



AGENDA

MEETING OF THE
UTAH STATE BOARD OF REGENTS
TO BE HELD AT
UTAH STATE UNIVERSITY, LOGAN, UTAH

October 26, 2007

Utah State Board of Regents
Office of the Commissioner of Higher Education
Board of Regents Building, The Gateway
60 South 400 West
Salt Lake City, Utah 84101-1284

**STATE BOARD OF REGENTS MEETING
UTAH STATE UNIVERSITY, LOGAN, UTAH
(All meetings will be in the Taggart Student Center, unless otherwise indicated)
OCTOBER 26, 2007**

Agenda

**8:00 a.m. - BREAKFAST MEETING – STATE BOARD OF REGENTS AND
9:30 a.m. UTAH STATE UNIVERSITY BOARD OF TRUSTEES
David B. Haight Alumni Center**

**9:30 a.m. - MEETINGS OF BOARD COMMITTEES
10:30 a.m.**

**PROGRAMS COMMITTEE
East Ballroom
Regent Katharine B. Garff, Chair**

CONSENT:

- | | |
|---|-------|
| 1. Consent Calendar, Programs Committee | Tab A |
| University of Utah – Three-year Progress Reports | |
| A. Master's in Urban Planning | |
| B. Master of Science and Ph.D. Degrees in Computing | |

INFORMATION:

- | | |
|---|-------|
| 2. Information Calendar, Programs Committee | Tab B |
| A. University of Utah – Name Change: Honors Program to Honors College | |
| B. Program Reviews – Southern Utah University | |

DISCUSSION:

- | | |
|---|-------|
| 3. Proposed Revisions to Policy R401, <i>Approval of New Programs, Program Changes or Additions</i> | Tab C |
| 4. Criteria for General Studies Programs | Tab D |

**FINANCE COMMITTEE
West Ballroom
Regent Sara V. Sinclair, Acting Chair**

ACTION:

- | | |
|--|-------|
| 1. UHEAA – Student Loan Revenue Bond, Series 2007 | Tab E |
| 2. University of Utah – Update on Entrada Ranch Property | Tab F |
| 3. Utah State University – Campus Master Plan | Tab G |

CONSENT:

- | | |
|--|-------|
| 4. Consent Calendar, Finance Committee | Tab H |
| UofU and USU – Capital Facilities Delegation Reports | |

INFORMATION:

- | | |
|--|-------|
| 5. USHE -- Expanded Long-term Enrollment Projections | Tab I |
| 6. Fall 2007 Enrollment Report | Tab J |
| 7. Annual Report on Leased Space | Tab K |

- | | | |
|----|---|-------|
| 8. | Annual Report on Institutional Residences | Tab L |
| 9. | Utah Educational Savings Plan – Update on Record-Keeping Strategy | Tab M |

PLANNING COMMITTEE
Student Senate Chambers
Regent James S. Jardine, Chair

DISCUSSION:

- | | | |
|----|---|-------|
| 1. | Legislative Report | Tab N |
| 2. | CAO Paper: The Mission and Role of the Research University | Tab O |
| 3. | K-16 Alliances, Part I: Building the Pipeline Through Rigorous High school Curricula and College-School District Partnerships | Tab P |

10:30 a.m. -	COMMITTEE OF THE WHOLE AND
12:30 p.m.	REGULAR BUSINESS MEETING OF THE BOARD
	West Ballroom
	Regent Jed H. Pitcher, Chair

- | | | |
|----|--|-------|
| 1. | State of the University – President Stan L. Albrecht | |
| 2. | 2008-2009 USHE Budget Request | Tab Q |
| 3. | Utah Education Network Budget Presentation | Tab R |
| 4. | First-Tier Tuition Range for 2008-2009 | Tab S |
| 5. | General Consent Calendar | Tab T |
| 6. | Reports of Board Committees | |
| 7. | Adoption of Resolutions | |
| 8. | Report of the Commissioner | |
| 9. | Report of the Chair | |

12:30 noon -	LUNCHEON MEETINGS
2:00 p.m.	

REGENTS (Closed Meeting) – East Colony Room
 Chief Academic Officers – West Colony Room
 Business Officers – Center Colony Room
 Legislative Representatives – Room 225
 Others – Walnut Room

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

October 16, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

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

The following requests have been submitted by the University of Utah for consideration by the Regents on the Consent Calendar of the Academic, Career and Technical Education, and Student Success Committee.

1. Master's and Doctoral Degrees in Computing

Program Admission Criteria

Approximately thirty new students enter the graduate program annually, with an even split between those entering the MS and PhD programs. Admissions standards are high, and hence the competition is rigorous for the limited number of open positions within the program. Admission is based on an evaluation of both an applicant's academic profile and research potential.

The School of Computing encompasses a broad range of intellectual pursuits and encourages bright, motivated individuals to apply. Especially encouraged are applications from under-represented minorities and women. Incoming students are expected to have a strong academic foundation in science or engineering and be prepared to demonstrate a basic understanding of fundamental computing concepts and to contribute in a unique fashion to current and future research projects.

Enrollment Data and Demographic Data

The School of Computing recruits graduate students for the Computing degree in concert with efforts to recruit into the Computer Science degree. The following original projections were based on three data sources: the growth of the carrying capacity of research funding in support of graduate students, the expected increase in advising capacity of the School of Computing faculty, and the initial transfer of students from the Computer Science degree to the new program.

Original Computing Degree Enrollment Projections				
	MS	PhD	Faculty Participants	Mean Student/ Faculty ratio
Year 1	6	6	12	1:1
Year 2	10	10	15	1.33:1
Year 3	15	15	15	2:1
Year 4	15	20	18	2:1
Year 5	15	25	20	2:1

The current enrollment in the Computer Science degree programs is 24 MS and 64 PhD students; of these, an approximated 10 students will transfer into the new Computing graduate programs.

Enrollment Data, Demographic Data: MS					
		2003	2004	2005	2006
Track	Graphics	1	3	3	5
	Robotics	0	1	1	0
	Sci Computing	0	0	0	0
Gender	Female	0	2	1	2
	Male	1	2	2	3
Citizenship	Domestic	1	3	3	3
	International	0	1	1	2
	Total Students	1	4	4	5

Enrollment Data, Demographic Data: PhD					
		2003	2004	2005	2006
Track	Graphics	0	0	6	8
	Robotics	0	0	1	0
	Sci Computing	0	7	3	0
Gender	Female	0	0	2	0
	Male	0	7	8	8
Citizenship	Domestic	0	6	4	6
	International	0	1	6	2
	Total Students	0	7	10	8

Employment information

Only two students have graduated from the program since inception. The first graduated with an MS in Fall 2006 and works for STAR Research. The other graduated with a PhD in Spring 2007 and works for Sandia.

Program/Student Assessment Process

The metrics by which the Computing program will be assessed include creation of new tracks, level of faculty participation in tracks, student enrollment, and student graduation. The table below shows the goals that have been set for the first year and the fifth year of the Computing degree combined MS and PhD program. These goals will be incorporated into the School of Computing strategic planning process and reviewed annually as part of the ongoing commitment to program assessment within the School.

Assessment Metrics		
Goal	Year 1	Year 5
Tracks approved	2	2
Faculty participants	12	20
Students enrolled	12	40
Annual graduation rate	1	11

Computing Degree Tracks in Scientific Computing, Graphics, and Robotics were set up very shortly after permission was given for the new degree. These tracks have 14 master's students and about 25 PhD students in the School of Computing. In addition another 17 students in Mechanical Engineering participate in the Robotics track, but have their base in that department.

Very recently two more tracks in Computer Engineering (joint with Electrical and Computer Engineering Department) and Information Technology (joint with the Business School) have also been started. Presently there is a discussion with the Department of Bio-Medical Informatics concerning another proposed track.

Other Information

In the original proposal submitted and approved by the Board of Regents in May 2004, the goals of the program were articulated as follows:

The proposed Computing degree structure will operate at both the master's and doctoral levels and will be interdisciplinary through its track structure. Each track will have a minimum of six faculty members who will form a track faculty committee (TFC). The TFC, under the leadership of the Director of Graduate Studies in the School of Computing, will be responsible for the creation and subsequent administration of a track.

The TCF will elect each year a Chair from among its members. The Chair of the TCF will oversee and coordinate all track administrative issues. Twenty-four tenured or tenure-track faculty in the School of Computing participate in one or more of these degrees.

No additional faculty or staff have been required to support this program.

The investment in this new degree program has already been made. The following table presents the original projected costs associated with supporting graduate students in the funding level that is the current norm in the computer Science program. Students in the Computing degree are expected to be treated comparably to students in the Computer Science degree programs. No new state funds were requested in support in support of this program. No internal reallocation in support of this program was requested.

Original Projected Student Support Costs for the Graduate Computing Degree Programs					
	Year 1	Year 2	Year 3	Year 4	Year 5
Number of Students	12	20	30	35	40
Salaries & Wages	180,000	300,000	450,000	525,000	600,000
Benefits	16,200	27,000	40,500	47,250	54,000
Current Expense	0	0	0	0	0
Library	0	0	0	0	0
Equipment ¹	0	0	0	0	0
Travel ¹	0	0	0	0	0
Total	196,200	327,000	490,500	472,250	654,000

2. Urban Planning Program, College of Architecture + Planning

In July 2003, the undergraduate Urban Planning Program was officially transferred to the Graduate School of Architecture, which was renamed the College of Architecture + Planning (SBR information item, September 2003). This change was an important indicator of the increased visibility and prominence that the University intends for this field. In 2005, the College began offering a graduate degree, the Master of

¹ Equipment and travel costs will vary by the individual needs of the student and are generally provided by external funding within the research mentor's program.

Urban Planning (plus a new Graduate Certificate in Urban Planning). The graduate degree program has been quite successful and has exceeded its anticipated milestones to date.

Program Admission Criteria

Students applying for the master's degree must apply through the Graduate School process at the University of Utah. Students in the two graduate degree programs will be required to have maintained a 3.0 undergraduate grade point average, submit two letters of recommendation, and present with their application a letter statement of their professional intentions. Foreign students will be additionally required to submit to the TOEFL exam. We also require the GRE for applicants, except for written exceptions granted by the program chair for non-traditional students.

For the certificate program, students must be matriculated in good standing in any graduate program at the University of Utah. Non-matriculated students may also attend classes and be awarded a stand-alone certificate, but must have a baccalaureate degree from an accredited institution and maintain a 3.0 minimum grade point average in urban planning certificate classes.

Enrollment Data

The following table summarizes the enrollment information for the Graduate Urban Planning Program over the last three academic years.

Year	Students
AY '06-'07	34
AY '05-'06	18
AY '04-'05	14

In addition, the number of credit hours generated by the Master of Urban Planning Program has increased by 54 percent from 2004-05 to 2006-07. As of Fall 2007 semester, there are 26 graduates of the program.

Demographic Data on Enrolled Students

The Graduate Urban Planning Program currently has 34 declared majors. Of the 34, 5 are non-residents, 9 are female, 3 are Asian, and 31 are White. On average, these students are enrolled for 8.26 credit hours during the Fall 2007 semester.

Employment information

Of the 26 graduates of the Master of Urban Planning Program nearly 100 percent are employed at this time. Also, a majority of the Urban Planning graduate students work at least 20 hours per week outside of school and several others are involved in internship programs.

Program/Student Assessment Process

Summative assessment is used to judge the overall efficacy of the program in meeting its stated learning and professional objectives. There are three mechanisms that are used: First, the national accreditation process provides a standard of measurement and comparison to other graduate programs and provides a periodic review of the program's teaching and learning effectiveness and curricular appropriateness. Second, students who graduate from the program are eligible, with some practical experience, to take the Certified Planner examination. Results from this examination will be used to assess the program. Finally, an alumni and employer survey to monitor student perceptions of the utility of various components of the program both as they enter the job market and after several years working in the profession. Employer surveys will be used to contextualize student preparation for the professional market place.

The program will be applying for accreditation eligibility through the Planning Accreditation Board (PAB) this Spring (April 2008). This is a very intense process involving curriculum evaluation against specific outcomes, student assessment, as well as a site visit. If the goal has been met, the graduate degree will be recognized as a professional degree with all the rights pertaining for graduates.

Formative assessments are made throughout the curriculum as student's progress through the various components of the required program. Both authentic assessment, based on evaluations of student performance mimicking real world scenarios (in Workshop classes, for example), and substantive knowledge assessment, based on evaluating students' capacity for critical and theoretical thinking are used for student, teacher and program feedback. Due to the highly interactive and interdisciplinary nature of the planning profession, student assessments tend to include verbal as well as written communication of assigned work. Problem-based learning and reflective practice assignments are integral to the required workshop to further simulate and prepare for professional practice. Student performance in course assignments including papers, projects, presentations and examinations, as well as teaching evaluations and formal course feedback all contribute to an ongoing assessment of student acquisition of knowledge and skills. Each student is required to complete a capstone project that is reviewed by a faculty committee.

The faculty and the dean closely monitor the reactions of students, alumni and employers to the program. Revisions in the curriculum and in specific course requirements and teaching processes have been assessed every spring in anticipation of the coming academic year, based especially on this feedback and on the faculty review of graduate capstone projects. Every five years, the accreditation process will be expected to provide substantial outside feedback that will improve the quality of the program.

Commissioner's Recommendation

The Commissioner recommends the Regents accept the three-year progress reports from the University of Utah.

Richard E. Kendell, Commissioner

REK/LS/AMW

October 17, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: Information Calendar: Academic, Career and Technical Education, and Student Success (Programs) Committee

The following requests have been submitted for consideration by the Regents on the Information Calendar of the Programs Committee.

A. University of Utah

Request for Honors Program name change to the Honors College

Request: The Honors Program at the University of Utah respectfully requests its name be changed to the Honors College. The National Collegiate Honors Council sets standards for Honors Colleges; the current Honors Program meets and exceeds these standards in significant and substantive ways. The change also allows us to distinguish the Honors College with campus wide oversight and responsibilities from Departmental Honors Programs. The Honors College will function as a clearing house and regulatory body that strengthens Departmental Honors programs in the disciplinary colleges and their integration with University Honors. It will provide expert advising and advice, maintain excellence, and guarantee that the guidelines established by the Honors Policy Board are in place. Moreover, it is appropriate that the state's flagship university creates the first Honors College in the state system. The change will not create a new bureaucracy or administrative layer, but is a change in the name of an existing organization.

Need: While the word "college" connotes different images in different contexts, at the University of Utah a college is an academic unit of distinction; charged to ensure quality in a particular discipline. The University of Utah's Policy and Procedures Manual describes a college as "an administrative organization of related free-standing divisions, departments, and schools" (PPM, 8.2). Nationally, a university that confers the authoritative title of College to its Honors Program demonstrates its commitment to excellence by enhancing its prestige and placing it at the center of its undergraduate mission. Indeed, this is a title that has significance in the national context of university Honors institutions. While the language used to describe an Honors College is largely about clout, identity and visibility in the context of a particular university, it also connotes a certain ability to operate in a complex way. Continuing this strong tradition, the Honors College will work in

conjunction with the academic colleges and have a voice in the way academic questions are raised, considered and resolved. An Honors College will strengthen the image of the campus, demonstrate its values, and will help Honors expand its good work.

The Honors College will not produce its own degrees, but will graduate Honors students with Honors degrees in the context of their majors.

The Honors College will be an academic college with fully integrated subdivisions or Honors Programs in some colleges or departments on campus. Most important, the Honors College will not have power to grant tenure or degrees. The Honors College will borrow regular faculty from the disciplinary colleges and will not have a permanent faculty. We believe this sound approach fosters innovation, creativity and excellence in teaching by providing faculty the opportunity to teach special courses they might not be able to teach in their own departments. Although some regular faculty members from the departments teach for Honors regularly, each year there are many new professors who are teaching for Honors for the first time. This approach engages a wide range of faculty from across campus in the work Honors does and brings a vitality and freshness to the Honors classroom. In addition, Honors hires adjunct faculty to teach special seminars on a course by course basis.

The Honors College will be able to compete for the best students more effectively with other honors colleges at peer institutions such as Arizona State University that have honors colleges.

The Honors College will be a significant recruiting tool for the University as a whole, and a powerful mechanism for retention and for the production of loyal alums. It will function as a bridge to the disciplinary colleges, attracting a higher caliber of students, retaining them until graduation, and directing them toward distinguished graduate programs and careers.

The Honors College will bring top students to the disciplinary colleges with an attractive package of funding and special opportunities that complements those offered by the colleges.

The Honors College will expand its suite of distinctive experiential or engaged learning opportunities, challenging students to learn in collaborative settings, in partnership with other members of the Honors community, and in community based research or research that is conducted in the service of both local and national communities. It will also expand the Honors Living and Learning Experience at Ft. Douglas, adding additional Honors floors at the Chapel Glen dorm when additional residential scholarships are funded.

In the same way that the college designation is important to recruitment, it is important to fund raising efforts. The designation of Honors College will signal to potential donors that Honors is a priority of this university, a program that guarantees excellence, and one that is worthy of their investment and trust. An Honors College will more likely attract donors capable of endowing the program, providing new scholarship programs and specific programmatic initiatives. An endowment will make it possible for the University of Utah and the Honors Program to more aggressively recruit better students with competitive scholarship packages. We seek funds from private donors and foundations familiar with the Honors Colleges of our peer institutions and national universities. Importantly, funds that will come to the Honors College ultimately benefit the academic colleges by enhancing existing scholarship programs, providing enrichment experiences for students in the majors, and developing departmental honors tracks of classes. In fact, Honors scholarship students take the majority of their credits through their major. It is critical to recruitment and retention that Honors increase the number of scholarships it can offer, particularly in our efforts to recruit and retain a more diverse population of students.

The Honors College will work as a strong and centralized, highly visible and respected instrument for attracting the best students, advancing excellence in undergraduate education, and providing students with a distinctive set of experiences beyond the core curriculum. The Honors College will help prepare them for leadership in the community; graduate school and professional life, and importantly retain them until graduation. The Honors College will provide students with powerful reasons for staying and supporting the University of Utah in the future as alums.

Institutional Impact: Faculty will continue to teach for the Honors College on a semester by semester basis on loan from departments. The Honors College will not have a permanent faculty, will not grant tenure and will not produce disciplinary degrees. The University Honors degree or the Departmental Honors degree is not a stand-alone major or degree, but works in sync with what students do in their major. The institutional impact of the name change consists of the enhancements described above, not in bureaucratic expansion.

Finances: This change is primarily a name change and will have no significant financial impact to the Honors Program/College or the University. The state budget will remain the same, but additional programmatic support will be raised through development efforts which will be enhanced by the name change. The institutional impact of the name change consists of the enhancements described above, not in bureaucratic expansion.

B. Southern Utah University

2005-2006 Program Reviews

Southern Utah University Board of Trustees reviewed and approved the program reviews for the School of Business and the College of Performing and Visual Arts and their respective programs on June 14, 2007.

School of Business

The School of Business offers seven undergraduate and two graduate programs:

- Master of Accounting
- Master of Business Administration
- BA/BS Accounting
- BA/BS Finance
- BA/BS Management
- BA/BS Marketing
- BA/BS Economics
- BA/BS Hotel, Resort, and Hospitality Management
- BA/BS Business Education

In April 2006, the School of Business at Southern Utah University was accredited by the Association to Advance Collegiate Schools of Business International (AACSB). The following individuals conducted the evaluation:

- Dr. Michael C. Budden, Chair, College of Business and Technology, Southeastern Louisiana University
- Dean R. Dean Lewis, Business Advisor, Sam Houston State University
- Dean Gerald McDougall, Southeast Missouri University

Enrollment

School of Business FTE Enrollments by Department					
Department	2001-02	2002-03	2003-04	2004-05	2005-06
Accounting	292.2	265.7	282.4	297.3	308.8
Economics and Finance	305.4	285.1	288.6	275.4	300.4
Management and Marketing	596.3	409.7	414.1	469.1	480.9
Total	1,193.9	960.5	985.1	1,041.7	1,090.0

Number of School of Business Graduates by Department					
Department	2001-02	2002-03	2003-04	2004-05	2005-06
Accounting	72	72	80	87	75
Economics and Finance	22	32	20	27	36
Management and Marketing	77	65	63	61	96
Total	171	169	163	175	207

Budget

School of Business Instructional Costs by Department			
Department	2003-04	2004-05	2005-06
Accounting	\$732,984	\$668,846	\$676,165
Economics and Finance	\$753,035	\$770,198	\$788,704
Management and Marketing	\$735,606	\$802,425	\$767,312
Total (Instructional Costs)	\$2,221,625	\$2,241,469	\$2,232,181
SCH Generated	15,225	15,271	15,859
Cost per SCH	\$145.92	\$146.78	\$140.75

Program Strengths

Master of Accounting

1. According to the National Association of College Employers Job Outlook Survey, the number one, high-demand major is accounting. The Master of Accounting (MAcc) program at SUU is helping meet that demand with growing levels of enrollment, good graduation rates, and outstanding placement rates (100 percent) for five consecutive years.
2. Assessment data and research are used to make necessary program and curriculum changes to address identified problems. In one notable example, two of the faculty conducted regional and national surveys of accounting employers regarding communication skills of accounting graduates, and based on their findings, improvements were made to the curriculum that led to very positive outcomes.
3. The MAcc faculty members are both academically and professionally qualified. Their average scores on student evaluations of instruction are high, and they are very active in scholarly work and service.

Master of Business Administration

4. The MBA has exhibited modest growth over the period from 2001 to 2006 and has the potential for future growth, especially in the St. George program.
5. All MBA faculty hold terminal degrees and are active in scholarly pursuits.
6. Excellence in student and faculty performance is indicated by recent accreditation of the program by AACSB. The curricula are practitioner and industry oriented and faculty, staff, and students have created an organizational culture that is student driven and which produces graduates of high quality.
7. MBA graduates consistently average above the 70th percentile on the ETS field exam which compares the knowledge base of graduates at universities nationwide.

Accounting

8. Please refer to the Master of Accounting information provided above. All comments are the same.

Economics and Finance

9. High quality of instruction due to qualified faculty. Of the faculty, 87 percent have a terminal degree in their field of expertise.
10. The students rate the faculty very high in exit interviews and teaching evaluations (average 4 out of 5).
11. Good access to technology and excellent library resources are available to students and faculty.

Management and Marketing

12. The management program has experienced strong growth and continues to attract students.
13. Faculty members are well qualified and the resources have been available to hire and retain the top candidates for recent positions.
14. The program has received AACSB-International accreditation.

Hotel, Resort, and Hospitality Management

15. The HRHM program, currently in its third year, is healthy and growing. It has grown from four students in 2003 to its present level of nearly 30 students. The program dovetails nicely with Marketing, Communications, and other SUU programs.
16. Program strengths including the popularity of the new program, the professionalism of its faculty, and the high demand for graduates in the hospitality industry.

Business Education

17. Although the Business Education program graduates only a few students each year, the program has a high placement rate and addresses an acute shortage of qualified business teachers at the secondary school level. The program's curriculum is closely coordinated with the Utah State Office of Education and meets all standards set by NCATE and the State Board of Education.
18. The program's single faculty member is both academically and professionally qualified and brings a high level of practical experience to the teaching of business at the high school level.
19. In spite of the program's low enrollment, the program is cost effective since only two courses are unique to Business Education and they are taught on an independent study basis.

