \$125,000, to be paid from the college's interest income account. The property will be used to expand the services of UVSC's Wee Care Center. **Chair Atkin moved approval of the property purchase. The motion was seconded by Regent Snow and was adopted.**

Utah Valley State College – Lease-Purchase Agreement for Building in Canyon Park Technology Center (Tab L). Chair Atkin said the Canyon Park Technology Center was a commercial center seven miles from campus. The facility is the old WordPerfect complex, with 90% occupancy. This transaction would allow for the expansion of the college's Culinary Arts Program, Small Business Development Center, incubator programs, and possibly a USTAR outreach center. Customers already exist in the commercial park for graduates of these programs. The college's presence would also increase the number of culinary choices at the center. The property appraised for \$4.6 million. The purchase price is \$2 million, with a charitable donation of \$2.6 million being received from the sellers. The UVSC Foundation has agreed to purchase the facility with a 20-year capital lease at 7% interest, with an annual out clause. UVSC bears responsibility for the cost of the lease. Payment will come from tuition and food sales. **Chair Atkin moved approval of the lease-purchase. Regent Snow seconded the motion.** President Sederburg thanked Regent Snow for being an advocate of this transaction and for his influence with the donors. **Vote was taken on the motion, which was adopted.**

Salt Lake Community College – Lease of Space in Downtown Salt Lake City (Tab M). Regent Atkin said when college officials sold the Metro Learning Center earlier this year, they promised to find suitable space to offer classes in the downtown area. The college proposed to lease approximately 21,000 square feet in the Library Square Building, which is directly north of the new Salt Lake City Library and is adjacent to a Trax stop. This space will allow the college to continue to offer classes in the downtown area. **Chair Atkin moved approval of the transaction. The motion was seconded by Regent Grant and adopted.**

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

1. UofU and USU – Capital Facilities Delegation Reports
2. Proposed Revisions to Policy R506, *Inventory of Budget-related and Self-supporting Courses*

Information Items, Finance Committee

Fall 2006 Enrollment Report (Tab O), Annual Report on Leased Space (Tab P), Annual Report on Institutional Residences (Tab Q), and University of Utah – Follow-up Report on University Hospital Bond Sale (Tab R). Chair Atkin said all of these reports were for information only and required no action on the part of the Regents. He offered to respond to questions.

UHEAA Update (Tab S). Commissioner Kendell announced that he had conducted an extensive search for a new Executive Director of the Utah Higher Education Assistance Authority (UHEAA). He expressed his appreciation to Mark Spencer for doing double duty as UHEAA Executive Director and Associate Commissioner for Finance and Facilities, since the death of Gail Norris in 2004. Commissioner Kendell announced that Dave Feitz had been appointed Executive Director of UHEAA, effective November 1, 2006. Dave has an extensive history with UHEAA and with the banking industry. Commissioner Kendell congratulated Dave and said he was delighted with the appointment.

Strategic Planning and Communications Committee – Regent James S. Jardine, Chair

USHE Legislative Priorities for 2007 (Tab T). Chair Jardine referred to the Attachment to Tab T, which listed items to be adopted by the Board as legislative priorities. He noted that the Regents could still support their own ranking on capital projects in dealing with the Legislature. Four specific issues were identified that higher education has requested and will support – (1) Concurrent Enrollment amendments, (2) UCAT amendments, (3) UESP amendments to correct an error in the current legislation, and (4) amendments to the Higher Education Tuition Assistance Program to remove the requirement for matching funds and to allow institutions to use appropriated funds for need-based financial aid. Members of the K-16 Alliance will meet with legislators between now and the opening of the 2007 Legislative General Session about the concurrent enrollment issue. A bill will be introduced by Senator Hickman to fund initiatives or partnerships between institutions. Senator Hickman has agreed to use a list of priorities prepared by the Commissioner and Presidents, and we will support his bill. The Regents will oppose any proposed legislation to repeal non-resident tuition for students who have graduated from/attended Utah high schools for three years.

Chair Jardine suggested that the Board authorize Commissioner Kendell, Associate Commissioner Buhler and Chair Pitcher to keep Regents informed of other legislation of interest to higher education. Regent Reid commended Associate Commissioner Buhler for his weekly reports of legislative activities throughout the session. He suggested that the Commissioner's position on each bill be included in future reports.