Program Weaknesses

Master of Accounting

1. Recruitment of qualified faculty is hampered by low compensation compared to other institutions.

2. While allocations of space and equipment meet the needs of the present program, additional resources are needed to accommodate rapid growth.

Master of Business Administration

3. Growth of the program is relatively flat and the nascent MBA program in St. George has struggled to achieve a size large enough to be cost effective. Class size in the St. George program has been sustainable due in part to SUU students who commute to St. George for needed classes.

Accounting

4. Although overall student/faculty ratios have decreased (2001-04) in accounting, the average class size of accounting courses tends to be much higher than in other business programs. Larger class sizes may make the accounting program more cost effective, but it may be at the expense of providing adequate individual help to students.
5. In spite of the growth in the number of accounting majors, graduation rates have remained flat.

Economics and Finance

6. Limited availability of office space for adjunct faculty, teaching assistants and graduate students.
7. Very low participation of female and minority instructors.
8. Low enrollment of female students (30 percent compared to 50 percent at the university level).

Management and Marketing

9. Although there is diversity among faculty with regard to institutions where graduate degrees were earned, cultural and racial diversity is low.
10. Only a limited number of courses appear to be available for online delivery to accommodate the needs of students in remote geographic locations or with conflicting work schedules.
11. Academic achievement indicators are not articulated against those of comparable or peer institutions.

Hotel, Resort, and Hospitality Management

12. The addition of a second faculty member who brings a marketing perspective to the program has greatly assisted in alleviating curricular demands arising from the program being taught by a single faculty member. In spite of this improvement, there are limited opportunities for students to interact with faculty with diverse backgrounds and perspectives.

Business Education

13. With the elimination of many of the two-year clerical degrees and the decline in Business Education faculty, the number of students in the program has dwindled substantially.
14. There were 36 declared majors in 2001-02, 12 the following year, and fewer than 4 in subsequent years. The decline in enrollment may be due in part to a temporary relocation of the program to another college for two years before shifting it back to Business Education in 2005-2006.

Program Recommendations

Master of Accounting

1. At least two additional faculty members are needed to maintain the present program. (Note: An additional faculty member was hired in 2005-06 after submission of this report.) Growth and accreditation of the program has been a "labor of love" but faculty cannot be expected to sustain the program, even at its present level, without additional resources.
2. Additional laboratory space and equipment will be needed to sustain the growth of the program.

Master of Business Administration

3. Explore ways to increase the cost effectiveness of the St. George program to ensure its sustainability.
4. The prestige of recent accreditation by the AACSB should be leveraged to its full extent through aggressively marketing the MBA and other programs on and off campus.
5. The development of an Internet-based delivery system should assist in growth by extending the program to distance learners in remote areas.

Accounting

6. The program should continue to regularly assess student and faculty performance, identify areas for improvement, and pursue a balance of excellence in teaching, scholarship, and service.

Economics and Finance

7. Increase graduate school enrollment in economics.
8. Increase space availabilities by improving physical facilities.
9. Increase hiring of female and minority instructors.
10. Increase enrollment of female students.
11. Maintain recent increase in enrollment to balance budget.

Management and Marketing

12. Explore alternative venues for recruiting candidates of diverse cultural and racial backgrounds.
13. Consider developing more courses for online delivery.
14. Provide academic achievement indicators in comparison with peer institutions.

Hotel, Resort, and Hospitality Management

15. Curriculum should be closely monitored to ensure that it is in alignment with programs at peer institutions and that it is consistent with industry needs.

Business Education

16. The Business Education program should be continued even though the resources expended on Business Education are limited.

Institutional Response

Department of Accounting

The number of undergraduate accounting majors has increased substantially over the past five years while the number graduating has been flat. The number of MAcc majors has been quite steady. Student credit hours (SCH) generated by accounting faculty dipped for a couple of years but have rebounded nicely this past year. The Accounting faculty has had some turnover; however, the program has been able to hire qualified replacements even though accounting faculty are some of the most expensive to hire. The proportion of senior faculty has grown from 25 percent full professors in 2002-03 to 43 percent in 2005-06.

Generally, the headcount of MAcc students has been steady, with perhaps small growth. The introduction of the MBA program gave Accounting majors an alternative graduate program to pursue, so to see the MAcc maintain or grow is a healthy sign. Extremely high demand for MAcc graduates will more than likely accelerate growth in the next five years. In fact, the number of students enrolled in the MAcc program is up 56.5 percent for 2006. The number of MAcc degrees awarded has been growing steadily.

The number of Accounting majors has greatly increased from 79 in fall, 2001, to 158 in fall, 2005 (a 200 percent increase). Part of that growth is due to the elimination of the pre-business designation, allowing students to declare a business major in the first two years. The number of accounting graduates has been relatively flat, ranging from 52 to 59 graduates per year. Generally, the undergraduate accounting program is healthy and has great prospects of growth with the large demand for graduates by accounting firms.

Master of Business Administration

The MBA started in 2000 and in 2001-02 had 33 students enrolled. However, the next year the legislature cut funding; even though the University made up the funding from other sources, bad publicity about the cut reduced enrollment to 19 in 2002-03. The program has since grown to 44 in 2005-06. Graduates have grown from 18 in 2002 to 22 in 2005. Some of that growth is due to offering the MBA in St. George. However, the fledgling program has struggled to achieve a steady size large enough to be cost effective.

Department of Economics and Finance

Average class size for this department is generally the lowest of the three, averaging around 25.5 students. An economics faculty member left this past year and was not replaced which should result in an increase in the average class size. FTE student enrollments have been flat to declining over the past five years. Part of the reason for this lack of growth has been a decline in ECON 1010 students and the small number of economics majors. The number of tenured faculty has grown from 50 percent in 2002-03 to 88 percent in 2005-06. The ranks of full professor have grown from 13 percent in 2002-03 to 50 percent in 2005-06.

Economics has always been a small program, with just a handful of majors. However, in the last two years there has been increased demand. Headcount ranged from 1 to 14 from 2001-02 to 2003-04. Since 2004, headcount has ranged from 17 to 28. The number of graduates is still quite small, averaging three per year for the last two years. There were 13 graduates in 2006 which should increase over the next three years.

Finance has also traditionally been a small program. However, the number of majors has grown from 27 in 2001 to 55 in 2005 (104 percent). The number of Finance graduates has had a slight average decline from 22.5 per year for 2001 to 2003 to 20 per year for 2003-06. One factor might be high turnover of one of our finance faculty positions where we have had four faculty members in six years. This has caused disruption in the program, especially since the faculty in that position has struggled in terms of teaching effectiveness.

Department of Management and Marketing

Because of the change from a Business Administration degree to specific majors in 1998 and the elimination of the pre-business designation a few years ago, the data for this department are a bit difficult to interpret. One must look at the individual program numbers and not the overall numbers. Management and Marketing are both growing, as is Hotel Resort and Hospitality Management, which is only two years old as a major. Average class sizes have grown from 24.5 in fall 2001 to 29.8 in fall 2005. The largest decline is in lower-division courses, which is primarily BA 1010, the interdisciplinary general education class. It saw a decline in enrollments as other colleges ramped up their interdisciplinary classes. However, there is also a small decline in upper-division FTE,

which suggests a loss of majors. Part of that is due to the loss of the University Center in St. George, which offered the management degree, and the establishment of a general business undergraduate degree at Dixie State College of Utah. The upper division FTE, after taking a large dip in 2003, has grown steadily after that. The huge increases in management and marketing majors should increase the FTE enrollment in a year or two, when those new majors begin taking upper-division courses. Since Management and Marketing faculty are among our most affordable business faculty, this suggests their programs are among the most affordable of the business programs. Management and Marketing faculty have also experienced a growth in tenured professors, from 50 percent in 2002-03 to 78 percent in 2005-06. In terms of rank, the mix has been fairly consistent over the five year period.

Management is the largest major, numbering 211 in fall 2005; in fall 2001 there were 37 majors. Part of the growth comes from the elimination of the Pre-Business designation (which decreased by 90 percent). Graduates, however, have declined from 37 in 2002 to 19 in 2005, suggesting a low persistence to graduation. The large growth of majors occurred in the past two years, so we will not see increases in SCH for one to two years and three or four years to graduation.

Marketing has also experienced significant growth, from 13 majors in fall 2001 to 94 in fall 2005, a growth of 623 percent, the largest growth of any major in the School of Business. Marketing graduates have increased from 11 in 2002 to 18 in 2005.

With the elimination of many of the two-year clerical degrees and the decline in Business Education faculty, the number of business education students has dwindled substantially. There were 36 declared majors in 2001-02, 12 the following year, and less than 4 in subsequent years.

College of Performing and Visual Arts

The College of Performing and Visual Arts at Southern Utah University is composed of three academic departments, the Master of Fine Arts in Administration Graduate program and two affiliated professional organizations.¹ The degrees available include:

- Master of Fine Arts in Arts Administration
- Bachelor of Arts in Art
- Bachelor of Fine Arts in Art Education
- Bachelor of Fine Arts in Graphic Design
- Bachelor of Fine Arts in Studio Arts
- Bachelor of Arts in Music – Performance
- Bachelor of Science in Music Education
- Bachelor of Arts and Bachelor of Science in Theatre Arts
- Bachelor of Arts and Bachelor of Science in Theatre Arts, Drama Education
- Bachelor of Arts and Bachelor of Science in Dance
- Bachelor of Arts and Bachelor of Science in Dance Education

¹ Department of Art and Design, Department of Music, Department of Theatre Arts and Dance, Graduate program, Master of Fine Arts in Arts Administration, Utah Shakespearean Festival, and the Braithwaite Fine Arts Gallery.

An external review of the CPVA was conducted by

- Dr. Raymond Tymas-Jones, University of Utah
- Dr. Gerard McKenna, Professor, University of Wisconsin
- Dr. Lee Montgomery, Southern Utah University

Enrollment

CPVA FTE Enrollments by Department					
Department	2001-02	2002-03	2003-04	2004-05	2005-06
MFA	15.0	24.4	6.8	8.9	13.0
Art & Design	248.7	250.9	228.4	259.3	300.9
Music	311.8	224.9	212.0	182.6	202.3
Theatre and Dance	431.9	345.8	320.7	296.5	324.6
Total	1,007.4	846.0	767.9	747.3	840.8

Number of CPVA Graduates by Department					
Department	2001-02	2002-03	2003-04	2004-05	2005-06
MFA	0	0	7	4	0
Art & Design	14	16	16	27	14
Music	10	10	14	17	11
Theatre and Dance	21	28	15	24	23
Total	45	54	52	72	48

Budget

CPVA Instructional Costs by Department			
Department	2003-04	2004-05	2005-06
Art and Design	\$502,347	\$574,564	\$563,991
Music	\$541,289	\$576,524	\$600,795
Theatre Arts and Dance	\$661,152	\$614,263	\$668,283
Total (Instructional Costs)	\$1,704,788	\$1,765,351	\$1,833,069
SCH Generated	11,483	11,161	12,292
Cost per SCH	\$148.46	\$158.17	\$149.13

Program Strengths

MFA

1. This is a unique, niche program.
2. The Dean is actively involved in the program and lends additional credibility to the program.
3. A strong attribute of the program is the connection with the Utah Shakespearean Festival and the Braithwaite Gallery as a hands-on, experiential opportunity.

Art and Design

4. Dedicated, talented, and cohesive faculty.
5. A strong record of scholarly and creative work.
6. A flourishing graphic design program.

Music

7. The Music Program has a dedicated, talented, and committed faculty.

8. The Music Program has a high degree of visual presence and outreach to the Southern Utah area.

Theatre and Dance

9. The Dance program is accredited by the National Association of Schools of Dance (NASD). The TA program is in the process of applying for accreditation by the National Association of Schools of Theater (NAST).
10. The faculty is cohesive and dedicated to the welfare of the department and students.
11. The department is very involved in the community as well as with the Utah Shakespearean Festival.

Program Weaknesses

MFA

1. This program functions with only two regular CPVA faculty, imposing a heavy workload on each.
2. With only six first-year and six second-year students, generation of a critical mass is challenging.

Art and Design

3. The department needs additional teaching space and other facilities.

Music

4. Considering how many faculty the Music Department has and the existing facilities, it appears that the faculty is over-extended with class load to meet the number of course offerings.
5. Headcount dropped from 109 to 95 (-12.8 percent) between the 2005-06 and 2006-07 academic years.
6. Scholarship funding for students is low.
7. The department needs additional resources to sustain the programs and courses.

Theatre and Dance

8. By the nature of the program, theater and dance instruction is intensive and primarily one-to-one, imposing a heavy load on the faculty.
9. The Theater Department has no dedicated teaching space. Teaching spaces of TA faculty members are spread across campus, raising communication and collegiality issues.
10. Due to utilization by the Utah Shakespearean Festival, the "black box" theater is not always available for program use.

Program Recommendations

MFA

1. Continue to seek public and private funding to support additional faculty to relieve some of the course preparation and work load issues.

Art and Design

2. Identify comparable programs and use them as a benchmark in evaluating department performance.
3. Obtain additional funding to support the department's priorities.

Music

4. Aggressively pursue the funding of a faculty line to relieve over-extension of faculty.
5. Explore other funding sources, such as external grants and donations to alleviate needs.

Theatre and Dance

6. Continue the accreditation process for the theater program.

7. Strengthen the existing positive relationship with the USF.
8. Seek private funding to improve and expand the facilities for the department.

Institutional Response

Enrollment Issues

The number of student majors in CPVA increased by almost eight percent from 402 in 2001-2002 to 432 in 2005-06. Within the college, total growth was achieved by significant increases in the number of art majors (up by 36 percent) and music majors (up by 9.6 percent). On the other hand, the number of theatre and dance majors declined by 9.4 percent during this same period. Theatre and Dance is still the largest department of the three even with the enrollment decline.

Department reports show that compared with accredited programs in the arts (e.g. NASM, NASAD, NASD, and NAST), SUU faculty regularly show up in the upper quartiles when calculating load and contact hours.

The focus in the college this year through the Dean's Office has been on reclassifying many of the classes in CPVA as laboratory versus lecture. The Board of Regents system for calculating load is much more favorable to the classes in the college that are of a studio nature. This reclassification started spring 2005 and will be fully implemented by fall 2006. The result should produce higher productivity ratings for our faculty in CPVA. The previous system seriously undercounted the instructional hours in our college.

Retention Rates and Hours to Graduation

The retention data seems to indicate that CPVA has managed to score a bit higher in the freshman class and much higher when it comes to transfer students. The college seems to be doing a little less than the university average for transfers graduating at year six (SUU, 55.98 percent and CPVA, 52.19 percent).

SUU faces interesting enrollment conditions driven in part by the dominate culture and the proscription of the two-year mission. A significant number of SUU students would be classified as non-traditional. Many are married with families, work part-time, and take classes at or near full-time. The demand that an arts major spend significant amounts of time in the studio, in rehearsal, or practicing is often incompatible with the realities of their lives. The result is low retention numbers and in many cases, students who do not finish their degree programs. The issues related to retention in each arts department are just beginning to be discussed. No cohesive plan exists to track a students' progress by department level.

Faculty and Staff

On the whole the college benefits greatly from the combined efforts of a very hard working and dedicated faculty and staff. The recruitment, retention, and development of the faculty and staff offer the college the best path to delivering a quality education. The continued recognition of the artistry and talent of this dedicated group is a high priority for SUU. There are a total of 28 full-time faculty and 8 full- and part-time staff working in CPVA. Each semester 17 to 19 adjuncts are employed by the college. The standard Board of Regents proscribed teaching load for a full-time faculty member is 24 credit hours per academic year. Adjustments in teaching load are made for chairs and for other special administrative assignments.

Approximately 36 percent of the CPVA faculty is tenured (including the Dean's position). Almost 40 percent has been hired since 2003-04. More than 55 percent of the Music department faculty has been hired since 2003-04. By policy, tenure-track faculty hired in recent years are expected to have terminal degrees in their areas of specialization. Non-tenure track positions may be held by someone holding a master's degree.

Salary compression is of significant concern among faculty hired five or more years ago. Recent hires are, in most cases, being compensated at a level more in line with SUU peer schools. This has created a situation where senior faculty are not compensated at a level commensurate with their accomplishments and years of service. This situation creates an obvious morale problem that is being addressed as best it can as resources become available from the legislative process. Last year, there was a modest amount of funding available to the dean to use for faculty who were well below the salary scale and to help retain faculty.

Budgets

Overall enrollment, number of majors, total SCH, headcount and FTE in CPVA is the lowest of the six colleges on campus. State funding comes to SUU based on FTE student enrollment with full-time described as taking 15 credits per semester. The calculations for CPVA indicate the College is performing below the rest of the university when it comes to faculty and instructional productivity. As all institutions of higher education, the fixed costs for faculty, staff, benefits, and facilities consume the vast majority of the budget.

One key factor that allows the departments to operate with such modest budgets is collecting course fees from students. The majority of the fees come from classes and a small portion comes from a general campus fine arts fee that goes to the Music and Theatre and Dance departments. So far in 2006 these accounts have collected \$235,562 and spent over \$212,000. When these accounts are factored into the budget mix it becomes apparent that SUU could not operate without them.

Another major budget concern is the scholarship support. SUU is seriously behind other schools in the state on this front. SUU has a total of \$27,499 coming from endowed scholarship funds this coming year. One is shared with Music and Theatre, three in Art, three in Dance, ten are in Music and seven are in Theatre. Of the 24 total scholarships available most are less than \$1,200; 7 awards were under \$500.

Commissioner's Recommendation

This information is provided for the Regents' information only. No action is required.

REK/LS/AMW/JMC

Richard E. Kendell, Commissioner

October 17, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: Updating Policy R401, Approval of New Programs, Program Changes, and Discontinued Programs – Discussion

Issue

Policy R 401, Approval of New Programs, Program Changes, and Discontinued Programs, informs institutions on how to prepare academic and career and technical education programs for the Regents' agenda. Until this month, the Program Review Committee (PRC) reviewed all new programs through institutional Letters of Intent (LOI). However, the Chief Academic Officers (CAO) met with the PRC to discuss a change in the process: the CAOs asked that the entire proposal be submitted for PRC review.

Background

During the program moratorium of 2002, the Regents named a Program Review Committee (PRC) to evaluate new programs. Its purpose was to provide Regents' oversight of program proposals. However, only very few program proposals that met very strict guidelines would be accepted. At the time Utah was in a tight budget period and the Regents could not justify expending resources for many new programs. To clarify the guidelines, a Letter of Intent template was developed that required institutions to respond to issues important to the PRC.

Several years later, the budget picture changed and the Letter of Intent was revised to allow for new programs submissions that contained appropriate preliminary information.

After five years of submitting LOIs, the CAOs have asked that the full proposal be submitted because a five page LOI offers only limited information. In a discussion with the CAOs, the PRC agreed to review full proposal submissions that were prefaced by a two-page summary, a shortened version of the LOI. In order to effect this change, the R401 needs to be updated.

Policy Issues

The purpose for changing the R401 policy is to make it more accurate and user-friendly. The draft document that is attached reflects changes that include templates for: the summary document that will preface the full proposal, program budgets and projected enrollments, and a third-year follow-up report. The Action, Consent and Information Calendar flow charts were updated. Eliminated were the Abbreviated and Condensed tracks. The program proposal template now includes specific information required for General Studies proposals. Use of Classified Instructional Program (CIP) codes were specified. The Policy name was expanded to include program reports. Minor editing helped to clarify the intent of the policy.

Commissioner's Recommendation

The Commissioner requests that the Regents study the policy draft, raise questions and suggest changes. The final copy will be submitted on the December Regents' agenda.

Richard E. Kendell, Commissioner

REK/PCS/AMW

Attachment

Utah System of Higher Education

R401, Approval of New Programs, Program Changes,
Discontinued Programs, and Program Reports

17 October 2007

Table of Contents

Preamble	4
R401-1. Purpose.....	4
R401-2. References.....	4
R401-3. Regional Approval Process for Certificates of Completion and Diplomas.....	5
3.1. UCAT Certificates of Proficiency.....	5
3.2. Certificates Needing Approval for Financial Aid.....	5
3.3. New Certificates of Completion and Diplomas.....	5
R401-4. Items Requiring Board Consideration.....	5
4.1. Action Calendar.....	5
4.1.1. New Associate of Arts and Associate of Science Degrees.....	6
4.1.2. Specialized Associate's – Associate of Pre-Engineering (APE) Degree.....	6
4.1.3. New Associate of Applied Science Degrees and Diplomas.....	7
4.1.4. New Associate of Applied Technology (AAT) Degrees.....	7
4.1.5. New Bachelor of Arts, Bachelor of Science, and Professional Bachelor Degrees.....	8
4.1.6. New General Studies Bachelor's Degrees.....	8
4.1.7. New K-12 School Personnel Programs.....	9
4.1.8. New Master's Degrees.....	9
4.1.9. New Doctoral Degrees.....	9
4.2. Consent Calendar.....	9
4.2.1. Reinstatement of Previously Eliminated Administrative Units and Instructional Programs.....	9
4.2.2. Discontinuation of Instructional Programs.....	9
4.2.3. Follow-up Reports Requested by the Regents on Approved Programs.....	10
4.2.4. Report on Out of Service Area Delivery of Approved Programs.....	10
4.2.5. Permanent Approval of Centers, Institutes, or Bureaus.....	10
4.2.6. Certificates of Completion in Which Instruction Is Provided by an Outside Vendor and Requires Accreditation Review.....	11
4.2.7. Credit/Non-credit Certificates Eligible for Financial Aid.....	11
4.2.8. Fast Track.....	11
4.3. Information Calendar.....	11
4.3.1. Transfer, Restructuring, or Consolidation of Existing Programs or Administrative Units.....	11
4.3.2. Name Changes of Existing Programs.....	11
4.3.3. Institutional Program Review Report.....	11
4.3.4. Programs under Development.....	11
4.3.5. Stand-alone Minors.....	11
4.3.6. Interdisciplinary Minors.....	11
4.3.7. Emphases.....	11
R401-5. Information to Be Provided to the Office of the Commissioner.....	11
5.1. An Annual List of Scheduled Program Reviews.....	11
5.2. An Annual List of Credit and Non-Credit Certificates.....	12
5.3. A List of New Minors That Are Part of a Degree or Major Program.....	12
R401-6. Procedure for Submitting New Programs or Program Changes for Board Approval.....	12
6.1. New Programs and Program Changes as Specified in the Action Calendar.....	12
6.1.1. Submission of Full Proposal with Executive Summary.....	12

6.1.2. Staff and Chief Academic Officers (CAO) Review.	13
6.1.3. Submission to Program Review Committee (PRC).....	13
6.2. Council of Chief Academic Officers (CAOs).	14
6.3. Board of Regents Consideration.....	14
6.4. Votes for Approval.	14
6.5. Budgetary Considerations Separate from Approval.....	14
R401-7. Fast Track Programs.	14
7.1. Fast Track Program Approval Procedure.	14
7.2. Two Year Review of Programs Approved through the Fast Track Procedure.....	14
R401-8. Programs under Development or Consideration.	15
8.1. Advance Information.....	15
8.1.1. Two Time Periods.	15
8.1.2. Information Updates.	15
8.2. Matrix.....	15
R401-9. Templates for Submitting Items for the Board of Regents.....	15
9.1. General Formatting for Submissions.	15
9.2. Templates for Action Calendar Items.....	16
9.2.1. Template for Submission of Executive Summary.....	16
9.2.2. Template for Submission of Proposals for New Programs.....	17
9.2.3. Signature Page to Accompany Action and Consent Proposals.	22
9.3. Templates for Consent Calendar Items.	23
9.3.1. Template for Consent Calendar Items.	23
9.3.2. Signature Page to Accompany Consent Proposals.	24
9.3.3. Template for Three-Year and Two-Year Follow-Up Reports.....	24
9.4. Templates for Information Calendar Items.....	24
9.4.1. Template for Submission to the Information Calendar.	24
9.4.2. Template for Submitting Institutional Program Reviews.....	25
9.4.3. Template for Submission of Programs under Development and Consideration.	25
Appendix A: Action Calendar Flow Chart (R401-4.1.).....	25
Appendix B: Consent Calendar Flow Chart (R401-4.2.).....	26
Appendix C: Information Calendar Flow Chart (R401-4.3.)	26

R401, Approval of New Programs, Program Changes, Discontinued Programs, and Program Reports

Preamble¹

Academic programs are the center of the educational mission of our state's colleges and universities, and the pursuit of knowledge is the driving consideration for the students we serve. Additionally, the Board of Regents and the universities and colleges are committed to provide our students with a range of degrees and other credentials that are appropriate to the respective missions of our institutions and that meet, if not exceed, national standards.

The process of degree approval is rigorous. The idea for a new degree comes from faculty responding to changes in a specific field, accreditation standards, student demand, or market forces. Before academic programs are sent to the Board of Regents for review, they undergo careful scrutiny by academic departments, college or division committees, academic senates, executive officers, and institutional boards of trustees. Thus, institutional and regent reviews hold academic programs to high standards of quality and assure that graduates who earn these degrees and credentials are prepared to live successfully in and contribute to the welfare of the state and its citizens.

R401-1. Purpose. To provide guidelines and procedures for Board approval and notification of new programs and programmatic and administrative changes in academic and career and technical education programs. In addition, this policy includes notification of discontinued programs and other program-related items that institutions shall provide to the Office of the Commissioner.

R401-2. References.

- 2.1. Utah Code §53B-16-102, Changes in Curriculum
- 2.2. Policy and Procedures R220, Delegation of Responsibilities to the President and Board of Trustees
- 2.3. Policy and Procedures R312, Configuration of the Utah System of Higher Education and Institutional Missions and Roles
- 2.4. Policy and Procedures R315, Service Area Designations and Coordination of Off-Campus Courses and Programs
- 2.5. Policy and Procedures R355, Planning, Funding, and Delivery of Courses and Programs via Statewide Telecommunications Networks
- 2.6. Policy and Procedures R411, Review of Existing Programs
- 2.7. Utah Code §53B-16-102, Continuing Education and Community Service R430

¹ The Preamble was adopted by the Chief Academic Officers of the Utah System of Higher Education in September 2004.

2.8. Policy and Procedures R470, General Education, Course Numbering, Lower Division, Pre-Major Requirements, Transfer of Credit, and Credit by Examination.

R401-3. Regional Approval Process for Certificates of Completion and Diplomas.

3.1. UCAT Certificates of Proficiency. Programs of up to 900 clock hours will be approved by the UCAT campus local Board of Directors. As appropriate, the regional campus will award a local "Certificate of Proficiency" designed to reflect the campus, area of competency, and its UCAT affiliation. If financial aid is provided for programs of 600 to 900 clock hours, the CAO will submit an Executive Summary, with appropriate supporting documentation, including the Financial Analysis template, found as part of R401-9., to the Commissioner of Higher Education for approval through the Fast Track Process, R401-7., and subsequent inclusion on the Information Calendar of the next Regents meeting agenda. This procedure complies with the U.S. Department of Education requirement for program approval through the state's approval process.

3.2. Certificates Needing Approval for Financial Aid. Refer to Fast Track, R401-7.

3.3. New Certificates of Completion and Diplomas. Certificates of Completion and Diplomas greater than 600 clock hours or 30 semester hours, are subject to the regional review process following.

3.3.1. The USHE Institution/UCAT campus must submit a program request to the appropriate Career and Technical Education Regional Review Committee.

3.3.2. The proposed program must be approved by the USHE Board of Trustees/UCAT Campus Board of Directors. UCAT Campus proposals must be submitted to the UCAT President for approval followed by submission to the UCAT Board of Trustees for its approval.

3.3.3. The proposal will then be submitted to the Commissioner of Higher Education for approval and subsequent inclusion on the Consent Calendar of the next Regents' agenda.

R401-4. Items Requiring Board Consideration. Institutions submitting program proposals for the Action Calendar, the Consent Calendar, and the Information Calendar shall adhere to the processes described in the flow charts found in Appendices A, B, and C. Programs inclusive of those in R401-4. will have undergone institutional review and been approved by the institutional Board of Trustees prior to submission to the Office of the Commissioner. Items presented to the Board will fall into one of the following categories. A definition follows each item.

4.1. Action Calendar. Programs placed on the Action Calendar require Board approval upon recommendation of the Academic, Career and Technical Education, and Student Success Committee. The following programs, including incubated programs in any of the following categories, require action by the Board:

4.1.1. New Associate of Arts and Associate of Science Degrees. Programs of study primarily intended to encourage exploration of academic options, provide a strong general education component, and prepare students for upper-division work in baccalaureate programs or prepare for employment. A minimum of 60 and a maximum of 63 credit hours, which include 30 to 39 credit hours of general education course work, and other requirements as established by USHE institutions, are required for completion of an associate's degree. The Associate of Arts degree may have a foreign language requirement. Based on compelling reasons, exceptions to the maximum credit hour requirement may be granted by the Board.

4.1.1.1. Sub-Unit Designation. (Pre major programs) The term "pre major" will be used by all institutions in describing the components of the Associate of Arts/Associate of Science degrees that are designed to prepare students for upper-division work. The use of the term "emphasis" will be discontinued as a sub-unit of an AA or AS degree. At four-year institutions, not offering an AA or AS degree, the term "pre major" will also apply to preparatory, lower-division courses, required for acceptance into a major. These courses should be the same or similar to those offered by the two-year programs. Although the descriptions of programs may vary at USHE institutions, the definition as described above should be implemented consistently.

4.1.1.2. Requirement. A "pre major" designation requires formal articulation agreements between the two- and four-year programs. The program outline (advising sheet) should clearly designate courses that will transfer to a four-year program and courses that are elective in nature which are those that do not have articulation agreements and are not likely to transfer. The two-year and four-year faculty should work together to designate support courses that do not articulate directly to the four-year major but provide preparatory experience for a specific major. These courses will count as electives.

4.1.2. Specialized Associate's – Associate of Pre-Engineering (APE) Degree. Programs of study which include extensive specialized course work intended to prepare students to initiate upper-division work in baccalaureate programs. A minimum of 68 and a maximum of 85 credit hours, which include a minimum of 28 credit hours of preparatory, specialized course work, general education requirements that are less extensive than in AA or AS degrees, and other requirements as established by USHE institutions, are necessary for completion of the degree. Because students do not fully complete an institution's general education requirements while completing a specialized associate's degree, they are expected to satisfy remaining general education requirements in addition to upper-division baccalaureate requirements at the receiving institution. Generally, specialized associate's programs are articulated from two- to four-year majors system-wide.

4.1.2.1. Sub-Unit Designation. The term “major” refers to the discipline in which the degree resides or to the content upon which the degree is focused.

4.1.2.2. Requirement. Specialty associate’s degrees require Regents’ approval. These specialty Regent-approved associate’s degrees may be either a specific major or articulate to specific four-year majors.

4.1.3. New Associate of Applied Science Degrees and Diplomas. Programs of study intended to prepare students for entry-level careers. A minimum of 63 and a maximum of 69 credit hours are required. Additionally, general education requirements that are less extensive than in AA or AS degrees and others, as established by USHE institutions, are required. Based on compelling reasons, exceptions to the maximum credit hour requirement may be granted by the Board.

4.1.3.1. Sub-Unit Designation. The term “major” refers to the discipline in which the degree resides. The major may be made up of one or more “emphases” to describe the sub-unit of the Associate of Applied Science.

4.1.3.2. Requirement. AAS degree programs may have collections of courses within the major called “emphasis” that would require approval by the Regents. Emphases will be considered essential to the academic integrity of the Regents’ approved degree program. New emphases that share more than 50 percent of the existing disciplinary core of the approved major should be sent for notification on the Information Calendar. “Emphases” that share less than 50 percent of the disciplinary core will come before the Regents as an Action Item.

4.1.4. New Associate of Applied Technology (AAT) Degrees. Programs of study intended to prepare students for entry-level careers. The AAT degree is non-credit, competency-based, and offered on an open-entry/open-exit basis. A mastery of a series of identified competencies, general education course work that is less extensive than in AA and AS degrees, and other requirements as established by the Utah College of Applied Technology (UCAT), regional boards, and program advisory committees, are necessary for completion of the degree. The average time to completion of the AAT degree should fall within a range of 1890 to 2070 clock hours; however, open-entry/open-exit, competency-based instructional delivery allows students to complete their course of study at their own pace. Like the AAS degree, the AAT degree is designed to prepare students for direct entry into the workforce; however, the AAT degree may also transfer directly into Bachelor of Applied Technology (BAT) degree programs.

4.1.4.1. Sub-Unit Designation. The term “major” refers to the discipline in which the degree resides. The major may be made up of one or more “emphases” to describe the sub-unit of the Associate of Applied Technology program.

4.1.4.2. Requirement. AAT degree programs may have collections of courses within the major called “emphasis” that would require approval by the Regents. Emphases will be considered essential to the academic integrity of the Regents’ approved degree program. New emphases that share more than 50 percent of the existing disciplinary core of the approved major should be sent for notification on the Information Calendar. Emphases that share less than 50 percent of the disciplinary core will come before the Regents as an Action Item.

4.1.5. New Bachelor of Arts, Bachelor of Science, and Professional Bachelor Degrees. Programs of study including general education, major course work, and other requirements as established by USHE institutions and accreditation standards. Credit requirements include completion of a minimum of 120 and a maximum of 126 credit hours. However, some professional bachelor’s degrees, such as the Bachelor of Business Administration or Bachelor of Fine Arts, may have additional requirements. Other disciplines such as engineering and architecture may exceed the maximum of 126 credit hours in order to meet accreditation requirements. Based on compelling reasons, exceptions to the maximum credit hour requirement may be granted by the Board.

4.1.5.1. Sub-Unit Designation. The term “major” refers to the discipline in which the degree resides.

4.1.5.2. Requirement. New emphases, which have sometimes been called “specializations” or “concentrations,” that share more than 50 percent of the existing disciplinary core of the approved major should be sent for notification on the Information Calendar. Emphases that share less than 50 percent of the disciplinary core will come before the Regents as an Action Item. Stand-alone minors and interdisciplinary minors are addressed in R401-4.3.5. and R401-4.3.6. respectively.

4.1.5.3. New Major. A sequenced set of courses within a bachelor’s degree program that comprises study in an academic discipline. The major is listed on the graduate credential and signifies that the recipient possesses the knowledge and skills expected of graduates in the discipline. Minor courses/programs within approved degree programs will be reviewed only by institutional Boards of Trustees and submitted to the Commissioner’s Office.

4.1.6. New General Studies Bachelor’s Degrees. General studies baccalaureate option to traditional academic majors. General Studies bachelor’s degrees may be offered to provide students with a flexible degree option to traditional majors’ programs. Students may enter the General Studies degree option with accumulated credits and then be guided by faculty to create a program that meets the academic standards of the institution. Refer to template R401-9.2.2.

4.1.7. New K-12 School Personnel Programs. Endorsement and licensure programs for teacher education, counselors, administrators, and other school personnel. These programs adhere to an approval process which requires the following steps: review by the Office of Academic Affairs, the Chief Academic Officers, appropriate officials and faculty from USHE colleges and schools of education, and the Program Review Committee (PRC); review and approval by the Board. Following the review process, and program approval by the Board, the Utah State Office of Education will make its recommendation to the State Board of Education, which has the final approval authority over licensure.

4.1.8. New Master's Degrees. Graduate-level programs of study requiring a minimum of 30 and maximum of 36 credit hours of course work beyond the bachelor's degree, and other requirements as established by USHE institutions and accreditation standards. Professional master's degrees such as the Master of Business Administration or Master of Social Work may require additional course work or projects. Specialized professional master's degrees typically require additional course work. Based on compelling reasons, exceptions to the maximum credit hour requirement may be granted by the Board.

4.1.9. New Doctoral Degrees. Graduate-level programs in an advanced, specialized field of study requiring competence in independent research and an understanding of related subjects.

4.2. Consent Calendar. Board Consent, which follows approval of the Academic, Career and Technical Education, and Student Success Committee, is required for significant program and administrative changes. Consent from the Regents should be sought prior to any institutional initiative to take action on program discontinuance. See R401-10.3. for template for program submission. The following items require consent of the Board:

4.2.1. Reinstatement of Previously Eliminated Administrative Units and Instructional Programs.

4.2.2. Discontinuation of Instructional Programs. If an institution intends to discontinue a program, institutional officials must first notify the Commissioner who will review the request and determine if more information is needed before discontinuance may proceed. After the Commissioner reviews the requests and issues are resolved, the institution should notify the Board with the discontinuance item for the Consent Calendar.

4.2.2.1. Student Completion. Students currently admitted to the program must be provided a way to complete the program in a reasonable period compatible with accreditation standards. This may require the enrollment of students at other institutions of higher education or that courses be taught for a maximum of two years after discontinuation of the program.

4.2.2.2. Duplication. Consider discontinuance of unnecessarily duplicated programs within the System, particularly programs that may be high cost and/or low producing.

4.2.2.3. System Coordination. Consider the statewide impact of discontinuing the program, and identify opportunities for establishing the program at another USHE institution.

4.2.3. Follow-up Reports Requested by the Regents on Approved Programs. All programs approved by the Regents require a third-year report. These reports should be sent to the Office of the Commissioner for review by the Academic Affairs staff. Once the report has been reviewed and found to contain the required information, it will be forwarded to the Board for the Consent Calendar. The report should include a short program description, enrollment data, demographic data on the enrolled students, the actual costs over the three year period since the program's implementation, and employment information. The Regents may request additional information as well. See R401-9.3.3. for template.

4.2.4. Report on Out of Service Area Delivery of Approved Programs. Programs which require substantive change notification to the regional accreditation organization and/or are offered outside of the institution's designated service area.

4.2.5. Permanent Approval of Centers, Institutes, or Bureaus. Administrative entities which perform primarily research, instructional, or technology transfer functions, and are intended to provide services to students, the community, businesses, or other external audiences, or to obtain external funds.

4.2.5.1. Temporary Approval and Temporary Sources of Funding. Funding support is from temporary, non-public resources or from temporary institutional reallocation within a limited time frame.

4.2.5.2. Modest Effort/Consistent with Roles/Affiliation/Three Year Limit. Institutions may seek temporary approval from the Commissioner for a center, institute, or bureau which is being established on an experimental or pilot basis. The Commissioner will evaluate and approve requests for temporary approval on the basis of the following criteria and conditions: The proposed change requires a modest effort in terms of staff and space needs, normally with no permanent staff or no permanent facility assignment; activities involved are consistent with established institutional mission and role assignments; the administrative entity involved has programmatic affiliation with an existing academic program or department. Temporary approval of centers, institutes, etc., may be granted for a period no longer than three years, after which an institution must request approval of the Board.

4.2.6. Certificates of Completion in Which Instruction Is Provided by an Outside Vendor and Requires Accreditation Review. The institution offers Certificates of Completion, credit or non-credit, for instruction provided by an organization outside the USHE.

4.2.7. Credit/Non-credit Certificates Eligible for Financial Aid. Credit/Non-credit certificates that do not fit the definition in R401-3.3. and are eligible for financial aid.

4.2.8. Fast Track. Programs approved through the Fast Track process.

4.3. Information Calendar. Program additions or changes requiring notification on the Board's Information Calendar. Board notification is required for changes to programs and administrative units (see template R401-9.4.1.), institutional program reviews (see template R401-9.4.2.), and programs under development (see template R401-9.4.3.). OCHE staff will determine the significance of the proposed change(s); significant changes may be placed on the Consent Calendar (see R401-4.2.). If deemed not significant, the changes will remain with the Commissioner's Office (see R401-5.).

4.3.1. Transfer, Restructuring, or Consolidation of Existing Programs or Administrative Units.

4.3.2. Name Changes of Existing Programs.

4.3.3. Institutional Program Review Report. See R411 and template R401-9.4.2.

4.3.4. Programs under Development. See template R401-9.4.3.

4.3.5. Stand-alone Minors. A coherent collection of courses, related to one another, that is not part of a previously approved major or degree program. Submission: as they are approved or eliminated by institutional Board of Trustees.

4.3.6. Interdisciplinary Minors. A coherent collection of courses, related to one another, from previously approved majors or programs.

4.3.7. Emphases. New emphases that share more than 50 percent of the existing disciplinary core should be sent for notification on the Information Calendar. Emphases that share less than 50 percent of the disciplinary core of the approved major will come before the Regents as an Action Item.

R401-5. Information to Be Provided to the Office of the Commissioner. The USHE institutions shall submit to the Commissioner's Office the following items:

5.1. An Annual List of Scheduled Program Reviews. The annual list of scheduled program reviews are defined in R411 including date of review. Submission: September.

5.2. An Annual List of Credit and Non-Credit Certificates. An annual list of credit and non-credit certificates and the number of awards given in each certificate not meeting the definition as defined in R401-5.2. Submission: December.

5.3. A List of New Minors That Are Part of a Degree or Major Program. A list of new minors that are part of a degree or major program as they are approved by institutional boards of trustees. Submission: as they are approved.

R401-6. Procedure for Submitting New Programs or Program Changes for Board Approval.

6.1. New Programs and Program Changes as Specified in the Action Calendar. See R401-4.1. The process for the approval of new programs includes the submission of a full proposal to the Board of Regents. To help insure quality, institutions may wish to enlist the assistance of external consultants in developing the proposed program. Typically, career and technical education programs relate directly to the requirements of business and industry. Thus, programs submitted in this area should have the benefit of consultation from a program advisory committee regarding: (1) curriculum, including specific outcome-based competencies; (2) desired level of faculty qualifications; and (3) equipment and laboratory requirements.

6.1.1. Submission of Full Proposal with Executive Summary. Institutional Chief Academic Officers will submit electronically a full program proposal with a brief executive summary to the Office of the Commissioner for each new program proposal to initiate the Regents' program approval process. The template provided in R401-9.2.2. will be used. For Fast Track programs, refer to R401-7. Confidential information may be submitted to the Commissioner under seal.

6.1.1.1. Executive Summary. The executive summary will include the following sections. See R401-9.2.1 for template.

6.1.1.1.1. Program Description. Include a one-paragraph description of the program.

6.1.1.1.2. Role and Mission Fit. Include a one-paragraph statement showing how the proposed certificate or degree is in harmony with the current role and mission as set forth in Regents Policy (R312).

6.1.1.1.3. Faculty. Indicate the number of discipline-specific faculty and level of preparation of the faculty that will support the program.

6.1.1.1.4. Market Demand. Include one paragraph giving current data on market demand or the utility of the degree, how the program will accommodate a changing market, and hiring patterns including local, state, and national trends (long-term market needs and numbers to be included).

6.1.1.1.5. Student Demand. Include one paragraph giving current student demand, which is demonstrated by student surveys, petitions, and detailing potential student's preparation for the program.

6.1.1.1.6. Statement of Financial Support. Indicated from which of the following the funding will be generated: Legislative Appropriation, Grants, Reallocated Funds, Tuition dedicated to the program, or Other.

6.1.1.1.7. Similar Programs Already Offered in the USHE. Include a list of similar programs already approved and functioning at USHE institutions.

6.1.1.2. Full Proposal. Refer to template R401-9.2.2 for detailed explanation of full program proposal.

6.1.1.3. CIP Codes for all Programs except the Apprenticeship Programs. When preparing a proposal for submission, the institution must choose an appropriate CIP (Classification of Instructional Programs) code. This CIP code will be recorded by the Board of Regents office for data requests, reporting, and tracking. Only one CIP code will be acceptable per program—including all emphases under that program. The only exception is for apprenticeship programs.

6.1.1.4. CIP Codes for Apprenticeship Programs. When preparing an apprenticeship program proposal for submission, the institution will be allowed to use multiple appropriate CIP codes for the different apprenticeship emphases. These CIP codes will be recorded by the Board of Regents office for data requests, reporting, and tracking.

6.1.2. Staff and Chief Academic Officers (CAO) Review. Full program proposal with the brief executive summary will be forwarded to the Commissioner's staff and to the CAOs at all USHE institutions for review and comment. Within two weeks, the CAOs and Commissioner's staff will identify issues related to the information provided, including those that impact their institutions and/or programs, and other issues the CAOs believe to be pertinent. These comments will be posted on the CAO's WebCT Website.

6.1.3. Submission to Program Review Committee (PRC). Once the CAOs and Commissioner's staff have commented, the program proposal and executive summary and all attendant issues will be forwarded for review by the Program Review Committee (PRC). The PRC will review the program proposal and accompanying information, raise questions, and request additional information as appropriate, including a request for a consultant to review the proposed program and surrounding issues. In this case, the proposing institution will provide to the

Commissioner's staff a list of appropriate consultants. The staff will contact one of the consultants and arrange for the review. Once the consultant's report has been completed, it will be made available to the PRC, proposing institution, and the CAOs. As programs are reviewed, at the request of the PRC, additional individuals may be asked to attend.

6.2. Council of Chief Academic Officers (CAOs). The Council of Chief Academic officers will meet, prior to the Council of Presidents' and Regents' meetings, to discuss institutional proposals regarding comments submitted by other USHE institutions, external reviews, initial evaluation from the Commissioner's Office, and comments from the PRC. This discussion will be reported to the Council of Presidents and considered by the Commissioner's staff in preparing materials and recommendations for the Board's agenda. The Commissioner's review for the Board will address not only the readiness of the institution to offer the program and the need for the program, but also the impact of the program on other USHE institutions.

6.3. Board of Regents Consideration. Program proposals that have been reviewed according to the procedures described in R401-4. are placed on the Board agenda for consideration by the Regents. The Board's Academic, Career and Technical Education, and Student Success Committee reviews proposals for new programs or program changes and recommends action to the Board. The Board then takes action on the proposed program during the meeting of the Committee of the Whole.

6.4. Votes for Approval. All new associate's and bachelor's degree programs must be approved by a majority vote of the Board members in attendance. All new master's and doctoral degree programs require at least a two-thirds majority of the members in attendance to be approved.

6.5. Budgetary Considerations Separate from Approval. Program approval by the Board consists only of authorization to offer a program. Budget requests necessary to fund the program shall be submitted separately through the regular budget process.

R401-7. Fast Track Programs.