Chair Jardine moved approval of the legislative priorities as previously described. Regent Holbrook seconded the motion, which carried. Chair Jardine urged the Regents and Presidents to include and emphasize the higher education message of preparation, participation and completion in all contacts with legislators and the general public. Commissioner Kendell will provide materials to the Presidents and Regents to be used in speeches and communications to reinforce this three-part message. It is expected that Regents will give at least one speech a year to community groups such as a Rotary Club or Chamber of Commerce.

U.S. Secretary of Education's Commission on the Future of Higher Education (Tab U). Chair Jardine noted the summary points of the report which were outlined in the Commissioner's memo. The three basic themes of the report are Accessibility, Affordability, and Accountability. The committee asked Assistant Commissioner Doty to work with the Presidents to identify the best practices and recommendations in the report that will work well with our institutions, and also to identify any weaknesses in the recommendations or report. This report was provided for information only.

Report on Joint Legislative Meeting (Tab V). Chair Jardine noted the minutes of the September 21 meeting, prepared by legislative staff, were included in the Regents' folders. The Regents and Presidents were well represented at the meeting. Commissioner Kendell made two presentations at this meeting. He offered to respond to questions.

Draft Recommendations of the Task Force on Minority and Disadvantaged Students (Tab W). Chair Jardine reported the committee spent considerable time discussing these recommendations, which the task force was charged to develop. The recommendations have not been reviewed by the Council of Presidents, who may make modifications or changes before they are returned to the Regents for approval. Chair Jardine said the committee felt the highest priority was financial aid. They recommended to the task force that when these recommendations are forwarded to the Presidents, and ultimately to the Regents, that fiscal notes are attached, wherever possible. The committee also asked the task force to develop a one-page summary of what the institutions are already doing, as well as a list of priorities each institution would adopt within the framework of the recommendations.

College of Eastern Utah (CEU) and Southeast Applied Technology College (SEATC) Collaboration Study (Tab X). Chair Pitcher referred to Replacement Tab X in the Regents' folders. He asked Dr. Gary Carlston and Commissioner Kendell to begin the discussion of the study, then invited Doug Holmes, Interim Chair of the UCAT Board of Trustees, UCAT President Rob Brems, and SEATC President Miles Nelson to comment, with the Commissioner to conclude the discussion.

Dr. Carlston briefly reviewed the study, which was reported at length in the September 15 Board of Regents meeting. The study group met with various stake holders and gathered information. The group was not charged to do a cost analysis, so that was not done. However, Regent Grant has asked that such a report be completed. They established that an informal collaboration and relationship already exists between CEU and SEATC, led by the presidents of those institutions. The models presented in September would protect the career and technical education (CTE) mission and course offerings. The merger model identified a comprehensive community college approach, to include coordination of programs, centralization of student services and financial aid services, and appropriate credit transfer programs. It also specified that the concerns of the people interviewed (that the CTE mission must be protected) must be an integral part of any plan adopted. Several ways were identified in which this might be done. Funding for CTE programs must also be preserved in the budget of the comprehensive community college, perhaps by line-item funding.

The committee also identified that it was important that CTE instructors remain "at will" employees and not become a part of the tenure process. Finally, the committee came away with a strong feeling about the importance of higher education in the Southeastern Utah region, and that delivery of those services is paramount to the needs of the area.

Commissioner Kendell complimented the educators in Southeastern Utah for providing exceptional services. He gave special thanks to President Ryan Thomas and Miles Nelson, and said both institutions are doing a good job. He gave assurance that the study had been done in a thorough, fair-minded way. The committee was free to investigate both institutions and did not consult with the Commissioner during the process. The group was created with a proper element of neutrality, so that it did not include representatives from CEU or UCAT. However, representatives of both institutions were interviewed and consulted as part of the study. He asked the committee not to make recommendations but to identify the pros and cons of either a partnership/collaboration or a merger. The Commissioner said his recommendation was based on the committee's report and analysis. He stressed that this study involved only two institutions – CEU and SEATC. Conclusions were not drawn and/or applied to any other area of the state.

Commissioner Kendell identified his conclusions. Both institutions are dramatically under-funded for the expectations of their community. Every employee of both institutions is doing multiple jobs because there is not sufficient funding. The Commissioner said the long-range population forecast is flat, if not declining. The public school population in Carbon and Emery Counties is declining. The needs are very real, but the funding is tight. He offered his unqualified support for CTE, which is vital to the state.