7.1. Fast Track Program Approval Procedure. Certificates meeting the requirements in R401-3.3., and that have been reviewed regionally, may be submitted to the Commissioner for Fast Track approval. The certificate must have been approved by the institution's internal program development and approval process. The Commissioner may then approve the program, effective immediately. To request approval, the proposing institution will submit a full proposal with an executive summary to the Commissioner's Academic Affairs Staff. The Commissioner will respond within 15 working days and will place the program on the Consent Calendar of the next Board meeting.

7.2. Two Year Review of Programs Approved through the Fast Track Procedure. Institutions operating programs approved through the fast track process must submit a report to the Office of the Commissioner for review by the Academic Affairs staff two years from the date the program is implemented. Once the report has been reviewed and found

to contain the required information, it will be forwarded to the Board for the Consent Calendar. The report should include a short program description, enrollment data, demographic data on the enrolled students, the actual costs over the two year period since the program's implementation, and employment information. The Regents may request additional information as well. See R401-9.3.3. for template.

R401-8. Programs under Development or Consideration.

8.1. Advance Information. Each institution shall submit to the Commissioner's Office of Academic Affairs an updated matrix of programs under development or consideration that may be brought to the Board for formal approval. A compilation of this information will be included on the Information Calendar of Board of Regents' agendas. These planning documents will provide Regents with a continuously updated, system-wide view of the programs that may be brought to them for approval.

8.1.1. Two Time Periods. The information is presented in matrix format and includes two time periods: The first matrix provides information for a twelve-month period beginning with the month of the current Board agenda. The second matrix provides information for a subsequent 24-month period.

8.1.2. Information Updates. The information in each matrix is to be updated whenever the status of a program changes or a new program is being considered. This provides the Board ongoing information, for a thirty-six month period, regarding the status of programs as they progress through the institutional review process. Updated matrices should be submitted to the Commissioner's Office of Academic Affairs on the submission schedule for Board of Regents' agendas. Once a program has been approved by the Board, or is no longer under consideration at an institution, it should no longer appear in the matrix.

8.2. Matrix. In accordance with the existing program review schedule set by the Commissioner's Office, institutions will provide updated information to the Academic Affairs Office for programs under development or consideration. Changes to the matrix should be submitted electronically. The matrix will appear in the Information Calendar on the Board agenda at least three times a year.

R401-9. Templates for Submitting Items for the Board of Regents. The templates request information and provide the format to be used when submitting items for the Board of Regents.

9.1. General Formatting for Submissions.

9.1.1. All submissions must be written in a formal style, using third person.

9.1.2. All submissions must be sent to the Office of the Commissioner as an electronic document, in Microsoft Word format.

9.1.3. All submissions must use Arial Narrow 12-point font, single-spaced. Remove italics when using templates.

9.1.4. All submissions must have 1" margins.

9.2. **Templates for Action Calendar Items.** The following templates will be used for Action Calendar items.

9.2.1. **Template for Submission of Executive Summary.** The executive summary must be no longer than two (2) pages.

Executive Summary
Higher Education Institution
Degree Type and Title
Day Month Year

Program Description

One paragraph description of the program. Remove italics when using template.

Role and Mission Fit

One paragraph statement showing how the proposed certificate or degree is in harmony with the current role and mission as set forth in Regents Policy (R312). Remove italics when using template.

Faculty. Using the format below, indicate the number of discipline specific faculty and level of preparation of the faculty that will support the program.

Number of faculty with Doctoral degrees	Tenure	#	Contract	#
Adjunct	#			
Number of faculty with Master's degrees	Tenure	#	Contract	#
Adjunct	#			
Number of faculty with Bachelor's degrees	Tenure	#	Contract	#
Adjunct	#			
Other Faculty	Tenure	#	Contract	#
Adjunct	#			

Market Demand

One paragraph giving current data on market demand or the utility of the degree, how the program will accommodate a changing market, and hiring patterns including local, state, and national trends (long-term market needs and numbers to be included). Remove italics when using template.

Student Demand

One paragraph giving current student demand, which is demonstrated by student surveys, petitions, and detailing potential student's preparation for the program. Also the projected enrollment in the "Financial Analysis" document that must be attached to the Letter of Intent. Remove italics when using template.

Statement of Financial Support. Indicate from which of the following the funding will be generated: (Provide the detail for funding as part of the “Financial Analysis” section included in the full proposal.)

Legislative Appropriation	<input type="checkbox"/>
Grants	<input type="checkbox"/>
Reallocated Funds	<input type="checkbox"/>
Tuition dedicated to the program	<input type="checkbox"/>
Other	<input type="checkbox"/>

Similar Programs Already Offered in the USHE

A list of similar programs already approved and functioning at USHE institutions. Remove italics when using template.

9.2.2. Template for Submission of Proposals for New Programs. Items include submission of proposals for Regional review of new Certificates of Completion and Diplomas, and Board review of AA/AS degrees, AAS degrees, AAT degrees, specialized associate’s degrees, bachelor’s degrees, master’s degrees, doctoral degrees, and K-12 school personnel programs. This template provides the formats and information to be used when submitting program proposals for review and Board action and approval. [Remove italics when using template.]

Section I: The Request

Name of Institution requests approval to offer ***Name of Degree*** effective ***Semester*** and ***Year***. This program has been approved by the institutional Board of Trustees on ***Date***.

Section II: Program Description

Complete Program Description

Present the complete, formal program description. For a General Studies program, also discuss the value of the degree to graduates of this program. Remove italics when using template.

Purpose of Degree

State why your institution should offer this degree and the expected outcomes. For a General Studies program, also define the audiences for this degree including types and needs of students. Remove italics when using template.

Institutional Readiness

Describe how the existing administrative structures support the proposed program and identify new organizational structures that may be needed to deliver the program. Describe how the proposed program will or will not impact the delivery of either undergraduate or lower-division education. Remove italics when using template.

Faculty

Identify the need for additional faculty required in each of the first five years of the program. State the level of preparedness of current faculty and the level of preparedness that will be needed by

the fifth year. Clearly state the proportion of regular full-time, tenure track faculty to part-time and non-tenure contract faculty. Describe the faculty development processes that will support this program. See Requirements in the Institutional Readiness Section. Remove italics when using template.

Staff

List all additional staff needed to support the program in each of the first five years; e.g., administrative, secretarial, clerical, laboratory aides/ instructors, advisors, teaching/graduate assistants. See Requirements in the Institutional Readiness Section. Remove italics when using template.

Library and Information Resources

Describe library resources required to offer the proposed program. Does the institution currently have the needed library resources? See Requirements in the Institutional Readiness Section. Remove italics when using template.

Admission Requirements

List admission requirements specific to the proposed program. For a General Studies program, also require students to petition for admission by explaining why they want the degree and what they intend to study; require a curricular concentration. Remove italics when using template.

Student Advisement

Describe the advising process for students in the proposed program. For a General Studies program, also clarify how academic oversight will be provided by faculty. Remove italics when using template.

Justification for Graduation Standards and Number of Credits

Provide graduation standards. Provide justification if number of credit or clock hours exceeds 63 for AA or AS, 69 for AAS, 2070 clock hours for AAT, 126 credit hours for BA or BS; and 36 beyond the baccalaureate for MS. Remove italics when using template.

External Review and Accreditation

Indicate whether any external consultants, either in- or out-of-state, were involved in the development of the proposed program, and describe the nature of that involvement. For a career and technical education program, list the members and describe the activities of the program advisory committee. Indicate any special professional accreditation which will be sought and how that accreditation will impact the program. Project a future date for a possible accreditation review; indicate how close the institution is to achieving the requirements, and what the costs will be to achieve them. Remove italics when using template.

Projected Enrollment

For credit programs, fill out the following table.

Year	Student FTE	# of Faculty	Mean FTE-to-Faculty Ratio	Accreditation Req'd Ratio
1				
2				
3				

Year	Student FTE	# of Faculty	Mean FTE-to-Faculty Ratio	Accreditation Req'd Ratio
------	-------------	--------------	---------------------------	---------------------------

4

5

For non-credit programs, fill out the following table.

Year	Student Headcount	# of Faculty	Mean Student-to-Faculty Ratio	Accreditation Req'd Ratio
------	-------------------	--------------	-------------------------------	---------------------------

1

2

3

4

5

Expansion of Existing Program

If the proposed program is an expansion or extension of an existing program, present enrollment trends by headcount and by student credit hours (if appropriate) produced in the current program for each of the past five years for each area of emphasis or concentration. Remove italics when using template.

Section III: Need

Program Need

Clearly indicate why such a program should be initiated. Remove italics when using template.

Labor Market Demand

Include local, state, and national data, and job placement information, the types of jobs graduates have obtained from similar programs. Indicate future impact on the program should market demand change. Remove italics when using template.

Student Demand

Describe evidence of student interest and demand that supports potential program enrollment. Remove italics when using template.

Similar Programs

Are similar programs offered elsewhere in the state or Intermountain Region? If yes, cite justifications for why the Regents should approve another program. How does the proposed program differ from similar program(s)? Be specific. For a General Studies program, explain how the proposed degree differs from other multidisciplinary degrees (such as university studies, integrated studies, etc.) that may be offered by the institution. Also, compare the General Studies program to others around the country. Remove italics when using template.

Collaboration with and Impact on Other USHE Institutions

Describe discussions with other USHE institutions that are already offering the program that have occurred regarding your institution's intent to offer the proposed program. Include any collaborative efforts that may have been proposed. Analyze the impact that the new program would have on other USHE institutions. Remove italics when using template.

Benefits

State how the institution and the USHE benefit by offering the proposed program. Remove italics when using template.

Consistency with Institutional Mission

Explain how the program is consistent with and appropriate to the institution's Board-approved mission, roles, and goals. Remove italics when using template.

Section IV: Program and Student Assessment

Program Assessment

State the goals for the program and the measures that will be used in the program assessment process to determine if goals are being met. For a General Studies program, also show how the proposed degree will require and evaluate curricular coherence; show how the degree program will require and facilitate student intellectual engagement with relevant academic content; state the institution's process for incorporating learning goals with demonstrable learning outcomes. Remove italics when using template.

Expected Standards of Performance

List the standards and competencies that the student will have met and achieved at the time of graduation. How or why were these standards and competencies chosen? Include formative and summative assessment measures you will use to determine student learning. For a General Studies program, also provide evidence that intentionality of student learning is expected and built into the course of study; show how students will demonstrate integration of content and learning experiences through reflective activities, such as capstones, research projects, responding to critical questions, and/or portfolios, during their programs. Remove italics when using template.

Section V: Finance

Budget

Include the Financial Analysis form.

Financial Analysis Form for All R401 Documents						
		Year 1	Year 2	Year 3	Year 4	Year 5
Students						
Projected FTE Enrollment						
Cost Per FTE						
Student/Faculty Ratio						
Projected Headcount						
Projected Tuition						
Gross Tuition						
Tuition to Program						

Financial Analysis Form for All R401 Documents						
	Year 1	Year 2	Year 3	Year 4	Year 5	
5 Year Budget Projection						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Expense						
Salaries & Wages						
Benefits						
Total Personnel						
Current Expense						
Travel						
Capital						
Library Expense						
Total Expense	\$ -	\$ -	\$ -	\$ -	\$ -	
Revenue						
Legislative Appropriation						
Grants						
Reallocation						
Tuition to Program	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	
Difference						
Revenue-Expense	\$ -	\$ -	\$ -	\$ -	\$ -	
Comments						

Funding Sources

Describe how the program will be funded, i.e. new state appropriation, tuition, reallocation, enrollment growth, grants etc. Remove italics when using template.

Reallocation

If program is to be supported through internal reallocation, describe in specific terms the sources of the funds. Remove italics when using template.

Impact on Existing Budgets

If program costs are to be absorbed within current base budgets, what other programs will be affected and to what extent? Provide detailed information. Confidential information may be sent to the Commissioner under seal. Remove italics when using template.

Appendix A: Program Curriculum

New Courses to be Added in the Next Five Years

List all new courses to be developed in the next five years by prefix, number, title, and credit hours. Use the following format:

Course Number	Title	Credit Hours

All Program Courses

List all courses, including new courses, to be offered in the proposed program by prefix, number, title, credit hours, or credit equivalences. Use the following format: (please include all course descriptions in appendix.)

Course Number	Title	Credit Hours
General Education		
	Sub-Total	
Core Courses		
	Sub-Total	
Elective Courses		
	Sub-Total	
Track/Options (if applicable)		
	Sub-Total	
	Total Number of Credits	

Appendix B: Program Schedule

For each level of program completion, present, by semester, a suggested class schedule—by prefix, number, title, and semester hours. Remove italics when using template.

Appendix C: Faculty

List current faculty within the institution, with their qualifications, to be used in support of the program.

9.2.3. Signature Page to Accompany Action and Consent Proposals. This signature page, with all appropriate signatures included, should be sent to the Commissioner's Office and kept on file at the proposing institution.

Institution Submitting Proposal:

College, School or Division in Which Program/Administrative Unit Will Be Located:

Department(s) or Area(s) in Which Program/Administrative Unit Will Be Located:

Program/Administrative Unit Title:

Recommended Classification of Instructional Programs (CIP) Code: ____ . ____ _

Certificate, Diploma and/or Degree(s) to be Awarded:

Proposed Beginning Date:

Institutional Signatures (as appropriate):

Department Chair
Career and Technical Education Director
Chief Academic Officer

Dean or Division Chair
Graduate School Dean
President

Date:

9.3. Templates for Consent Calendar Items. The following templates will be used for Consent Calendar items.

9.3.1. Template for Consent Calendar Items. To Include Reinstatement of Previously Eliminated Administrative Units and Instructional Programs, Out of Service Area Delivery of Approved Programs, Certificates of Completion, Proposals for Centers/Institutes/Bureaus, Program Discontinuation, and Non-credit Certificates Eligible for Financial Aid.

Section I: Request

Briefly describe the change. Indicate the primary activities impacted, especially focusing on any instructional activities. Remove italics when using template.

Section II: Need

Indicate why such an administrative change, program, or center is justified. Reference need or demand studies if appropriate. Indicate the similarity of the proposed unit/program with similar units/programs which exist elsewhere in the state or Intermountain region. Remove italics when using template.

Section III: Institutional Impact

Will the proposed administrative change or program affect enrollments in instructional programs of affiliated departments or programs? How will the proposed change affect existing administrative structures? If a new unit, where will it fit in the organizational structure of the institution? What changes in faculty and staff will be required? What new physical facilities or modification to existing facilities will be required? Describe the extent of the equipment commitment necessary to initiate the administrative change. If you are submitting a reinstated program, or program for off-campus delivery, respond to the previous questions as appropriate. Remove italics when using template.

Section IV: Finances

What costs or savings are anticipated from this change? If new funds are required, describe in detail expected sources of funds. Describe any budgetary impact on other programs or units within the institution. Remove italics when using template.

9.3.2. Signature Page to Accompany Consent Proposals. Use the template found in R401-9.2.3.

9.3.3. Template for Three-Year and Two-Year Follow-Up Reports. The following template will be used to report to the Regents the progress of programs three years following the initial inception of the program or two years following the initial inception of a Fast-Track program.

Three- (or Two-) Year Follow-Up Report
Higher Education Institution
Degree Type and Title
Day Month Year

Program Description

One paragraph description of the program. Include Regents' approval date and date when program first started admitting students. Remove italics when using template.

Enrollment and Demographic Data

Enrollment and Demographic Data				
		Year 1	Year 2	Year 3
Students				
Actual FTE Enrollment				
Cost Per FTE				
Student/Faculty Ratio				
Actual Headcount				
Gender				
Female				
Male				
Actual Tuition				
Tuition to Program				

Employment Information

Provide employment information on graduates of the program. Remove italics when using template.

9.4. Templates for Information Calendar Items. The following templates will be used for Information Calendar items.

9.4.1. Template for Submission to the Information Calendar. Items to include transfer, restructuring or consolidation of existing programs or administrative units, stand-alone minors, interdisciplinary minors, emphases, and name changes

approved by the Board of Trustees and sent to the Board of Regents as an information item.

Section I: The Request

Briefly describe the change. Include a listing of courses and credits as appropriate. Remove italics when using template.

Section II: Need

Indicate why the change is justified. Reference need or demand data if appropriate. Remove italics when using template.

Section III: Institutional Impact

Will the proposed recommendation affect enrollments in instructional programs of affiliated departments or programs? How will the proposed recommendations affect existing administrative structures? What (new) faculty, physical facilities or equipment will be impacted? Remove italics when using template.

Section IV: Finances

What costs are anticipated? Describe any budgetary impact, including cost savings, on other programs or units within the institution. Remove italics when using template.

9.4.2. Template for Submitting Institutional Program Reviews. The template for submitting institutional program reviews can be found in R411.

9.4.3. Template for Submission of Programs under Development and Consideration. The following information will be sent to the Commissioner's Office for inclusion on the website. It should be updated as needed.

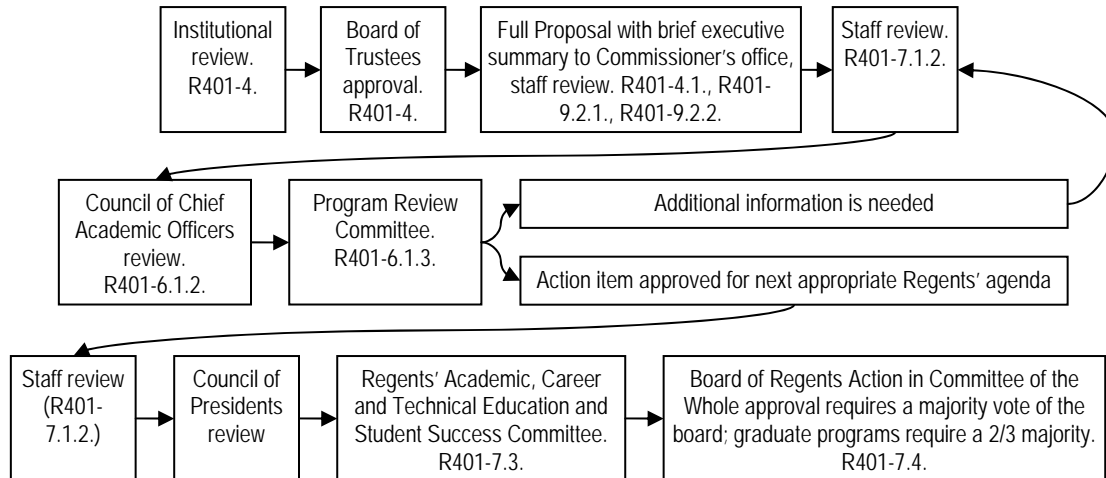
Programs under Development or Consideration Higher Education Institution Day Month Year

Year One			
Program Name	Degree Type	Current Status	Projected for Regents' Agenda

Years Two and Three	
Program Name	Degree Type

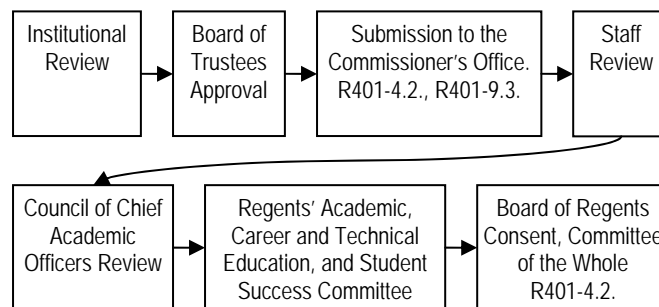
Appendix A: Action Calendar Flow Chart (R401-4.1.)

Board of Regent approval is required of all new degree programs, including new K-12 school personnel programs. Such programs will have undergone institutional review and been approved by the Board of Trustees prior to submission to the Office of the Commissioner. The approval process for Fast Track career and technical education certificate programs is described in R401-8.



Appendix B: Consent Calendar Flow Chart (R401-4.2.)

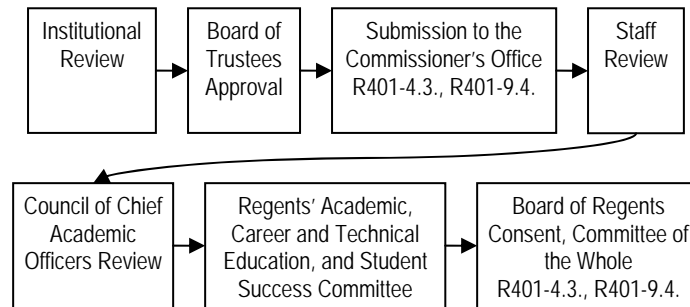
Board of Regent consent is required for significant program and administrative changes, including: reinstatement of previously eliminated administrative units and instructional programs, discontinuation of instructional programs,² delivery of approved programs offered outside an institution's designated service area, permanent approval of centers/institutes/bureaus, certificates of completion in which instruction is provided by an outside vendor and requires accreditation review, and non-credit certificates eligible for financial aid.



Appendix C: Information Calendar Flow Chart (R401-4.3.)

Board of Regent notification is required for changes to programs and administrative units, institutional program reviews, and programs under development. Information Calendar items may include transfer/restructuring/consolidation of existing programs or administrative units, stand-alone minors, interdisciplinary minors, and name changes.

² See R401-4.2.2 for criteria to be used in guiding program review for the discontinuation of programs.



(Approved November 7, 1972, amended September 25, 1973, February 21, 1984, April 27, 1990 and revised and combined with R402 October 27, 2000; amended June 1, 2001. [R402 was approved September 10, 1971, amended November 18, 1980, July 19, 1983, March 20, 1984, September 12, 1986, August 7, 1987, October 26, 1990, April 16, 1993, January 21, 1994, May 1, 1997, May 29, 1998, and revised and combined with R401 October 27, 2000.]) R401 re-written and approved November 8, 2002; amended May 30, 2003. Approved Board of Regents, May 30, 2003. Revision approved by Board of Regents 19 October 2004.

October 17, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: Criteria for General Studies Baccalaureate Degrees – Report

Background

In June, 2007 Utah State University (USU) submitted to the Commissioner's office a Letter of Intent (LOI) to offer a baccalaureate degree in General Studies. The LOI was posted on the academic affairs website and placed on the Chief Academic Officers' (CAO) agenda. During the subsequent CAO meeting, representatives from USU explained to the CAOs that the purpose of the proposal was to serve adults on campus and throughout the state who had amassed credits and needed additional credits to graduate. USU's associate provost predicted that some interested students may have had a major but did not have the requisite 2.5 grade point average to remain enrolled in the academic program. Others may not have passed national exams and, therefore, could not graduate with a degree in the intended major. Thus, the proposed General Studies degree was considered an alternative route to graduation for students like those mentioned above.

CAOs voiced concern about the lack of focus in the proposed General Studies degree. Subsequently, the Program Review Committee (PRC) suggested that consultants evaluate the proposal. Two consultants, Dr. Steven Roens, University of Utah and Dr. Terrel Rhodes, American Association of Colleges and Universities in Washington, D.C., evaluated the program and sent reports to the Commissioner's staff. Both reports, which were consistent in their findings, were sent to the associate provost at USU. The PRC also directed the staff to develop a General Studies ad hoc task force to review the consultant's findings and make recommendations for strengthening future General Studies programs.