The comprehensive community college is an American invention. The Regents are trying to keep a network of community colleges in this state. There is a potential for overlap with the UCAT institutions. One of the fundamental elements of the comprehensive community college is vocational/CTE training. That is what distinguishes a comprehensive community college from a junior college.

The ability to offer credit is an essential asset in accreditation. SEATC will have difficulty becoming fully accredited; however, CEU is already fully accredited. Its CTE program includes short-term training, custom fit, and non-credit programs, but also allows for credit programs, transferability, and degrees. He referred to the enrollment challenges outlined in the study group's report.

Commissioner Kendell pointed out that CEU subsidizes many of SEATC's support services but is not funded to provide those services. Both institutions are challenged for space. SEATC has developed a five-year capital facilities plan that includes a \$2.2 million facility in Price, plus additional facilities in Moab, Blanding and other cities. There is just not enough money to make this happen. The Commissioner stressed that no business would be run this way. No business could afford to operate this way.

The Commissioner recommended that the two institutions be merged, creating a major institution in Price, that CTE programs be line-item funded and monitored, that benchmarks be established and monitored, and that secondary participation be increased in these programs to best meet the needs of the area. Secondary enrollment is declining generally, including the UCAT institutions. He concluded that if the two institutions are not combined, both will be weak and struggle to survive. If a merger were not approved, CEU would effectively become a junior college and may not be a viable institution over time.

Mr. Holmes said the UCAT Board and the Executive Committee were very concerned about the proposed recommendations. They were puzzled because they had not been consulted and felt this indicated the Regents did not respect them.

Mr. Holmes distributed copies of letters from concerned business owners in each service area. Business and industry in the areas affected do not want the ATCs to be merged with the community college because the colleges are not able to deliver training opportunities as quickly as the UCAT institutions.

Regent Jardine asked Mr. Holmes if the UCAT Board felt that the information in the study was not sufficient or did not take into account the issues they think the Regents should address. Mr. Holmes responded yes to both questions and summarized what he felt were shortcomings of the report. He concluded by stating the UCAT Board objected to the merger of the College of Eastern Utah and the Southeast Applied Technology College.

President Brems said he had been working with vocational education in Utah for 30 years. In 1992 various regions of the state were identified as lacking in vocational/technical training opportunities. The State

Board of Regents and State Board of Education worked together to develop Applied Technology College Service Regions (ATCSRs) in those areas. Since that time, the ATCs have been very successful and have achieved significant results.

The state is lacking workers who are qualified in the career and technical areas. President Brems expressed his appreciation, and that of the UCAT Trustees, to Commissioner Kendell for his leadership in developing the CEU/SEATC study. President Brems said he was in full agreement with the Commissioner on the need to collaborate and ensure that the needs of workforce are met. However, he disagreed on how to go about building partnerships or collaboration. President Brems recommended that the two institutions collaborate, leaving the ATCSRs intact to meet the needs of business and industry and to feed the state's economy.

President Nelson thanked Dr. Carlston and his group for their extensive efforts to deal with what is happening in Southeastern Utah. There is great collaboration between SEATC and CEU and between the presidents of both institutions. The two institutions serve a different clientele. Students in computer programs at SEATC may be working at a fifth- or sixth-grade level. They would not be accepted, nor could they compete, at CEU. However, they deserve training as much as the students at CEU. The UCAT master plan is to provide small facilities to be used with the colleges. Secondary students served by SEATC are ATE students. At CEU all students are included, including concurrent enrollment and academic students. Because of the vast size of the area, education must be taken to the students and cannot be centralized. President Nelson expressed his concern with the possible merger. He noted when Central ATC was merged with Snow College, the Richfield community wanted the merger. That is not the case with the residents of Southeastern Utah.

Regent Jensen read the motion approved in the September Board of Regents meeting:

Regent Jensen moved approval of the Commissioner's recommendations in concept and to defer action until October. Vice Chair Beesley seconded the motion. Regent Grant asked that the October report include a cost analysis. Regent Jensen asked that the option be left open to the collaborative partnership agreement between the two institutions. He asked that his request be included in his motion. Vote was taken, and the motion was adopted.

Regent Jensen said the Commissioner's new recommendations were simply an extension of the earlier motion. He read Recommendation I from Replacement Tab X:

In order to meet the needs of the southeastern Utah community in the most effective and responsive manner, the mission and function of the Southeast Applied Technology College (SEATC) campus of the Utah College of Applied Technology (UCAT) should be merged with the College of Eastern Utah (CEU), a comprehensive community college. In effect, the missions of both institutions can be preserved and enhanced, and CTE programs can be delivered more effectively.