The General Studies ad hoc task force met via PolyCom on September 26th and continued its discussion through email. Representatives from Utah State University, the University of Utah, Weber State University, Utah Valley State College, and Dixie State College participated by discussing the purpose of such a program and developing criteria for quality General Studies degrees.

Report

The attached criteria reflect the findings of the consultants and represent the work of the ad hoc task force. The criteria include how students might access such a program and how it will provide rigor and student intentionality. Learning outcomes and academic concentrations are addressed. Admission requirements are suggested and evidence of coherence in the curriculum via a capstone or other appropriate culminating activities are included.

Issues of limits on the number of credits that would be accepted at admission or the grade point average were not resolved. Rather than show how a General Studies degree links directly to employment, the ad hoc committee recommended that the proposing institutions explain the value of such a degree to students.

Additional Suggestion

The initial proposal for a General Studies degree raised this question: what constitutes a legitimate baccalaureate program? The attached criteria assert that academic degrees must have value and contain rigor, coherence, and intentionality, all hallmarks of quality academic programs. However, institutions wanting to recognize students who have amassed large numbers of credits, but who do not have an academic major, might consider offering a certificate of completion.

Commissioner's Recommendation

The Regents may want to discuss the criteria for General Studies programs. No action is required.

Richard E. Kendell, Commissioner

REK/PCS

GENERAL STUDIES DISCUSSION

September 26, 2007

CRITERIA for GENERAL STUDIES PROGRAMS

1. Define the purpose of the degree and the institution's rationale for offering the program. Explain how the proposed degree differs from other multidisciplinary degrees (such as university studies, integrated studies, etc.) that may be offered by the institution. Compare the General Studies degree proposal to others around the country.
2. Define the audiences for this degree including types and needs of students.
3. Discuss the value of the degree to graduates of this program.
4. Set admission requirements for entry into the degree program and require students to petition for admission by explaining why they want the degree and what they intend to study. (Discussion of appropriate GPA and accumulated credits at entry in a concentration is ongoing).
5. Provide evidence that intentionality of student learning is expected and built into the course of study.
6. Show how the proposed degree will require and evaluate curricular coherence.
7. Show how the degree program will require and facilitate student intellectual engagement with relevant academic content.
8. State the institution's process for incorporating learning goals with demonstrable learning outcomes.
9. Show how students will demonstrate integration of content and learning experiences through reflective activities, such as capstones, research projects, responding to critical questions, and/or portfolios, during their programs.
10. Require a curricular concentration.
11. Clarify how academic oversight will be provided by faculty.
12. State graduation standards.

October 17, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: ACTION: UHEAA--Approving Resolution, SBR Student Loan Revenue Bonds, 2007 Series Y

Issue

Board of Regents adoption of an approving resolution for the issuance of student loan revenue bonds is necessary to provide funding for the purchase and origination of student loans by UHEAA.

Background

At its meeting on October 17, 2007, the Student Finance Subcommittee voted unanimously to recommend Board of Regents adoption of the attached Approving Resolution for the Board's Student Loan Revenue Bonds, 2007 Series Y. Board of Regents adoption of the Resolution is necessary to provide authority for issuance and sale of the bonds.

Proposed Structure

Based upon the financing team's review and analysis of the Program's needs, alternative structures, pricing, and current circumstances, it is concluded that the Board would best be served by issuing tax-exempt seven-day Variable Rate Demand Obligations (VRDO's) issued under the AMBAC insured structure of the 1988 Master Indenture.

Proposed terms are as follows:

Proposed Sale Date: November 29, 2007

Proposed Closing Date: November 30, 2007

	<u>Expected Rating</u>	<u>Proposed Amount</u>	<u>Var./Fixed Rate</u>	<u>Maturity</u>	<u>Tax Status</u>
Series 2007 Y	AAA	<u>\$98,790,000</u>	Variable	11/01/42	Tax Exempt

Proposed Not To Exceed Parameters

	Not to Exceed Parameter	Resolution Reference
● Total Principal Amount	\$100,000,000	Section 5
● Principal Amount of Bonds That May Bear Variable Interest Rates	\$100,000,000	Section 5
● Maximum Interest Rate of Tax Exempt Variable Rate Demand Obligations	14.0%	Section 5
● Maturity Dates	11/01/2042	Section 5
● Underwriter's Discount	.65%	Section 7

Basic Documents Requiring Approval

The Approving Resolution, provided as Attachment I, is in final draft form. Its approval by the Board will authorize the execution of a Thirteenth Supplemental Indenture to the 1988 General Indenture, a Bond Purchase Agreement, and an Official Statement.

The Thirteenth Supplemental Indenture is a contract between the Board and Wells Fargo Bank, N.A., as trustee, for the Bank to serve as custodian of funds and as authorized representative of bondholders in order to ensure compliance by the Board with provisions of the Indenture.

The Official Statement is a disclosure document which describes in detail the security and financial information regarding the bond issue. The Official Statement is used by the Underwriters to market the bonds to potential investors.

The Bond Purchase Agreement is a contract between the Underwriters, (UBS Securities, LLC, Citigroup Global Markets Inc., Wells Fargo Brokerage Services, LLC, and Zions First National Bank) and the Board that sets forth the terms under which the Underwriters will purchase the bonds. This agreement will contain the selling price of the bonds, any premium or discount, the interest rates the bonds will bear, the conditions which must be met in order to close the sale of the bonds, and a description of any restrictions with respect to the responsibilities of the Board and/or the Underwriters ("Co-Managers").

The Approving Resolution delegates authority to the Board's Chair, Vice Chair and/or Chair of the Finance, Facilities, and Accountability Committee to approve final versions of the documents described above, consistent with parameters contained in the Approving Resolution, and along with designated Officers of the Board, to execute other necessary implementing agreements. (See Resolution Sections 8 through 12.)

Copies of the draft bond documents described above were mailed under separate cover to members of the Finance, Facilities and Accountability Committee. Copies are available upon request for other members of the Board from Richard Davis at (801) 321-7285. Associate Executive Director Richard Davis, UHEAA's Chief

Financial Officer, representatives of the Attorney General's Office and Bond Counsel will be at the Board of Regents meeting on October 26 to answer questions.

Policy Implications

Timely sale of the Board's Student Loan Revenue Bonds, 2007 Series Y, is projected to ensure uninterrupted access of Utah's students and families to acquire affordable student loans through June 2008. Any decisions by participating lenders to sell their student loans to UHEAA, earlier than the custom, may result in a recommendation for accelerating the issuance of additional student loan revenue bonds.

Options Considered

The Student Finance Subcommittee, Program Officers, Underwriters and Bond Counsel periodically review and consider a wide range of financing facilities and structures. The possible merits of locking in current interest rates by issuing fixed rate bonds are considered each time. However, the current variable rate bonds, as recommended for the entire issue, will more closely track the federal government's annual resetting of borrower interest rates and quarterly resetting of special allowance payments.

Recommendation

The Commissioner recommends that the Board of Regents approve the attached Approving Resolution for the Board's Student Loan Revenue Bonds, 2007 Series Y.

Richard E. Kendell, Commissioner

Attachment

REK/DAF/ROD

MEMORANDUM

October 18, 2007

TO: Finance, Facilities, and Accountability Committee

FROM: Richard O. Davis

SUBJECT: Supplemental Agenda Material for the October 26, 2007
Board of Regents Meeting

Enclosed is the following supplemental agenda material for the October 26 Board of Regents meeting:

Tab E Supplements:

Documents for Student Loan Revenue Bonds 2007 Series Y

- * Thirteenth Supplemental Indenture
- * Official Statement
- * Bond Purchase Agreement

If you should have any questions with regard to the documents or the Program prior to the meeting, please feel free to contact me at 321-7285 or at rdavis@utahsbr.edu.

Richard O. Davis
Associate Executive Director
for Finance and Administration

Enclosures

THIRTEENTH SUPPLEMENTAL INDENTURE

Dated as of _____ 1, 2007

between

STATE BOARD OF REGENTS OF THE STATE OF UTAH

and

WELLS FARGO BANK, N.A.

Relating to

\$ _____
Aggregate Amount
Student Loan Revenue Bonds
2007 Series Y

Table of Contents

	Page
ARTICLE I SHORT TITLE, DEFINITIONS AND AUTHORITY	1
Section 1.1 <u>Short Title</u>	1
Section 1.2 <u>Definitions</u>	1
Section 1.3 <u>Authority</u>	6
ARTICLE II AUTHORIZATION, TERMS AND ISSUANCE OF SERIES Y BONDS, BOOK ENTRY SYSTEM	7
Section 2.1 <u>Principal Amount, Designation and Series</u>	7
Section 2.2 <u>Purposes</u>	7
Section 2.3 <u>Date, Maturities, Redemption and Interest Rates</u>	7
Section 2.4 <u>Form, Denomination, Numbers and Letters</u>	7
Section 2.5 <u>Appointment of Paying Agent</u>	7
Section 2.6 <u>Appointment of Registrar</u>	8
Section 2.7 <u>Appointment of Authenticating Agent</u>	8
Section 2.8 <u>Appointment of Tender Agent</u>	8
Section 2.9 <u>Appointment of Remarketing Agent</u>	8
Section 2.10 <u>Fees Payable to AMBAC</u>	8
Section 2.11 <u>Book-Entry System; Limited Obligation of Board</u>	8
Section 2.12 <u>Redemption</u>	10
Section 2.13 <u>Establishment of Interest Rates for Weekly Rate Bonds; Conversion</u>	10
Section 2.14 <u>Optional Tender of Weekly Rate Bonds by Owners Thereof</u>	13
Section 2.15 <u>Mandatory Tender of Weekly Rate Bonds by Owners Thereof</u>	14
Section 2.16 <u>Purchase Fund</u>	15
Section 2.17 <u>Remarketing of Optionally and Mandatorily Tendered Series Y Bonds</u>	16
Section 2.18 <u>Deposits into the Purchase Fund; Notice to Trustee and Tender Agent</u>	17
Section 2.19 <u>Application of Moneys in the Purchase Fund to the Purchase of Tendered Series Y Bonds; Insufficiency of Funds For Tenders</u>	18
Section 2.20 <u>Disbursement from the Purchase Fund</u>	18
Section 2.21 <u>Transfer and Delivery of Tendered Series Y Bonds for Purchase</u>	19
Section 2.22 <u>Remarketing of Liquidity Provider Bonds</u>	19
Section 2.23 <u>Liquidity Facility; Substitution of Liquidity Facility</u>	20
Section 2.24 <u>Amendments to Auction Rate and Variable Rate Provisions Upon or Following Conversion</u>	20
ARTICLE III SALE AND DISPOSITION OF PROCEEDS OF SERIES Y BONDS; SERIES Y SUBACCOUNTS	22
Section 3.1 <u>Application of Series Y Bond Proceeds</u>	22
Section 3.2 <u>Establishment of Series Y Subaccounts</u>	23
Section 3.3 <u>Additional Limitations on the Acquisition of Eligible Loans</u>	23
Section 3.4 <u>Rebate Covenant</u>	23
Section 3.5 <u>Instructions to Trustee Concerning Costs of Issuance</u>	23
Section 3.6 <u>Notice to AMBAC</u>	23
ARTICLE IV AMENDMENTS.....	Error! Bookmark not defined.
Section 4.1 <u>Effective Date of Amendments</u>	Error! Bookmark not defined.
Section 4.2 <u>Amendment to Definitions</u>	Error! Bookmark not defined.
Section 4.3 <u>Amendment to Section 2.5(1)(g) of the General Indenture</u>	Error! Bookmark not defined.

Section 4.4	<u>Amendment to Section 5.4(B)(FIFTH) of the General Indenture</u>	Error! Bookmark not defined.
Section 4.5	<u>Amendment to Section 5.5 of the General Indenture</u>	Error! Bookmark not defined.
ARTICLE V TAX COVENANTS WITH RESPECT TO TAX EXEMPT BONDS		24
ARTICLE VI MISCELLANEOUS.....		25
Section 6.1	<u>Thirteenth Supplemental Indenture Construed with General Indenture</u>	25
Section 6.2	<u>General Indenture as Supplemented to Remain in Effect</u>	25
Section 6.3	<u>Execution in Counterparts</u>	25
Section 6.4	<u>Severability</u>	25
Section 6.5	<u>Confirmation of Actions</u>	25
Section 6.6	<u>Governing Law</u>	25
Section 6.7	<u>Notices</u>	25
Section 6.8	<u>Trustee's Receipt of Liquidity Facility</u>	27
Section 6.9	<u>Notice to Rating Agency of Certain Investments</u>	27
<u>EXHIBIT A</u> PROVISIONS RELATING TO SERIES Y BONDS OUTSTANDING AS AUCTION RATE CERTIFICATES.....		A-1
<u>EXHIBIT B</u> FORM OF WEEKLY RATE BONDS		B-1
<u>EXHIBIT C</u> FORM OF ARCS SERIES Y BONDS		C-1
<u>EXHIBIT D</u> FORM OF TENDER AND DEMAND		D-1
<u>EXHIBIT E</u> FORM OF NOTICE OF CHANGE IN PERCENTAGES.....		E-1
<u>EXHIBIT F</u> FORM OF NOTICE OF CHANGE IN LENGTH OF ONE OR MORE AUCTION PERIODS		F-1
<u>EXHIBIT G</u> FORM OF NOTICE ESTABLISHING CHANGE IN LENGTH OF ONE OR MORE AUCTION PERIODS.....		G-1
<u>EXHIBIT H</u> FORM OF NOTICE OF CHANGE IN AUCTION DATE.....		H-1
<u>EXHIBIT I</u> LETTER OF REPRESENTATION		I-1
<u>EXHIBIT J</u> CONSENT OF TRUSTEE AND AMBAC TO THIRTEENTH SUPPLEMENTAL INDENTURE.....		J-1
<u>EXHIBIT K</u> NOTICE TO RATING AGENCY OF SUPPLEMENTAL INDENTURE		K-1
<u>EXHIBIT L</u> PROVISIONS RELATING TO SERIES Y BONDS OUTSTANDING AS VARIABLE RATE BONDS.....		L-1

STUDENT LOAN PROGRAM
THIRTEENTH SUPPLEMENTAL INDENTURE

This Thirteenth Supplemental Indenture, dated as of _____ 1, 2007, is entered into by and between the State Board of Regents of the State of Utah (the “Board”) and Wells Fargo Bank, N.A. (the “Trustee”).

ARTICLE I

SHORT TITLE, DEFINITIONS AND AUTHORITY

Section 1.1 Short Title. This Indenture shall be known as and may be designated by the short title “Thirteenth Supplemental Indenture” (the “Thirteenth Supplemental Indenture”).

Section 1.2 Definitions. All words and phrases defined in Article I of the General Indenture (defined below) shall have the same meaning in this Thirteenth Supplemental Indenture, except as otherwise appears in this Section. In addition, the following terms shall have the following meanings, unless the context otherwise requires:

“Accrued Assets” means, with respect to any date, the sum of (i) the principal amount of all Student Loans pledged under the Indenture (excluding the principal amount of any Student Loans which are not insured or guaranteed as required by the General Indenture), (ii) the aggregate of all other amounts on deposit in the Accounts, (iii) the amount of all accrued interest on Student Loans, (iv) all accrued interest subsidy payments and Special Allowance Payments on Student Loans, and (v) all accrued but unpaid interest and income on Investment Securities. For purposes of (i) and (iii) above, Student Loans which are more than 270 days delinquent shall be valued at 98% of the amount of the principal of and accrued interest thereon.

“Accrued Liabilities” means, with respect to any date, the sum of the principal of and unpaid interest on all Outstanding Bonds, plus all accrued but unpaid Program Expenses, including required rebate, if any.

“Adjustment Date” means the first day of each Weekly Rate Period.

“AMBAC” means Ambac Assurance Corporation (formerly referred to in the Indenture as AMBAC Indemnity).

“ARCs Conversion Date” means the date the Series Y Bonds are converted to ARCs as provided in Section 2.13.

“Authorized Denominations” means (i) with respect to Series Y Bonds bearing interest at a Weekly Rate, \$100,000 or any integral multiple thereof [(provided that one Series Y Bond may be in a denomination of \$_____)], (ii) with respect to Series Y Bonds bearing interest at an Auction Rate (as defined in Exhibit A hereto), \$50,000 or any integral multiple thereof and (iii) with respect to Series Y Bonds bearing interest at a Variable Rate (as provided in Exhibit L hereto), such term shall have the meaning as defined in Exhibit L hereto.

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series Y Bonds, including persons holding Series Y Bonds through nominees or depositories.

“Cede” means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

“DTC” means the Depository Trust Company, New York, New York and its successors and assigns.

“Eighth Supplemental Indenture” means the Eighth Supplemental Indenture dated as of April 1, 1996 between the Board and the Trustee.

“Eleventh Supplemental Indenture” means the Eleventh Supplemental Indenture dated as of August 1, 2003 between the Board and the Trustee.

“Exhibit A” means Exhibit A to this Thirteenth Supplemental Indenture containing terms of the Series Y Bonds following a conversion from a Weekly Rate to ARCs.

“Exhibit L” means Exhibit L to this Thirteenth Supplemental Indenture containing terms of the Series Y Bonds following a conversion from a Weekly Rate to a Variable Rate.

“Expiration Date” means the date upon which the Liquidity Facility then in effect shall, by its terms, expire.

“Favorable Opinion” means an opinion of Bond Counsel addressed to the Board and the Trustee to the effect that the action proposed to be taken is authorized or permitted by the Act and the Indenture and will not adversely affect any exclusion from gross income of interest on the applicable Bonds for federal income tax purposes.

“Fifth Supplemental Indenture” means the Fifth Supplemental Indenture dated as of October 1, 1992 between the Board and the Trustee.

“First Supplemental Indenture” means the First Supplemental Indenture dated as of July 15, 1988 between the Board and the Trustee.

“Fitch” means Fitch Investors Service, L.P. a New York Partnership, its successors and assigns, and, if such partnership shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board, with the consent of AMBAC.

“Fourth Supplemental Indenture” means the Fourth Supplemental Indenture dated as of July 1, 1991 between the Board and the Trustee.

“General Indenture” means the General Indenture by and between the Trustee and the Board dated as of July 15, 1988 and designated in Section 1.1 thereof as the “General Student Loan Program Indenture,” as the same may have been or be amended and/or supplemented from time to time.

“Initial Rate” means the respective initial Weekly Rate to be borne by each Series of the Weekly Rate Bonds during the initial Weekly Rate Period, as set forth in the Certificate of the Board delivered at the time of issuance of the Series Y Bonds.

“Interest Payment Date” (i) with respect to the Series Y Bonds bearing interest at a Weekly Rate means each May 1 and November 1 commencing _____, (ii) with respect to Series Y Bonds while outstanding as ARCs as defined in Exhibit A and (iii) with respect to Series Y Bonds following a conversion to a Variable Rate as defined in Exhibit L.

[“Liquidity Facility” means initially, that certain Standby Bond Purchase Agreement, dated as of _____ 1, 2007, by and among the Board, the Trustee and _____ a _____ corporation incorporated under _____ law, acting through its New York Branch, and any substitute liquidity facility provided to the Trustee in compliance with Section 2.23 hereof.]

“Liquidity Provider” means the issuer of any Liquidity Facility.

“Liquidity Provider Bonds” means Series Y Bonds tendered by the owners thereof and purchased by the Liquidity Provider pursuant to a drawing on the Liquidity Facility and not remarketed.

“Mandatory Tender Date” means a date described in Section 2.15(b) hereof.

“Maximum Rate” means the least of (a) the maximum rate permitted by applicable law, or (b) with respect to Weekly Rate Bonds, in the event any Liquidity Facility is then in effect, the rate supportable by the interest component of that Liquidity Facility (initially 14% per annum in the case of the Series Y Bonds) for the period required by the Rating Agency (initially 190 days in the case of the Series Y Bonds) to obtain a rating on the Bonds equal to the applicable rating of the Liquidity Provider or (c) 14% per annum in the case of the Series Y Bonds.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board, with the consent of AMBAC.

“Ninth Supplemental Indenture” means the Ninth Supplemental Indenture dated as of January 1, 1997, between the Board and the Trustee.

“Optional Tender Date” means, during a Weekly Rate Period, any Business Day specified by an Owner in a Tender Notice for purchase of any Weekly Rate Bond in accordance with the provisions of Section 2.14.

“Optionally Tendered Bonds” means any Bonds tendered for purchase pursuant to Section 2.14.

“Parity Ratio” shall mean, with respect to any date, the ratio, expressed as a percentage of (a) Accrued Assets over (b) Accrued Liabilities.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Series Y Bonds as securities depository.

“Proposed ARCs Conversion Date” means the Business Day indicated in the written notice of the Board given pursuant to Section 2.13(c), on which the Board proposes to effect a conversion of the interest rate mode applicable to any Series Y Bonds from a Weekly Rate to an Auction Rate.

“Proposed Variable Rate Conversion Date” means the Business Day indicated in the written notice of the Board given pursuant to Section 2.13(d), on which the Board proposes to effect a conversion of the interest rate mode applicable to any Series Y Bonds from a Weekly Rate to a Variable Rate described in Exhibit L.

“Purchase Date” means any date established for the mandatory or optional tender of Weekly Rate Bonds, established in accordance with the terms of this Thirteenth Supplemental Indenture.

“Purchase Price” means the price due to a tendering Owner of any Weekly Rate Bond issued hereunder, being the principal amount thereof, plus interest accrued at the applicable rate or rates to the Purchase Date.

“Rating Agency” means collectively, Moody’s, Standard & Poor’s, Fitch and any other nationally recognized securities rating agency to the extent such agency has issued and continues to maintain a rating on the Series Y Bonds at the time in question, at the request of the Board.

“Record Date” means (i) with respect to Series Y Bonds bearing a Weekly Rate, the Business Day preceding each Interest Payment Date, (ii) with respect to the Series Y Bonds bearing an Auction Rate, as

defined in Exhibit A hereto, and (iii) with respect to the Series Y Bonds bearing a Variable Rate, as defined in Exhibit L hereto.

“Recycling Suspension Event” shall mean the occurrence and uncured continuation of any of the following:

(a) [an Event of Default under the Indenture or an event of default under any of the liquidity facilities for the 1988 Series C Bonds, the 1995 Series L Bonds, the 1996 Series Q Bonds, or the 1997 Series R Bonds or the Liquidity Facility (except the events of default set forth in Section 7.1(b), (c) or (d) of each of the liquidity facilities for the 1988 Series C Bonds, the 1995 Series L Bonds, the 1996 Series Q Bonds, or the 1997 Series Q Bonds or the initial Liquidity Facility (or similar events of default under any replacement or substitute Liquidity Facility));]

(b) if AMBAC has notified the Board in writing of its determination that there exists a material and continuing failure by any Servicer to perform its obligations under a related servicing agreement with the Board or under the Higher Education Act, and the Board has not taken the actions required in Section 4.9 of the Fifth Supplemental Indenture;

(c) if the Parity Ratio has declined for two consecutive quarters, unless the Parity Ratio is greater than 102%;

(d) if there occurs a material deterioration in the financial or legal status of the Board which is likely to have a material adverse impact on the Board’s ability to pay principal of and interest on the Bonds or upon the Board’s ability to perform its duties under the Indenture and such occurrence continues for more than 90 days;

(e) if any of the Bonds bearing an auction rate issued under the Indenture bear interest at the Maximum Rate for two consecutive auction periods, unless the Parity Ratio is greater than 102%; and

(f) if there are any Liquidity Provider Bonds (or other Bonds similarly held by the related Liquidity Provider) for more than 45 consecutive days, unless the Parity Ratio is greater than 103.5%.