It is recommended that the Commissioner, UCAT President, and CEU President proceed with additional cost studies and to involve fully the UCAT Board of Trustees.

Should the Commissioner, UCAT President and CEU President determine to forward a collaborative plan as an alternate to the proposed merger, such plan shall be submitted to the Commissioner's Office no later than December 30, 2006, and forwarded to the Board of Regents for its January 2007 Board meeting.

Regent Jensen moved approval of the Commissioner's recommendations as outlined in Replacement Tab X, to be presented to the Regents in January 2007. Regent Sinclair suggested that the motion be amended by adding the SEATC President to the planning process. Regent Jensen agreed to amend his motion accordingly. Regent Snow seconded the motion.

Regent Sinclair said the process had apparently caused a lot of pain to many people. The people in Southeastern Utah have not fully understood the rationale and the purpose of the proposed actions. If a problem exists, it should be remedied, rather than affixing blame. She indicated her support for the collaboration model.

Regent Jardine clarified the motion: If the group charged with this responsibility does not come back to the Regents with a recommendation to adopt an alternate plan, the merger will be automatically approved. He pointed out the economic conditions in the Southeastern Utah area that do not apply to the rest of the state. He stressed that UCAT was not on trial.

Regent Jensen suggested that, to be effective, the cost analyses should be furnished to the people who will be considering the collaborative agreement as an alternative, in a timely manner, so that they can meet the December deadline. Regent Jardine recommended that two things be addressed in the cost studies: (1) the potential savings from consolidation of services, and (2) a forward look at the resources necessary to carry out two separate institutions.

Vote was taken on the motion to approve the Commissioner's recommendation. The motion carried, with Regent Sinclair voting in opposition.

Institutional/UCAT Planning – Proposed Study Parameters (Tab Y). Commissioner Kendell referred to Replacement Tab Y, which was included in the Regents' folders. He said the Regents have a statutory responsibility to determine the best manner of developing all of the institutions, given the circumstances in each particular area. The recommendations in Tab Y are for study only. **Regent Grant moved approval of the Commissioner's recommendations. Regent Atkin seconded the motion.**

Vice Chair Beesley summarized the Commissioner's recommendations:

It is proposed that the Board of Regents authorize a study of SLCC and SLTATC as outlined in Replacement Tab Y.

It is proposed that the Board of Regents authorize a study of Southern Utah colleges, universities, and UCAT institutions as outlined in Replacement Tab Y.

It is proposed that the Board of Regents authorize the creation of a higher education alliance in Southern Utah. The alliance is to coordinate implementation of resolutions resulting from the study and make

recommendations to the Board of Regents concerning the optimal use of facilities and other resources to increase educational opportunities for students, to promote the efficient use of resources, both existing and proposed, and to advance the economic development of Southern Utah. The study shall be made and the alliance established on a timeline to be established by the State Board of Regents.

These studies are proposed with no preconceived conclusions about future institutional roles and missions. The purpose of the studies is to collect the best information available to guide future policy decisions of the State Board of Regents.

Vice Chair Beesley's comments follow, in their entirety:

In the Regents' packet is a two-page summary of some of the legislative authority and responsibility of the Board of Regents. Please note the legislative language in the lower portion of the first page which describes in part the responsibilities of the Board of Regents:

To provide a high quality, efficient, and economical public system of higher education through centralized direction and master planning which:

- (a) avoids unnecessary duplication;
- (b) provides for the systematic and orderly development of facilities and quality programs;
- (c) provides for coordination and consolidation;

It is clear that the Board of Regents has an obligation to investigate, to gather information in a thoughtful way, to plan and to act with purpose. The proposals discussed today are to enable studies which are designed to provide data and analytically based information to assist the Board in fulfilling its responsibilities. Definitive conclusions have not been drawn.

The Regents have received many letters of concern about the proposed studies. The most troubling concern expressed was that there is an intention on the part of the Regents to reduce and/or eliminate ATE training. That is just plain wrong! ATE is an important part of the matrix of education needed by our citizens and communities and which is provided by our system of higher education. The intent is to do a better job of providing all higher education, including ATE, and in fulfilling legislative mandates.