“Remarketing Agent” means UBS Financial Services Inc. as remarketing agent under the Remarketing Agreement, or any successor to such organization.

“Remarketing Agreement” means the Remarketing Agreement, dated as of _____ 1, 2007, by and between the Board and the Remarketing Agent, or any similar agreement hereafter entered into between the Board and a successor Remarketing Agent with respect to the Weekly Rate Bonds, in each case, as originally executed and as from time to time amended or supplemented in accordance with the terms thereof.

“Representation Letter” means the representation letter or letters from the Board to DTC in substantially the forms attached hereto as Exhibit I.

“S & P” means Standard & Poor’s a division of McGraw-Hill Companies, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S & P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board, with the consent of AMBAC.

“Second Supplemental Indenture” means the Second Supplemental Indenture dated as of June 1, 1989 between the Board and the Trustee.

“Series Y Bonds” means the series of Bonds authorized by Section 2.1(a) of this Thirteenth Supplemental Indenture and titled “Student Loan Revenue Bonds, 2007 Series Y.”

“Seventh Supplemental Indenture” means the Seventh Supplemental Indenture dated as of August 1, 1995 between the Board and the Trustee.

“Sixth Supplemental Indenture” means the Sixth Supplemental Indenture dated as of September 1, 1994 between the Board and the Trustee.

“Substitution Date” means any date upon which a new Liquidity Facility becomes effective as a substitute for the Liquidity Facility then in effect for the Series Y Bonds, delivered in accordance with the provisions of Section 2.23.

“Tax Exempt Bonds” means the Series Y Bonds.

“Tender Agent” means Wells Fargo Bank, N.A., or any successor Fiduciary thereto hereunder.

“Tenth Supplemental Indenture” means the Tenth Supplemental Indenture dated as of August 1, 2000 between the Board and the Trustee.

[Termination Date With Mandatory Tender” means a date specified by the Liquidity Provider in a notice to the Trustee upon which the Liquidity Facility then in effect will terminate at the election of the Liquidity Provider following the occurrence of an event of default described in Section 7.1(e), (f), (g), (h), (i), (j), (k), (l) or (m) of the initial Liquidity Facility (or similar events of default under any replacement or substitute Liquidity Facility).]

“Third Supplemental Indenture” means the Third Supplemental Indenture dated as of November 1, 1990 between the Board and the Trustee.

“Thirteenth Supplemental Indenture” means this Thirteenth Supplemental Indenture dated as of _____, 2007, between the Board and the Trustee.

“Twelfth Supplemental Indenture” means the Twelfth Supplemental Indenture dated as of _____ 1, 2007 between the Board and the Trustee.

“Undelivered Bond” means any Weekly Rate Bond whose Owner has submitted a demand that such Bond be repurchased by the Board on a designated Purchase Date or which is subject to mandatory tender for purchase in accordance with the terms of this Thirteenth Supplemental Indenture, and which is not, in fact, delivered for repurchase on the specified Purchase Date by the Owner thereof, but as to which the Purchase Price has been set aside in the Purchase Fund.

“Variable Rate” has the meaning as defined in Exhibit L hereto. The provisions of Exhibit L only apply following a Variable Rate Conversion Date.

“Variable Rate Conversion Date” means the date the Series Y Bonds are converted to a Variable Rate as provided in Section 2.13.

“Weekly Rate” means a rate applicable to Series Y Bonds, as applicable, which is in effect for a Weekly Rate Period, established in accordance with the provisions of Section 2.13. The Weekly Rate shall be a rate equal to the lowest rate which, in the judgment of the Remarketing Agent, would produce as nearly as possible a par bid (but not less than par, and without regard to accrued interest, if any), in the secondary market on the Adjustment Date for a particular Weekly Rate Period (or, if the Remarketing Agent for any reason fails to determine such rate or the rate established by the Remarketing Agent is held to be invalid or unenforceable by a court of law, the rate determined in accordance with the provisions of Section 2.13 hereof).

“Weekly Rate Bond” means any Series Y Bond, as applicable, bearing interest at a Weekly Rate.

“Weekly Rate Period” means any period during which the Series Y Bonds, bear a Weekly Rate, which commences on a Wednesday (or, in the case of the initial Weekly Rate Period, a _____) and ends on Tuesday of the next succeeding week; provided, however, that the final Weekly Rate Period applicable to any Weekly Rate Bond shall terminate at maturity or upon earlier redemption.

Section 1.3 Authority. This Thirteenth Supplemental Indenture is executed pursuant to the provisions of the Act and the General Indenture.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES Y BONDS, BOOK ENTRY SYSTEM

Section 2.1 Principal Amount, Designation and Series. Pursuant to the provisions of the General Indenture, a Series of Bonds entitled to the benefit, protection and security of the General Indenture is hereby authorized in the aggregate principal amount of \$_____ and shall be designated as and shall be distinguished from the Bonds of all other Series by the title, "Student Loan Revenue Bonds, 2007 Series Y."

Section 2.2 Purposes. The Series Y Bonds are issued for the purpose of (i) making a deposit into the Loan Account established pursuant to the General Indenture and (ii) making a deposit into other special trust accounts established pursuant to the General Indenture as required by and in the amounts required by Section 3.1 of this Thirteenth Supplemental Indenture.

Section 2.3 Date, Maturities, Redemption and Interest Rates.

(a) The Series Y Bonds shall initially consist of Weekly Rate Bonds which shall initially bear interest at a Weekly Rate as provided herein, subject to conversion to ARCs as provided herein and in Exhibit A hereto or to a Variable Rate as provided herein and in Exhibit L hereto, and shall mature on _____ and shall have the further terms and be subject to redemption as specified herein.

(b) The Series Y Bonds shall be dated as of the date of initial authentication and delivery thereof. Interest shall be computed as follows: (i) for Weekly Rate Bonds, on the basis of a year of 365 or 366 days, as appropriate, for the actual number of days elapsed; (ii) for ARCs, as provided in Exhibit A in the case of the Series Y Bonds, and (iii) for Series Y Bonds bearing a Variable Rate, as provided in Exhibit L.

(c) During the initial Weekly Rate Period, the Series Y Bonds shall bear interest at the respective Initial Rate.

(d) At no time may the Board establish, or permit the Remarketing Agent to establish, a new interest rate applicable to some or all of the Series Y Bonds which would exceed the respective Maximum Rate.

(e) Interest payable on Liquidity Provider Bonds shall be payable at the lesser of (i) the respective Maximum Rate (as defined herein) or (ii) the rate provided in the initial Liquidity Facility or any substitute or replacement Liquidity Facility for interest on Liquidity Provider Bonds.

Section 2.4 Form, Denomination, Numbers and Letters. The Series Y Bonds shall be issued in the form of fully registered bonds without coupons, and while bearing a Weekly Rate shall be in substantially the form set forth as Exhibit B. The Series Y Bonds shall be issued in the Authorized Denominations and shall be numbered separately from 1 upward preceded by the letters RY prefixed to the number. While outstanding as ARCs the Series Y Bonds shall be in substantially the form set forth in Exhibit C. While the Series Y Bonds bear a Variable Rate, the Series Y Bonds shall be in substantially the form set forth in Exhibit L.

Section 2.5 Appointment of Paying Agent. Wells Fargo Bank, N.A. is hereby appointed Paying Agent with respect to the Series Y Bonds. The Paying Agent shall indicate acceptance of the duties of Paying Agent by depositing a written acceptance thereof with the Board and the Trustee in accordance with Section 11.2 of the General Indenture.

Section 2.6 Appointment of Registrar. Wells Fargo Bank, N.A. is hereby appointed Registrar with respect to the Series Y Bonds. The Registrar shall indicate acceptance of the duties of Registrar by depositing a written acceptance thereof with the Board and the Trustee in accordance with Section 11.2 of the General Indenture. At all times the Registrar shall also act as a Paying Agent.

Section 2.7 Appointment of Authenticating Agent. The Board hereby determines that the appointment of an Authenticating Agent is necessary to the issuance of, and hereby appoints Wells Fargo Bank, N.A., as Authenticating Agent with respect to, the Series Y Bonds. The Authenticating Agent shall indicate acceptance of the duties of Authenticating Agent by depositing a written acceptance thereof with the Board and the Trustee in accordance with Section 11.2 of the General Indenture.

Section 2.8 Appointment of Tender Agent. The Board hereby determines that the appointment of a Tender Agent for the Series Y Bonds is necessary and hereby appoints Wells Fargo Bank, N.A., as Tender Agent for the Series Y Bonds. The Tender Agent shall indicate its acceptance of the duties of Tender Agent by depositing a written acceptance thereof with the Board and the Trustee in accordance with Section 11.2 of the General Indenture. No resignation or termination of the Tender Agent shall be effective prior to the appointment of a successor Tender Agent and the acceptance of the appointment thereof.

Section 2.9 Appointment of Remarketing Agent. The Board hereby determines that the appointment of a Remarketing Agent for the Series Y Bonds bearing interest at a Weekly Rate is necessary and hereby appoints UBS Financial Services Inc. as Remarketing Agent for the Series Y Bonds. UBS Financial Services Inc. shall indicate its acceptance of the duties thereof by its execution of the Remarketing Agreement.

Section 2.10 Fees Payable to AMBAC. The annual fee payable to AMBAC in connection with Series Y Bonds under Section 5.4(B) of the General Indenture is an amount equal to ____% of the principal amount of all such Series Y Bonds Outstanding. The fee with respect to the Series Y Bonds shall be payable in advance on the date of issuance of the Series Y Bonds for the period from the issuance thereof through _____, and thereafter on November 1 of each year, commencing _____.

Section 2.11 Book-Entry System; Limited Obligation of Board.

(a) The Series Y Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each Series (and each Subseries) and maturity thereof. Upon initial issuance, the ownership of all Series Y Bonds shall be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. Except as provided in Section 2.11(d) hereof, all of the Outstanding Series Y Bonds shall be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC.

(b) With respect to Series Y Bonds registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, the Board, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Series Y Bonds. Without limiting the immediately preceding sentence, the Board, the Registrar, the Paying Agent and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Series Y Bonds, (ii) the delivery to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series Y Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series Y Bonds. The Board, the Registrar, the Paying Agent and the Trustee may treat and consider the person in whose name each Series Y Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Series Y Bond, as applicable, for the purpose of payment of principal, premium, if any and interest with respect to such Series Y Bond, for the purpose of giving notices of redemption and other matters with respect to such Series Y Bond, for the purpose of registering transfers with respect to such

Series Y Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any and interest on the Series Y Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Series Y Bonds, as applicable, to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the registration books kept by the Registrar, shall receive a certificated Series Y Bond evidencing the obligation of the Board to make payments of principal, premium, if any, and interest of the Series Y Bonds pursuant to the Indenture. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions herein with respect to record dates, the word "Cede" in this Thirteenth Supplemental Indenture shall refer to such new nominee of DTC; and upon receipt of such a notice the Registrar shall promptly deliver a copy of the same to the Trustee, if the Trustee is other than himself.

(c) The Representation Letter has been executed and delivered by the Issuer. The Trustee, the Paying Agent, the Tender Agent and the Bond Registrar shall take all action necessary for all representations of the Issuer in the Representation Letter and DTC's operational arrangements with respect to the Trustee, the Paying Agent and the Bond Registrar, respectively, to at all times be complied with.

(d) (i) DTC may determine to discontinue providing its services with respect to the Series Y Bonds at any time by giving reasonable notice to the Board, the Trustee and the Registrar and discharging its responsibilities with respect thereto under applicable law.

(ii) The Board, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series Y Bonds if the Board determines that:

(A) DTC is unable to discharge its responsibilities with respect to such Series of Bonds, or

(B) a continuation of the requirement that all of the Outstanding Bonds of such Series be registered in the registration books kept by the Registrar in the name of Cede, or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds of such Series.

(iii) Upon the termination of the services of DTC with respect to the Series Y Bonds pursuant to Section 2.11(d)(ii)(B) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series Y Bonds, pursuant to subsection Section 2.11(d)(i) or Section 2.11(d)(ii)(A) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Board, is willing and able to undertake such functions upon reasonable and customary terms, the Board is obligated to deliver Bond certificates at the expense of the beneficial owners of the Series Y Bonds, as described in the Indenture and the Series Y Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds of such series shall designate, in accordance with the provisions of the Indenture.

(e) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series Y Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series Y Bond, as applicable and all notices with respect to such Series Y Bond shall be made and given, respectively, in the manner provided in the Representation Letter and DTC's operational arrangements.

Section 2.12 Redemption.

(a) Optional Redemption of Series Y Bonds. The Series Y Bonds shall be subject to optional redemption prior to their scheduled maturity dates, in whole or in part, at the direction of the Board in accordance with the following:

(i) Weekly Rate Bonds (including Liquidity Provider Bonds) shall be subject to optional redemption on any date at a Redemption Price of par, plus accrued interest, if any. Following the giving of notice of a redemption of Weekly Rate Bonds then rated by S&P, the Available Money to be used for such redemption shall only be invested in Investment Securities rated “A-1+” by S&P and which mature or are subject to redemption as needed for payment.

(ii) Series Y Bonds which have been converted to ARCs shall be subject to optional redemption as described in Exhibit A. Series Y Bonds which have been converted to bear interest at a Variable Rate shall be subject to optional redemption as described in Exhibit L.

(b) Redemption of Bonds if Liquidity Provider Bonds are Outstanding. No redemption of Weekly Rate Bonds which are not Liquidity Provider Bonds may be effected hereunder if there are then Liquidity Provider Bonds Outstanding unless such Liquidity Provider Bonds are redeemed at or prior to the redemption of such Weekly Rate Bonds. Liquidity Provider Bonds may be redeemed upon such notice as may be permitted under the terms of the Liquidity Facility, notwithstanding the general notice requirements to other Owners set forth in the General Indenture.

(c) Selection of Series Y Bonds for Redemption. The Series Y Bonds to be redeemed shall, except as otherwise described below, be selected by the Board in any such order as the Board shall determine. Unless AMBAC shall consent to another method, the Board shall instruct the Trustee to select Series Y Bonds from each Series and maturity of the Series Y Bonds to be redeemed on a pro rata basis (based upon the amount of Bonds of such Series and maturity Outstanding to the total amount of Outstanding Series Y Bonds of such Series to be redeemed). The Series Y Bonds within a maturity shall be selected by the Trustee in any manner as the Trustee shall deem fair and reasonable, in its sole discretion.

Section 2.13 Establishment of Interest Rates for Weekly Rate Bonds; Conversion.

(a) Determination of Weekly Rates. The Series Y Bonds shall bear interest during the initial Weekly Rate Period at their respective Initial Rate. After the initial Weekly Rate Period, but prior to their conversion to ARCs or to a Variable Rate and except as provided herein with respect to Liquidity Provider Bonds, the Series Y Bonds shall bear interest at the lesser of (1) the applicable Maximum Rate or (2) the applicable Weekly Rate determined by the Remarketing Agent in accordance with the provisions of this Section.

Each Weekly Rate for any Weekly Rate Period shall be determined by the Remarketing Agent no later than 3:00 P.M., New York City time, on the Business Day next preceding the Adjustment Date for such Weekly Rate Period.

From and after a conversion of the Series Y Bonds to ARCs the Series Y Bonds shall bear interest as provided in Exhibit A hereof.

From and after a conversion of the Series Y Bonds to a Variable Rate the Series Y Bonds shall bear interest as provided in Exhibit L hereof.

Liquidity Provider Bonds shall bear interest as provided in Section 2.3(e).

(b) Determination of Subsequent Rate Periods. Each Weekly Rate Period following the initial Weekly Rate Period shall be of the same type as the immediately preceding Weekly Rate Period unless changed by written instruction of the Board delivered to the Remarketing Agent, the Trustee, AMBAC and the Liquidity Provider. The initial Weekly Rate Period shall be considered a Weekly Rate Period.

On the date on which a Weekly Rate for Weekly Rate Bonds has been determined by the Remarketing Agent in accordance with this Section, the Remarketing Agent shall give notice by facsimile transmission to the Trustee, the Liquidity Provider, AMBAC and the Tender Agent no later than 3:00 P.M., New York City time, of such Weekly Rate applicable to such Weekly Rate Period, and the Trustee shall make available to Owners, upon request, information concerning the Weekly Rate for such Weekly Rate Period.

During any Weekly Rate Period, the Remarketing Agent may give notice to the Board, the Trustee, the Tender Agent, AMBAC and the Liquidity Provider to the effect that, in its judgment, as a result of changes in the general market practices with respect to the adjustment of interest rates on instruments comparable to the Series Y Bonds, it would be more advantageous to the Board to have Weekly Rate Periods start on a different weekday (which different weekday shall be stated in such notice) and end on the sixth day next succeeding such weekday, specifying the first Weekly Rate Period for which such change shall be effective and specifying that the Weekly Rate Period preceding the first Weekly Rate Period for which such change shall be effective shall be of such duration between one and thirteen days as the Remarketing Agent shall determine is necessary in order to effectuate such change in the Weekly Rate Period. Following receipt of such notice and direction from the Board confirming such proposed change, the Board shall provide for the delivery of a Favorable Opinion to the Board, the Trustee, the Tender Agent, the Liquidity Provider, AMBAC and the Remarketing Agent respecting the effect of such change in the first and last weekdays of Weekly Rate Periods on the Series Y Bonds, as applicable, and the Trustee shall then promptly give notice to each Owner (attaching to the notice a copy of the written notice from the Remarketing Agent specified above) of the weekday selected by the Remarketing Agent for the commencement of subsequent Weekly Rate Periods, of the first Weekly Rate Period for which such change shall be effective and of the length of the Weekly Rate Period preceding the first Weekly Rate Period for which such change shall be effective.

[In the event that the Remarketing Agent for any reason fails to determine the Weekly Rate for the Series Y Bonds for any Weekly Rate Period, or the rate established by the Remarketing Agent for the Series Y Bonds is held to be invalid or unenforceable by a court of law for any Weekly Rate Period, the rate of interest to be borne by the Series Y Bonds for such Weekly Rate Period shall be equal to 150% of the PSA Municipal Swap Index™, as the same may be adjusted from time to time, until such time as a new Weekly Rate can be established by the Remarketing Agent but in no event shall such rate exceed the Maximum Rate. In the event such index no longer exists, the Remarketing Agent shall select a comparable index of seven-day tender municipal bonds.]

(c) Establishment of ARCs Conversion Date. The Board may give written notice at any time to AMBAC, the Liquidity Provider, the Remarketing Agent, S & P, Moody's, Fitch, the Tender Agent and the Trustee to the effect that it intends to effect a conversion of the interest rate on all or a specified principal amount of the Outstanding Series Y Bonds to ARCs, which notice of conversion shall be delivered not less than 25 days prior to the Proposed ARCs Conversion Date. The Proposed ARCs Conversion Date shall be the first Business Day following the end of a subsequent Weekly Rate Period with respect to the applicable Series Y Bonds. No conversion to ARCs shall occur unless (i) the Board shall file with the Trustee, AMBAC, the Liquidity Provider, the Tender Agent and the Remarketing Agent, a Favorable Opinion, regarding the conversion of the applicable Series Y Bonds, or a specified principal amount thereof, to ARCs, and, (ii) if at the time of the Board's giving notice of the proposed conversion, the Parity Ratio is less than 102%, the Board shall have received the prior written consent of AMBAC to such conversion.

On a Business Day no more than 21 days and no less than one day prior to the Proposed ARCs Conversion Date, the Market Agent shall determine the interest rate for the applicable initial Auction Period and thereafter such rates shall be established as provided in Exhibit A for the Series Y Bonds converted to ARCs. No later than 11:00 A.M., New York City time, on the date of such determination the Market Agent shall notify the Trustee, the Tender Agent, the Board, AMBAC and the Liquidity Provider by facsimile transmission of the rate or rates so determined. Such determination shall be conclusive and binding upon the Board, the Trustee, the Liquidity Provider, AMBAC and the Owners.

In the event that all of the Series Y Bonds designated for conversion are sold or remarketed on the Proposed ARCs Conversion Date and if the Favorable Opinion and the consent (if required) described above are delivered on the Proposed ARCs Conversion Date, the Proposed ARCs Conversion Date shall become the ARCs Conversion Date. If all of the Series Y Bonds designated for conversion are not sold or remarketed by the Proposed ARCs Conversion Date, the conversion of the principal amount of the Series Y Bonds designated for conversion to ARCs shall not occur, the affected Bonds will bear interest at the Weekly Rate determined by the Remarketing Agent on the failed Proposed ARCs Conversion Date in the same manner as the interest rate with respect to Weekly Rate Bonds is determined, as set forth above, and such Bonds shall nonetheless be subject to mandatory tender on such date. On the Proposed ARCs Conversion Date all Series Y Bonds then proposed for conversion will be purchased in accordance with Section 2.15. If all of the conditions to conversion of all Series Y Bonds are met and the ARCs Conversion Date occurs, the Trustee shall, on behalf of the Board and immediately following completion of the Conversion, confirm the cancellation of the Liquidity Facility to the Liquidity Provider. If the Conversion relates to less than all of the Series Y Bonds, following completion of such Conversion, the Trustee shall confirm a corresponding reduction in the dollar amount of Series Y Bonds covered by the Liquidity Facility.

(d) Establishment of Variable Rate Conversion Date. The Board may give written notice at any time to AMBAC, the Liquidity Provider, the Remarketing Agent, S & P, Moody's, Fitch, the Tender Agent and the Trustee to the effect that it intends to effect a conversion of the interest rate on all or a specified principal amount of the Outstanding Series Y Bonds to a Variable Rate, which notice of conversion shall be delivered not less than 25 days prior to the Proposed Variable Rate Conversion Date. The Proposed Variable Rate Conversion Date shall be the first Business Day following the end of a subsequent Weekly Rate Period with respect to the applicable Series Y Bonds. No conversion to a Variable Rate shall occur unless (i) the Board shall file with the Trustee, AMBAC, the Liquidity Provider, the Tender Agent and the Remarketing Agent, a Favorable Opinion, regarding the conversion of the Series Y Bonds, or a specified principal amount thereof, to a Variable Rate, and, (ii) if at the time of the Board's giving notice of the proposed conversion, the Parity Ratio is less than 102%, the Board shall have received the prior written consent of AMBAC to such conversion. Any such conversion shall be made as follows:

The Board shall confirm the appointment of UBS Financial Services Inc. as Remarketing Agent, or shall otherwise select and appoint a qualified Remarketing Agent.

After conversion of the Series Y Bonds to a Variable Rate, the Series Y Bonds shall continue to mature on the date or dates provided in Article II of this Thirteenth Supplemental Indenture. Notwithstanding the foregoing, the Board may, upon receipt of a Favorable Opinion and AMBAC's consent, establish a different principal repayment schedule for the affected Series Y Bonds upon conversion to a Variable Rate. In such case, a projected repayment schedule shall be communicated by an Authorized Officer of the Board to the Trustee and the Remarketing Agent not later than 15 days prior to the Variable Rate Conversion Date. A final repayment schedule shall be communicated by an Authorized Officer of the Board to the Trustee and the Remarketing Agent not later than 4:00 P.M. on the date the Variable Rates are determined as provided below.