There appears to be serious, widespread misinformation and misunderstanding about this. The quantity of letters, the concentration of timing, the uniformity of the misinformation and content raises the question of a deliberate, orchestrated campaign to halt these studies. Unnecessary contention, disruption, and ill-will have been the result. Please also see in your packet a copy of a letter which has been sent to those from whom we have received letters of concern. Everyone within the system of higher education should work to help correct this misinformation. We welcome, we encourage thoughtful and informed dialogue with those who desire to improve our education system.

There are many valid issues which need to be addressed in the studies. It is clear that those conducting the studies must be inclusive of all points of view and all constituencies – public education, in particular. Relevant information must be gathered and assessed with a minimum of political overtones.

Significant funding requests for capital facilities for USHE, including UCAT, have been submitted. It is clear that funds for education in Utah are limited. We must keep in mind our responsibilities and be realistic in assessing our resources and careful in evaluating delivery and structure options. Let us also put the entire system in perspective – there are about 105,000 FTE in the system and 5000 FTE in UCAT.

Individually and as a system we can strive for professionalism, statesmanship, cooperation, and integrity; and to be thoughtful, informed, responsible...and determined. To oppose efforts to gather information and evaluate and prioritize options is misguided. Our purpose is to serve students, families, and our greater community. We have significant progress to achieve in student preparation, participation and completion.

Vice Chair Beesley concluded by declaring her support for the Commissioner's recommendations and encouraged the other Regents to do the same.

Regent Cannon suggested that as the Regents move forward with these studies, they keep in mind the idea that everyone has the common purpose of serving the people and students of Utah. The goal needs to be consumer-friendly. Being consumer-friendly may mean vastly different things in one area of the state than in another area. She asked that the State Board of Education be included as decisions are made. She posed the following questions: Are ATC programs being dropped as some of the institutions move toward four-year status? Where should those programs best be delivered? What is the cost? Another issue is competency and certificates offered by UCAT, as opposed to credit programs offered by the colleges. Community colleges can offer credit for ATC courses.

Regent Jardine asked if the study team for southern Utah would include UCAT Trustees. Commissioner Kendell said UCAT Trustees would be included. **Vote was taken on the motion, which carried.**

General Consent Calendar

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

- A. Minutes – Minutes of the Regular Meeting of the State Board of Regents held September 15, 2006, in the Regents' offices in Salt Lake City, Utah
- B. Grant Proposals – on file in the Commissioner's Office
- C. Grant Awards
 1. University of Utah – National Science Foundation; "Hominids and Geology Turkana;" \$2,376,339. Francis Harold Brown, Principal Investigator.
 2. University of Utah – Department of Health and Human Services/Centers for Medicare and Medicaid; "Reducing Cancer Disparities;" \$3,858,105. Randall Walter Burt, Principal Investigator.

3. University of Utah – National Institutes of Health/National Cancer Institute; “Colon Cancer Core A;” \$2,497,977. Randall Walter Burt, Principal Investigator.
4. University of Utah – National Institutes of Health/National Heart Lung and Blood Institute; “Nicotine Addiction;” \$2,373,163. John R. Hoidal, Principal Investigator.
5. University of Utah – National Highway Traffic; “NEMSIS Technical Assistance Center;” \$1,000,000. Newell C. Mann, Principal Investigator.
6. Utah State University – NASA Langley Research Center; “Geostationary Imaging Fourier Transform Spectrometer (GIFTS);” \$1,215,755. Gail Bingham, Principal Investigator.
7. Utah State University – Department of Health and Human Services; “Animal Models of Human Viral Infections for Evaluation of Experimental Therapies: Influenza and Orthopox Viruses;” \$2,134,465. Robert Sidwell, Principal Investigator. Dale Barnard, John Morrey, Donald Smee, Co-Principal Investigators.
8. Utah State University – National Science Foundation; “National Center for Engineering and Technology Education;” \$2,199,944. Christine Hailey, Principal Investigator. Kurt Becker, Maurice Thomas, Co-Principal Investigators.
9. US Department of Defense/Missile Defense Agency; “Microsat Phase III Fabrication, Test, and Assembly;” \$1,100,503. Dean Wada, Principal Investigator.

Executive Session – Regent Reid moved the Board meet in executive session to discuss presidential evaluations. The motion was seconded and adopted.

Adjournment

The Regents moved into Executive Session at 1:30 and adjourned from there at 2:43 p.m.

Joyce Cottrell CPS
Executive Secretary

Date Approved