Not later than seven days immediately preceding the Variable Rate Conversion Date, the Remarketing Agent shall preliminarily determine the related Variable Rate and shall, not later than 2:00 P.M., notify the Trustee and the Board of such rate or rates by telephone (promptly confirmed in writing), telegram, telecopy, or other similar means of communication, but such Variable Rate shall not be considered to be conclusively determined unless approved in writing by an Authorized Officer of the Board and unless the Board by Board Order has determined and communicated a final repayment schedule for the Series Y Bonds subject to conversion as provided in above and such repayment schedule has been approved in writing by the Remarketing Agent. The rate of interest for Variable Rate Bonds shall be determined in accordance with Section 1.04 of Exhibit L hereto. Promptly after the date of determination, the Trustee shall give notice of the Variable Rate to the Board, AMBAC, the Liquidity Provider, Moody's (if such Series Y Bonds are then rated by Moody's) and Standard & Poor's (if such Series Y Bonds are then rated by Standard & Poor's).

The determination of the Variable Rate for the Series Y Bonds subject to conversion pursuant to this Section 2.13(d) shall be conclusive and binding upon the Board, the Trustee, the Paying Agent and the respective Holders of such Series Y Bonds. The Board, the Trustee, the Liquidity Provider and the Remarketing Agent shall not be liable to any Holders for failure to give any notice required above or for failure of any Holders to receive any such notice.

Unless otherwise approved by Favorable Opinion and with AMBAC's consent, any conversion to a Variable Rate on a Variable Rate Conversion Date shall result in an Interest Period on the Variable Rate Bonds (as defined in Exhibit L hereto) of one year or less.

In the event that all of the Series Y Bonds designated for conversion are sold or remarketed on the Proposed Variable Rate Conversion Date and if the Favorable Opinion and the consent (if required) described above are delivered on the Proposed Variable Rate Conversion Date, the Proposed Variable Rate Conversion Date shall become the Variable Rate Conversion Date. If all of the Series Y Bonds designated for conversion are not sold or remarketed by the Proposed Variable Rate Conversion Date, the conversion of the principal amount of the Series Y Bonds designated for conversion to a Variable Rate shall not occur, the affected Bonds will bear interest at the Weekly Rate determined by the Remarketing Agent on the failed Proposed Variable Rate Conversion Date in the same manner as the interest rate with respect to Weekly Rate Bonds is determined, as set forth above, and such Bonds shall nonetheless be subject to mandatory tender on such date. On the Proposed Variable Rate Conversion Date all Series Y Bonds then proposed for conversion will be purchased in accordance with Section 2.15. If all of the conditions to conversion of all Series Y Bonds are met and the Variable Rate Conversion Date occurs, the Trustee shall, on behalf of the Board and immediately following completion of the Conversion, confirm the cancellation (if applicable) of the Liquidity Facility to the Liquidity Provider. If the Conversion relates to less than all of the Series Y Bonds, following completion of such Conversion, the Trustee shall confirm a corresponding reduction (if applicable) in the dollar amount of Series Y Bonds covered by the Liquidity Facility.

Section 2.14 Optional Tender of Weekly Rate Bonds by Owners Thereof. Each Weekly Rate Bond is subject to purchase, in whole or in part, at the request of the Owner thereof, on any Optional Tender Date, at the Purchase Price. To exercise the option to have a Weekly Rate Bond so purchased, such Owner must deliver a properly executed and completed Tender Notice to the Tender Agent at its office located in Salt Lake City, Utah no later than 10:00 A.M. Salt Lake City, Utah time, on a Business Day which is no less than the seventh (7th) calendar day preceding the Optional Tender Date. The Tender Agent shall promptly give written notice to the Trustee of such Tender Notice. Optionally Tendered Bonds shall be delivered to the Tender Agent on or prior to the Optional Tender Date. Such delivery shall be a condition precedent to payment of the Purchase Price for such Weekly Rate Bond. The exercise of an option by an Owner of a Weekly Rate Bond to have its Bond purchased is irrevocable and binding on such Owner and cannot be withdrawn. The Tender Agent's determination as to whether a Tender Notice has been properly completed, executed and delivered will be binding upon the Owner of such Bond. Optionally Tendered Bonds shall be purchased as of the applicable Optional Tender Date. In the event of a partial tender, the remaining Bonds must be in an Authorized Denomination. Payment of the Purchase

Price of any Optionally Tendered Bonds shall be made in immediately available funds by wire transfer (or by check if wire transfer instructions are not received) on the applicable Purchase Date. An Owner of Weekly Rate Bonds may request in a Tender Notice that such payment be made by wire transfer sent on the Optional Tender Date to such Registered Owner at the wire transfer address (which shall be in the United States) set forth in such Tender Notice. On the applicable Purchase Date, Optionally Tendered Bonds shall be purchased in accordance with Section 2.19. In the event of a failure by an Owner of a Weekly Rate Bond to deliver its Bond on or prior to the Purchase Date, said Owner shall not be entitled to any payment (including interest to accrue subsequent to the Purchase Date) other than the Purchase Price for such Bond, and any Undelivered Bond shall no longer be entitled to the benefits of the Indenture, except for the payment of the Purchase Price therefor from amounts in the Undelivered Bond Payment Account.

If following the giving of Notice of the redemption of Weekly Rate Bonds, a Weekly Rate Bond subject to such notice is tendered, the Trustee shall attach a copy of the notice of redemption or otherwise provide notice of the redemption of such Bond to the new Owner thereof. The Weekly Rate Bonds shall not be subject to optional tender as described above at any time after (i) the declaration by the Trustee and continuation of an Event of Default under Section 10.1(1) or (2) of the General Indenture (or any declaration of acceleration of the Bonds); or (ii) receipt by the Trustee of notice from the Liquidity Provider that the Liquidity Facility has been terminated as a result of the occurrence of an event of default specified in Section 7.1(a), (b), (c) or (d) of the initial Liquidity Facility or similar events specified in any substitute Liquidity Facility.

Section 2.15 Mandatory Tender of Weekly Rate Bonds by Owners Thereof.

(a) All affected Weekly Rate Bonds must be tendered by the Owners thereof for repurchase at their Purchase Price, under the circumstances set forth below.

(b) Except as otherwise provided herein, affected Owners are required to tender their Weekly Rate Bonds for purchase as follows:

(i) on each Proposed ARCs Conversion Date or Proposed Variable Rate Conversion Date; and

(ii) [on the fifth Business Day prior to each Expiration Date and each Termination Date With Mandatory Tender and on each Substitution Date; provided, that upon such mandatory tender, the affected Owners shall be paid from the proceeds of a draw on the then-held Liquidity Facility and not the proceeds of a draw on the substitute Liquidity Facility.]

(c) The Trustee shall give notice of mandatory tender to the Owners of affected Weekly Rate Bonds in accordance with the following:

(i) Unless the Board shall rescind the notice of a Proposed ARCs Conversion Date or Proposed Variable Rate Conversion Date, the Trustee shall furnish to affected Owners of Weekly Rate Bonds notice not later than 15 days prior to each Proposed ARCs Conversion Date or Proposed Variable Rate Conversion Date. Such notice shall inform the affected Owners (a) that the affected Series Y Bonds are being converted to ARCs on the Proposed ARCs Conversion Date or a Variable Rate on the Proposed Variable Rate Conversion Date, as applicable, (b) that the Proposed ARCs Conversion Date or Proposed Variable Rate Conversion Date will be a Mandatory Tender Date and that all Series Y Bonds subject to conversion on such date are required to be tendered to the Tender Agent on the Proposed ARCs Conversion Date or Proposed Variable Rate Conversion Date, as applicable, for mandatory purchase at the Purchase Price and (c) if the conversion is with respect to all Series Y Bonds, that the Liquidity Facility will terminate immediately following the conversion on the ARCs Conversion Date or Variable Rate Conversion Date, as applicable. On the Mandatory Tender Date, all affected Series Y Bonds will be purchased in accordance with Section 2.19.

(ii) The Trustee shall furnish to Owners of Weekly Rate Bonds notice not later than 15 days prior to the Mandatory Tender Date described in (b)(ii) above that (a) the current Liquidity Facility will terminate on the Substitution Date (or any date following the related Mandatory Tender Date) or Expiration Date or Termination Date With Mandatory Tender, (b) on the Substitution Date or the fifth Business Day prior to the Expiration Date or Termination Date With Mandatory Tender, which date shall be named, all Weekly Rate Bonds will be subject to mandatory tender for purchase, (c) the Liquidity Facility will not support payment of the Purchase Price due on the Weekly Rate Bonds after the Substitution Date or Expiration Date or Termination Date With Mandatory Tender, and that this may result in the withdrawal or reduction of any rating then applicable to the Weekly Rate Bonds, and (d) in the case of the Expiration Date or Termination Date With Mandatory Tender, Owners will have no right to tender their Weekly Rate Bonds for optional purchase following such date. On the Mandatory Tender Date, all affected Series Y Bonds will be purchased in accordance with Section 2.19.

(d) If any affected Series Y Bond shall nonetheless be tendered after the giving of a notice described in (c) prior to the tender date, the Trustee shall attach a copy of such notice to each affected Series Y Bond evidencing the fact that it is required to be tendered for purchase on the date set forth in (b).

(e) In order to provide for the payment of the Purchase Price of mandatorily tendered Bonds, the Trustee shall draw upon the Liquidity Facility at the times and in the amounts specified in Section 2.17(d).

(f) Any Weekly Rate Bonds required to be tendered for purchase shall be delivered to the Tender Agent at an office designated by the Tender Agent prior to 9:30 A.M., Salt Lake City, Utah time, on the date on which such Bonds are required to be purchased and any Weekly Rate Bonds required to be tendered for purchase hereunder that are not delivered and for which there has been irrevocably deposited with the Tender Agent in the Purchase Fund an amount of money sufficient to pay the Purchase Price thereof shall be deemed to have been purchased by the Tender Agent pursuant to this Section and shall constitute Undelivered Bonds. In the event of a failure by an Owner of Weekly Rate Bonds to deliver its Weekly Rate Bonds on or prior to the required date, said Owner shall not be entitled to any payment (including any interest to accrue subsequent to the required Purchase Date) other than the Purchase Price for such Undelivered Bonds, and any Undelivered Bonds shall no longer be entitled to the benefits of the Indenture, except for the payment of the Purchase Price therefor from amounts on deposit in the Undelivered Bond Payment Account.

(g) The delivery of Weekly Rate Bonds to the Tender Agent pursuant to this Section shall not constitute a redemption of such Bonds or an extinguishment of the debt represented by such Bonds, except for payment obligations respecting Undelivered Bonds as to which moneys sufficient for the purchase thereof are held in the Undelivered Bond Payment Account.

Section 2.16 Purchase Fund.

(a) The Tender Agent shall establish a special fund entitled Series Y Purchase Fund (the "Purchase Fund"). Only the Tender Agent and the Trustee shall have any right of withdrawal from the Purchase Fund for the exclusive benefit of the purchasers and sellers (including the Liquidity Provider) of Series Y Weekly Rate Bonds tendered for purchase and the Board shall have no legal, beneficial or equitable right, title or interest therein. The Remarketing Account, the Liquidity Account and the Undelivered Bond Payment Account shall be established by the Tender Agent as trust accounts within the Purchase Fund.

(b) Any moneys received by the Tender Agent from the Remarketing Agent for the purchase of Series Y Bonds pursuant to Section 2.18(a) or the sale of Liquidity Provider Bonds

shall be deposited into the Remarketing Account of the Purchase Fund and paid out in accordance with Sections 2.19, 2.20 and 2.22 hereof, and any moneys received by the Tender Agent representing proceeds of drawings under the Liquidity Facility shall be deposited in the Liquidity Account of the Purchase Fund and paid out in accordance with Sections 2.19 and 2.20. Amounts on deposit in the Purchase Fund shall be held uninvested and without bearing interest. Amounts in the Remarketing Account shall be used solely for the benefit of owners of Series Y Weekly Rate Bonds tendering their Bonds.

(c) There shall be established within the Purchase Fund an Undelivered Bond Payment Account, into which the Tender Agent shall deposit the Purchase Price of Series Y Bonds as to which a Tender Notice has been received or as to which an event requiring mandatory tender under Section 2.15 has occurred, and which Series Y Bonds have not in fact been tendered for payment on the appropriate Purchase Date. The Undelivered Bond Payment Account is established as a special trust account for the benefit, solely, of the Owners of such undelivered Series Y Bonds. Amounts on deposit in the Undelivered Bond Payment Account shall be held uninvested by the Tender Agent.

Section 2.17 Remarketing of Optionally and Mandatorily Tendered Series Y Bonds.

(a) (i) No later than 5:00 P.M. New York City time, on any Business Day next succeeding a day on which it has received a Tender Notice, the Tender Agent shall give notice by telephone promptly confirmed by telegram, telex or other electronic or wire transmission which produces a written copy or otherwise promptly confirmed in writing to the Remarketing Agent, the Liquidity Provider and the Trustee specifying the principal amount of Series Y Bonds for which it has received an Owner's Tender Notice, the name and address of the Owner thereof and the Optional Tender Date and shall promptly deliver a copy of such Tender Notice from the Owner to each of such parties.

(ii) No later than 5:00 P.M., New York City time, on any Business Day next succeeding a day on which it has established a Mandatory Tender Date pursuant to Section 2.15(b) hereof, the Trustee shall give notice by telephone promptly confirmed by telegram, telex or other electronic or wire transmission which produces a written copy or otherwise promptly confirmed in writing to the Remarketing Agent, the Liquidity Provider and the Tender Agent specifying the principal amount of Series Y Bonds for which it has so established a Mandatory Tender Date, the reason for the Mandatory Tender, the name and address of the Owners thereof and the Mandatory Tender Date.

(b) By 10:00 A.M., Salt Lake City time, on any Business Day next preceding each Purchase Date, which may be an Optional Tender Date or a Mandatory Tender Date, the Trustee shall advise the Tender Agent and Remarketing Agent of the accrued interest which would be payable on each Series Y Bond as of such Purchase Date for all Bonds then subject to tender. No later than 2:00 P.M., New York City time, on the Business Day next preceding each Optional Tender Date, and 11:00 A.M., New York City time, on the Business Day next preceding each Mandatory Tender Date, the Tender Agent shall give notice by telephone promptly confirmed by facsimile transmissions or other electronic or wire transmission which produces a written copy, or otherwise promptly confirmed in writing to the Trustee, the Board and the Remarketing Agent as to (i) the aggregate Purchase Price in respect of Series Y Bonds required to be deposited by the Remarketing Agent into the Purchase Fund pursuant to Section 2.18 in order to purchase all of such Series Y Bonds without the benefit of funds drawn under the Liquidity Facility; and (ii) the portions of such aggregate Purchase Price representing principal and accrued interest.

(c) The Remarketing Agent shall, on or prior to 10:00 A.M., New York City time, on the Business Day next preceding each Purchase Date, give notice by telegraph or telephone promptly confirmed by facsimile transmission or other electronic or wire transmission which produces a written copy, or otherwise promptly confirmed in writing, to the Trustee, the Board and the Tender Agent as to (i) the aggregate Purchase Price of Bonds which the Remarketing

Agent has sold for delivery on such Purchase Date; (ii) the aggregate amount in immediately available funds which will be deposited by or on behalf of its customers in the Purchase Fund on such Purchase Date at or prior to 9:00 A.M., New York City time; and (iii) the principal amount, if any of Series Y Bonds for which the Remarketing Agent has not been able to arrange a placement as described in Section 2.18(a), and the amount of accrued interest thereon to such Purchase Date.

(d) The Remarketing Agent, upon receipt of notices from the Tender Agent or the Trustee, as applicable, pursuant to subsection (a) hereof, shall use its best efforts to solicit purchases of Optionally and Mandatorily Tendered Bonds but shall not knowingly solicit purchases by the Board, at a price of par, plus accrued interest from the most recent Interest Payment Date, if any, subject, in all respects, to the terms and conditions of this Supplemental Indenture. The Tender Agent shall no later than 1:30 P.M., New York City time, on the Business Day preceding each Purchase Date, notify the Trustee and the Liquidity Provider of any Series Y Bonds for which it does not expect to receive sufficient moneys to effect a purchase, stating the aggregate Purchase Price in respect of such unremarketed Series Y Bonds and the respective portions thereof which represent principal and interest. In the event the Tender Agent has not received notice from the Remarketing Agent of the remarketing of any Bonds, it shall notify the Trustee and Liquidity Provider that no Bonds have been remarketed. Prior to 11:00 A.M., New York City time, on each Purchase Date, the Tender Agent or the Trustee, as the case may be, shall submit a drawing on the Liquidity Facility in accordance with the terms of the Liquidity Facility in an amount equal to the Purchase Price of unremarketed Series Y Bonds which have been tendered and, when the proceeds of said drawing are received, shall deposit such funds or cause such funds to be deposited in accordance with Section 2.18(b). Notwithstanding the foregoing, in the event that the Trustee does not receive the above-described notice from the Tender Agent and the Tender Agent or the Trustee, as applicable, is not permitted to draw on the then-existing Liquidity Facility, the Trustee shall assume that no Series Y Bonds then subject to tender have been remarketed and shall effect such drawing in the full amount of the Purchase Price of all Optionally and Mandatorily Tendered Bonds. The Authenticating Agent or the Trustee shall prepare or cause to be prepared new Series Y Bonds in the Authorized Denominations and authenticated and registered in the names specified by the Remarketing Agent for delivery to or upon the order of the Remarketing Agent no later than 9:00 A.M., New York City time, on the Purchase Date, provided that the Purchase Price thereof has been paid.

(e) Any Remarketing Agent appointed to serve hereunder shall covenant that it shall not withdraw or resign as such until such time as the Board has appointed a replacement Remarketing Agent for the Series Y Bonds, the Trustee accepts the duties of Remarketing Agent hereunder, or a court of competent jurisdiction shall have appointed a replacement Remarketing Agent hereunder; provided, however, that from and after the date upon which all Series Y Bonds have become ARCs, no Remarketing Agent need serve hereunder.

At no time shall the Remarketing Agent knowingly remarket or sell any Series Y Bonds to the Board (or any guarantor of the Series Y Bonds).

Section 2.18 Deposits into the Purchase Fund; Notice to Trustee and Tender Agent.

(a) The Remarketing Agent shall, on or prior to 9:00 A.M., New York City time, on each Purchase Date, to the extent the Remarketing Agent has arranged for a placement of Series Y Bonds with respect to such Purchase Date at a Purchase Price of par plus accrued interest to such Purchase Date, (i) deliver such Series Y Bonds to the respective purchasers thereof against payment therefor in immediately available funds on the Purchase Date in an amount equal to the Purchase Price therefor, and (ii) require the aggregate Purchase Price thereof to be deposited by or on behalf of its customers in immediately available funds into the Remarketing Account of the Purchase Fund.

(b) The Tender Agent shall, on or prior to 2:00 P.M., New York City time, on each Purchase Date, cause to be deposited into the Liquidity Account of the Purchase Fund the

proceeds of any drawing under the Liquidity Facility made under Section 2.17(d) to pay the Purchase Price of unremarketed Series Y Bonds; provided in no event shall such unremarketed Series Y Bonds include Series Y Bonds held in the name of the Board or the Liquidity Provider. Such moneys shall be applied by the Tender Agent to the purchase of Series Y Bonds as to which no new purchasers have yet been identified by the Remarketing Agent. All Series Y Bonds purchased with such moneys shall be registered in the name of the Liquidity Provider.

(c) The Remarketing Agent shall not be obligated to purchase with its own funds any Series Y Bonds which have not been remarketed and shall not be obligated to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, except as expressly provided in the Remarketing Agreement.

Section 2.19 Application of Moneys in the Purchase Fund to the Purchase of Tendered Series Y Bonds; Insufficiency of Funds For Tenders.

(a) Not later than 3:00 P.M., New York City time, on each Purchase Date, the Tender Agent shall disburse the Purchase Price for tendered Series Y Bonds to the tendering Owners thereof, from the following sources and in the following priority:

(i) Moneys on deposit in the Remarketing Account of the Purchase Fund, representing the proceeds of remarketing of the respective tendered Series Y Bonds; and

(ii) Moneys on deposit in the Liquidity Account of the Purchase Fund, representing the proceeds of drawings under the Liquidity Facility.

(b) Any moneys remaining in either the Remarketing Account or the Liquidity Account representing the Purchase Price of Undelivered Bonds shall be (following the foregoing payments) transferred to the Undelivered Bond Payment Account and there maintained in accordance with Section 2.16.

(c) If, at 8:30 A.M., Salt Lake City time, on a Purchase Date, there exists a deficiency in the Purchase Fund, the Tender Agent shall immediately advise the Trustee and the Liquidity Provider of such fact and of the amount of such deficiency and the Tender Agent (or, if not permitted to draw under the terms of the then-existing Liquidity Facility, then the Trustee) shall no later than the earlier of (i) 11:00 A.M., New York City time, or (ii) the time specified in the Liquidity Facility, draw upon the Liquidity Facility in an amount equal to the deficiency in the amounts required to be paid as the Purchase Price of tendered Series Y Bonds. In the event the Trustee fails to receive notice from the Tender Agent that it has insufficient funds to pay the Purchase Price and the Tender Agent cannot draw on the then-existing Liquidity Facility, the Trustee shall draw upon the Liquidity Facility in a timely manner and in an amount equal to the Purchase Price of all Series Y Bonds tendered on the Purchase Date. The proceeds of such drawing under the Liquidity Facility shall be transferred to the Tender Agent and made available to pay such Purchase Price no later than 2:00 P.M., New York City time, on the Purchase Date.

(d) If the funds available for purchases of Weekly Rate Bonds subject to optional or mandatory tender are inadequate for the purchase of all Weekly Rate Bonds tendered on any purchase date pursuant to this Article II, the Tender Agent shall, after any applicable grace period: (i) return all tendered Weekly Rate Bonds to the Owners thereof; (ii) return all moneys received for the purchase of such Weekly Rate Bonds (other than moneys provided by the Liquidity Facility Provider, unless the Liquidity Facility is reinstated with respect thereto) to the persons providing such moneys; and (iii) notify the Trustee of the return of such Weekly Rate Bonds and moneys and the failure to make payment for tendered Weekly Rate Bonds.

Section 2.20 Disbursement from the Purchase Fund. Moneys in the Remarketing Account and the Liquidity Account of the Purchase Fund shall be applied as provided in Section 2.19. Moneys in the

Undelivered Bonds Payment Account of the Purchase Fund shall be applied on or after each Purchase Date by the Tender Agent to purchase Undelivered Bonds, upon such Undelivered Bonds being properly tendered, at a price equal to the principal amount thereof, plus accrued interest, if any (but only to the tender date), to the extent of such moneys.

The Tender Agent shall notify the Remarketing Agent and the Trustee immediately by telephone of the amount, if any, in the Purchase Fund which is in excess of the amount necessary to purchase Series Y Bonds on or prior to 3:00 P.M., New York City time, on the Purchase Date. Any moneys remaining in the Remarketing Account after making the payments specified in this Section shall be returned to the Remarketing Agent and any excess moneys on deposit in the Liquidity Account shall be promptly remitted to the Liquidity Provider.

Section 2.21 Transfer and Delivery of Tendered Series Y Bonds for Purchase. A principal amount of Series Y Bonds equal to the principal amount of Series Y Bonds purchased pursuant to Sections 2.20 and 2.22 hereof shall be authenticated by the Authenticating Agent and either delivered to or upon the instruction of the Remarketing Agent, or delivered to or held for the Liquidity Provider (as the Liquidity Provider may instruct), as appropriate, and the Tender Agent shall cause the Trustee to register such Series Y Bonds in the name or names of the transferee or transferees of the Series Y Bonds. The Tender Agent shall promptly return the predecessor Series Y Bonds to the Trustee and the Trustee shall cancel all such Series Y Bonds purchased pursuant to Sections 2.18, 2.19 and 2.22 hereof. In the event that the Trustee has, prior to the Purchase Date or other settlement date for the remarketing of Optionally or Mandatorily Tendered Bonds, already provided notice of redemption of such Bonds (or portions thereof), the Tender Agent shall affix a copy of such notice to the remarketed Series Y Bond or Bonds affected thereby prior to its delivery of such Bond or Bonds to the new purchaser or purchasers.

Section 2.22 Remarketing of Liquidity Provider Bonds. The Remarketing Agent shall exercise its best efforts to solicit purchases of any Liquidity Provider Bonds at a price of par, plus accrued interest, if any, and the proceeds of any remarketing of Liquidity Provider Bonds shall be deposited into the Remarketing Account of the Purchase Fund. Upon receipt by the Liquidity Provider of notice from the Tender Agent to the effect that amounts sufficient to reimburse the Liquidity Provider for the principal portion and the interest portion of the applicable drawing with respect to the remarketed Liquidity Provider Bonds have been deposited with the Tender Agent, new Series Y Bonds in place of the Liquidity Provider Bonds so remarketed shall be registered in the names of the purchasers thereof by the Authenticating Agent and delivered by the Remarketing Agent to the purchasers thereof and the proceeds of such remarketing shall, prior to or simultaneously with such delivery, be transferred by the Tender Agent to the Liquidity Provider. The Tender Agent shall provide the Liquidity Provider by facsimile transmission or other electronic means copies of all notices and other communications received by the Tender Agent with respect to any of the Liquidity Provider Bonds.

If a Series Y Bond becomes a Liquidity Provider Bond while it is in a Weekly Rate Period, it shall bear interest as provided in Section 2.3(e); notwithstanding the foregoing, the entire drawing under the Liquidity Facility used to pay the Purchase Price of Series Y Bonds shall continue to accrue interest at the rate or rates specified in the Liquidity Facility (payable on each Interest Payment Date), and the Trustee shall be authorized and directed to transfer to the Remarketing Account of the Purchase Fund any difference between the amount provided by the purchaser of the Liquidity Provider Bond and the amount due on the drawing on the Liquidity Facility from the funds and accounts established under the Indenture in the following order of priority: Revenue, Loan, and Debt Service Reserve Account. The Tender Agent shall transfer such amount to the Liquidity Provider on the date of purchase.

The Remarketing Agent shall, no later than 1:00 P.M., New York City time, on the day before a settlement date for such remarketing, notify the Tender Agent and the Liquidity Provider of the identity of the new purchasers and the principal amount, interest rate, and settlement date for such remarketed Liquidity Provider Bonds. The Tender Agent shall promptly notify the Liquidity Provider of the remarketing of any Bonds which have been Liquidity Provider Bonds. The Authenticating Agent or the Trustee shall prepare or cause to be prepared Bonds in the Authorized Denominations and authenticated and registered in the names specified by the Remarketing Agent for delivery to or upon the order of the

Remarketing Agent no later than 9:00 A.M., New York City time, on the settlement date, provided that the amounts due the Liquidity Provider in respect of such Bonds which have been Liquidity Provider Bonds have been paid.

Section 2.23 Liquidity Facility; Substitution of Liquidity Facility.

(a) At any time permitted by the applicable Liquidity Facility but not less than 10 Business Days prior to the scheduled Expiration Date of the Liquidity Facility then in effect, the Board may cause to be delivered to the Trustee a substitute Liquidity Facility in a stated amount sufficient to cover the Purchase Price of the Series Y Bonds including interest thereon, in such amount as may be required by the Rating Agency, together with:

(i) an Opinion from counsel to the Liquidity Provider issuing the substitute Liquidity Facility, to the effect that it is the valid and binding obligation of the Liquidity Provider, payable in accordance with its terms;

(ii) a Favorable Opinion; and

(iii) the prior written consent of AMBAC.

(b) The Board shall notify the Trustee of the proposed substitution and the Substitution Date at least 30 Business Days prior thereto, and the Trustee shall establish the Substitution Date as a Mandatory Tender Date for the Series Y Bonds, as provided in Section 2.15.

(c) Upon the delivery of a substitute Liquidity Facility to the Trustee and subject to any remaining requirements of the outgoing Liquidity Provider with respect to the reimbursement of any final drawing under its Liquidity Facility, the Trustee, on behalf of the Board, shall promptly following the related Mandatory Tender Date confirm the cancellation of the then-held Liquidity Facility to the Liquidity Provider.

(d) At all times while all or any of the Series Y Bonds bear interest at Weekly Rates, the Board covenants and agrees to maintain a Liquidity Facility as security for such Series Y Bonds, under terms and in such a stated amount as may be required by the Rating Agency and AMBAC. The Trustee shall not terminate a Liquidity Facility except after a Substitution Date or in the event the affected Bonds are converted in whole to ARCs or a Variable Rate.

(e) If (i) the long-term ratings of the Liquidity Provider are downgraded below A2 by S & P or A by Moody's or (ii) the short-term ratings of the Liquidity Provider are downgraded below A-1 by S & P, P-1 by Moody's or F-1 by Fitch, the Board shall, if requested in writing by AMBAC, use its best efforts to replace the Liquidity Facility with another Liquidity Facility as permitted hereunder.

Section 2.24 Amendments to Auction Rate and Variable Rate Provisions Upon or Following Conversion.

(a) In addition to the amendatory provisions set forth in Article IX of the General Indenture, the Board may amend the provisions of Exhibits A and L of this Thirteenth Supplemental Indenture with respect to the Series Y Bonds while such Bonds are Outstanding as either ARCs or Variable Rate Bonds by filing with the Trustee a Supplemental Indenture amending such Exhibits and a Favorable Opinion.

(b) No such amendment described in subsection (a) above shall take effect until adequate notice of such amendment is given by mail to the Owners of the Bonds affected by such amendment and (i) such Owners have consented to such amendments in the percentages required

by Articles VIII and IX of the General Indenture, or (ii) if the Bonds affected by such amendment are converted to and Outstanding as ARCs, there have been two consecutive auctions with respect to the affected Bonds since notice of the amendment was given in which two auctions all Sell Orders have been accepted (and such fact shall be certified by the Board to the Trustee), or (iii) if the Bonds affected by such amendment are converted to and Outstanding as Variable Rate Bonds, there has been an opportunity for the Owners of the Bonds to tender such Bonds for mandatory purchase not earlier than ten days nor more than forty-five days from the giving of such notice.

(c) The Board may also amend the auction rate or variable rate provisions contained herein prior to or as part of a conversion of the Series Y Bonds to either ARCs or Variable Rate Bonds, as the case may be, upon filing with the Trustee a Supplemental Indenture containing the terms and conditions governing the Series Y Bonds subsequent to the conversion and a Favorable Opinion.

ARTICLE III

SALE AND DISPOSITION OF PROCEEDS OF SERIES Y BONDS; SERIES Y SUBACCOUNTS

Section 3.1 Application of Series Y Bond Proceeds.

(a) The proceeds of sale and delivery of the Series Y Bonds in the amount of \$_____ (excluding interest, if any, accrued to the date of issuance thereof, which shall be deposited to the Loan Account), shall on the date of issuance thereof be deposited in the following Accounts:

(i) To the Series Y Subaccount of the Debt Service Reserve Account, an amount equal to \$_____, constituting the aggregate Debt Service Reserve Requirement applicable to the Series Y Bonds; and [do we want to use a surety for the reserve fund?]

(ii) To the Series Y Subaccount of the Loan Account the balance of proceeds of the Series Y Bonds in the amount of \$_____.

Section 3.2 Extension of Date for Redemption of Bonds from Loan Payments as provided in Section 5.3(H) of the General Indenture and Section 3.4 of the Eleventh Supplemental Indenture; Additional Restrictions on Purchase of Student Loans. As set forth in the consent of AMBAC attached hereto as Exhibit “_____”, AMBAC has approved (i) the extension of the November 1, 2006 date set forth in Section 3.4(i) of the Eleventh Supplemental Indenture to November 1, ____ (or such later date as approved by AMBAC) and the Board shall cause all principal payments (including principal payments from the Guarantor) received with respect to Eligible Student Loans after November 1, ____ (or such later date as approved by AMBAC), to be applied to redeem Bonds then subject to redemption pursuant to Section 6.2 of the General Indenture, and (ii) the extension of the November 1, 2006 date set forth in Section 3.4(ii) of the Eleventh Supplemental Indenture to November 1, ____ (or such later date as approved by AMBAC) and the Board may not utilize amounts on deposit in the Loan Account for the purpose of acquiring Eligible Student Loans after November 1, ____ (or such later date as approved by AMBAC). If the November 1, ____ date described above is extended beyond such dates (other than through a Supplemental Indenture provided to Standard & Poor’s), notice of such extension shall be given to Standard & Poor’s, Moody’s and the Liquidity Provider.

(b) (i) No Eligible Student Loans may be financed under the Indenture if AMBAC notifies the Board and the Trustee of the occurrence of a Recycling Suspension Event. In the event that a Recycling Suspension Event is cured to the reasonable satisfaction of AMBAC, the financing of Eligible Student Loans may resume, subject to the other limits provided in this Section 3.2. The Trustee shall notify S&P and Moody’s of any Recycling Suspension Event of which it has notice and any cure thereof. Notwithstanding the foregoing, the occurrence of a Recycling Suspension Event described in subparagraph (b) of the definition thereof shall not preclude the financing of Eligible Student Loans which will be serviced by a Servicer other than the Servicer with respect to which such failure to perform has occurred. If the Board has knowledge of the occurrence of a Recycling Suspension Event the Board agrees to notify AMBAC of such occurrence.

(ii) Upon the expiration of a ninety (90) day period following the date on which the financing of Eligible Student Loans is no longer permitted in accordance with (i) above (or such longer period as may be approved in writing by AMBAC), the Board shall direct the Trustee to use amounts in the Loan Account and all principal payments received on the Eligible Student Loans to redeem Bonds as soon as possible in accordance with the provisions of the General Indenture and each related Supplemental Indenture at a price not to exceed the principal amount of such Bonds plus accrued interest thereon.

(iii) If the Board obtains the approval of AMBAC during the period referenced in paragraph (ii) above to resume the financing of Eligible Student Loans, the Board shall not be required to redeem Bonds in accordance with such paragraph (ii).

Section 3.3 Establishment of Series Y Subaccounts. The Trustee is hereby directed to establish Series Y Subaccounts in the Debt Service Reserve Account and the Loan Account. Each of the above described Subaccounts is established for tracking, record keeping and accounting purposes and not for purposes of priority of the lien of the Indenture with respect to any Series of Bonds over any other Series of Bonds.

Section 3.4 Additional Limitations on the Acquisition of Eligible Loans. The amount of any premium paid on Eligible Student Loans acquired by the Board pursuant to the Indenture and the amount of any transfer fee paid in connection with the acquisition of Eligible Student Loans by the Board pursuant to the Indenture shall be limited to the respective maximum amounts of premium and transfer fees shown in the most recent Cash Flow Statement delivered to AMBAC, unless otherwise agreed to by AMBAC.

Section 3.5 Rebate Covenant. As contemplated by the General Indenture and by Section 148(f) of the Code, the Board covenants to determine and to pay to the United States Treasury the amount of any rebate required under Section 148(f) of the Code. The determination of such amount shall be made in accordance with Section 148(f) of the Code and any regulations (including temporary regulations) now or hereafter promulgated thereunder. The Board shall make such deposits to the Rebate Account as shall be necessary to ensure its compliance with the requirements of such provisions of the Code and the regulations. To the extent necessary the Board covenants to direct the Trustee to transfer available amounts on deposit in the Revenue Account and/or the Debt Service Reserve Account to the Rebate Account.

Section 3.6 Instructions to Trustee Concerning Costs of Issuance. The Trustee is hereby instructed to pay (or reimburse the Board for paying), up to \$_____ from the Series Y Subaccount of the Loan Account, immediately upon the deposit of such funds therein pursuant to Section 3.1 of this Thirteenth Supplemental Indenture, such Costs of Issuance as may be indicated by a written requisition and Certificate which shall be delivered to the Trustee by an Authorized Officer at the time of issuance of the Series Y Bonds in conformance with Section 5.3 of the General Indenture.

Section 3.7 Notice to AMBAC. Any notice required by this Thirteenth Supplemental Indenture to be given by the Board or the Trustee to Owners of the Series Y Bonds, to a Rating Agency or the Trustee shall also be given by the Board or the Trustee, as applicable, to AMBAC.

[add surety reserve provisions as applicable]

ARTICLE IV

TAX COVENANTS WITH RESPECT TO TAX EXEMPT BONDS

The Board shall not use, permit the use of, or omit to use Gross Proceeds of the Tax Exempt Bonds or any other amounts in a manner which, if made or omitted, respectively, would cause interest on any Tax Exempt Bond to become includible in the gross income of the Holders thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Board shall have received an Opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect any exclusion from gross income of interest on any Tax Exempt Bond for federal income tax purposes, the Board shall comply with each of the specific covenants in this Article V.

An amount equal to at least 90% of the face amount of the Tax Exempt Bonds (from transferred proceeds thereof in the case of refundings) less any amount deposited to a reserve fund will be used directly or indirectly to make or finance Eligible Student Loans under a program of general application to which the Higher Education Act applies where:

- (a) limitations are imposed on –
 - (i) the maximum amount of loans outstanding to any student, and
 - (ii) the maximum rate of interest payable on any loan;
- (b) the loans are directly or indirectly guaranteed by the federal government;
- (c) the financing of loans under the program is not limited by federal law to the proceeds of tax-exempt bonds;
- (d) special allowance payments under section 438 of the Higher Education Act—
 - (i) are authorized to be paid with respect to loans made under the program, or
 - (ii) would be authorized to be made with respect to loans under the program if such loans were not financed with the proceeds of tax-exempt bonds; and
- (e) each loan is for a program of post-secondary education of a student who is
 - (i) a resident of the State of Utah enrolled at an Eligible Institution, as defined in the Higher Education Act, or
 - (ii) enrolled at an Eligible Institution located in the State; and
- (f) does not discriminate on the basis of the location of the educational institution in which the student is enrolled.

ARTICLE V

MISCELLANEOUS

Section 5.1 Thirteenth Supplemental Indenture Construed with General Indenture. All of the provisions of this Thirteenth Supplemental Indenture shall be deemed to be and construed as part of the General Indenture to the same extent as if fully set forth therein.

Section 5.2 General Indenture as Supplemented to Remain in Effect. Save and except as herein supplemented by this Thirteenth Supplemental Indenture and by the First through Twelfth Supplemental Indentures, the General Indenture shall remain in full force and effect.

Section 5.3 Execution in Counterparts. This Thirteenth Supplemental Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 5.4 Severability. If any section, paragraph, clause or provision of this Thirteenth Supplemental Indenture shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Thirteenth Supplemental Indenture.

Section 5.5 Confirmation of Actions. All action (not inconsistent with the provisions of this Thirteenth Supplemental Indenture) heretofore taken by the Board, directed toward the issuance and sale of the Series Y Bonds is hereby ratified, approved and confirmed.

Section 5.6 Governing Law. This Thirteenth Supplemental Indenture shall be construed in accordance with the laws of the State of Utah.

Section 5.7 Notices. Any notice, demand, direction, request or other instrument authorized or required by this Supplemental Indenture to be given to or filed with the Board shall be deemed to have been sufficiently given or filed for all purposes, if any, when delivered or sent by facsimile transmission, confirmed by first class mail, postage prepaid, and shall be deemed given when transmitted (answer back confirmed) to the addresses given in Section 12.3 of the General Indenture and as follows:

If to the Board:

State Board of Regents of the State of Utah
The Gateway
60 South 400 West
Salt Lake City, Utah 84101-1284
Attention: Assistant Commissioner for Student Loan Finance
Fax: (801) 321-7299

If to the Trustee, Tender Agent, Paying Agent, Registrar, and Authenticating Agent:

Wells Fargo Bank, N.A.
299 South Main Street, Twelfth Floor
Salt Lake City, UT 84111
Attention: Corporate Trust Services
Fax: (801) 246-5996

If to the Remarketing Agent:

UBS Financial Services Inc.
Municipal Securities Group
1285 Avenue of the Americas, 10th Floor
New York City, New York 10019
Attention: Short Term Market Group
Fax: (212) 713-3797

If to the Liquidity Provider:

Attention: _____
Telephone: _____
Facsimile: _____

If to Moody's:

Moody's Investor Services, Inc.
99 Church Street
New York, NY 10007
Attention: Public Finance Structured Ratings
Fax: (212) 964-5082

If to S & P:

Standard and Poor's Corporation
55 Water Street, 41st Floor
New York, NY 10041
Attention: ABS Surveillance Group
Fax: (212) 438-2649
For information available in electronic format to: servicer_reports@sandp.com

If to Fitch:

Fitch
One State Street Plaza
New York, NY 10004
Attention: Structured Finance
Fax: (212) 480-4421

If to AMBAC:

AMBAC Assurance Corporation
One State Street Plaza
New York, NY 10004
Attention: Consumer Asset Backed Securities Department/Student Loans
Fax: (212) 363-1459

To any other Indenture Agent: to such facsimile number and address as such Indenture Agent shall indicate in the acceptance of office filed by each such Indenture Agent pursuant to Section 11.2(B) of the General Indenture.

The Board, the Trustee, the Remarketing Agent, any other Fiduciary, Moody's, S & P, Fitch, AMBAC and any Liquidity Provider may, by like notice to each other such person, designate any further or different facsimile numbers and addresses to which subsequent notices shall be sent.

The parties, by like notice to each other person, may designate any further or different addressed to which subsequent notices shall be sent.

The Board shall give written notice to the Rating Agency of each of the following events, promptly following the occurrence thereof:

- (a) any change in the identity of the Trustee or the Remarketing Agent;
- (b) any amendments in or supplements to the General Indenture or this Supplemental Indenture or the Liquidity Facility;
- (c) the expiration or termination of the Liquidity Facility;
- (d) the extension or substitution of the Liquidity Facility;
- (e) the conversion of any Series Y Bonds to ARCs;
- (f) the redemption or defeasance or mandatory tender of all the Outstanding Series Y Bonds; or
- (g) the replacement of any Servicer.

Section 5.8 Trustee's Receipt of Liquidity Facility. The Trustee hereby acknowledges receipt, on the date of issuance of the Series Y Bonds, of a copy of the fully executed Liquidity Facility, complete with all exhibits and appendices thereto.

Section 5.9 Notice to Rating Agency of Certain Investments. Following the investment, if any, of the proceeds of the Series Y Bonds in Investment Securities described in clause (h) or (i) of the definition thereof found in the General Indenture, the Trustee shall give notice of such investment to each Rating Agency.

IN WITNESS WHEREOF, the undersigned Chair and Secretary of the State Board of Regents of the State of Utah and the undersigned officers of the Trustee have hereunto executed this Thirteenth Supplemental Indenture as of the date first written above.

STATE BOARD OF REGENTS OF THE STATE
OF UTAH

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Secretary

WELLS FARGO BANK, N.A.

(SEAL)

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

EXHIBIT A

PROVISIONS RELATING TO SERIES Y BONDS OUTSTANDING AS AUCTION RATE CERTIFICATES

[UPDATE FOR NEW SIFMA FORMAT?]

The following provisions apply to Series Y Bonds outstanding as ARCs:

Section 1.1 Certain Definitions. In addition to the terms defined elsewhere in the Indenture, the following terms shall have the following meanings with respect to the Series Y Bonds converted or to be converted to ARCs, unless the context otherwise requires (terms defined herein and in the Indenture shall, unless the context requires otherwise, have the meaning given herein with respect to the Series Y Bonds outstanding as ARCs):

“AA’ Financial Commercial Paper Rate,” on any date of determination, shall mean (a) for Auction Periods of 35 days or less, the interest equivalent of commercial paper having a maturity of 30 days, (b) for Auction Periods greater than 35 days and less than 75 days, the interest equivalent of commercial paper having a maturity of 60 days, (c) for Auction Periods greater than 75 days and less than 105 days, the interest equivalent of commercial paper having a maturity of 90 days; as each such rate is published on the Business Day prior to such date by the Board of Governors of the Federal Reserve System on its World Wide Web site <http://www.federalreserve.gov/releases/cp/histrates.txt>, or any successor publication (“H.15(519)”) under the caption “AA financial.” In the event that such publication has not been published in a timely manner, the “AA” Financial Commercial Paper Rate shall be calculated by the Market Agent, and shall be the bond equivalent yield of the arithmetic mean of the offered rates as of 11:00 a.m., New York City time, on the determination date of three leading dealers of U.S. dollar commercial paper in the City of New York (which may include UBS Financial Services Inc.) selected by the Market Agent, for U.S. dollar commercial paper having a maturity of 30, 60 or 90 days, as applicable, placed for financial issuers whose bond rating is “AA” or the equivalent, from a nationally recognized securities rating agency; provided, however, that if the dealers selected as aforesaid by the Market Agent are not quoting as mentioned in this sentence (and if the Market Agent, in its discretion, determines that such quotations can not be obtained from any three leading dealers of U.S. dollar commercial paper in the City of New York) such rate shall be the same rate as in effect for the immediately preceding Interest Payment Period. For purposes of this definition, the “interest equivalent” of a rate stated on a discount basis (a “discount rate”) for commercial paper of a given day’s maturity shall be equal to the product of (A) 100 times (B) the discount rate times (C) the quotient (rounded upwards to the next higher one-thousandth (.001) of 1%) of (x) the applicable number of days in a year (365 or 366) divided by (y) the difference between (1) 360 and (2) the product of the discount rate (expressed in decimals) times the applicable number of days in which such commercial paper matures.

“After-Tax Equivalent Rate,” on any date of determination, shall mean the interest rate per annum equal to the product of:

- (a) the “AA” Financial Commercial Paper Rate on such date; and
- (b) 1.00 minus the Statutory Corporate Tax Rate on such date.

“All Hold Rate,” on any date of determination, shall mean the interest rate per annum equal to 90% (as such percentage may be adjusted pursuant to Section 1.12 of this Exhibit A) of the lesser on such date of:

- (a) the After-Tax Equivalent Rate on such date; and
- (b) the Kenny Index on such date;

rounded to the nearest one thousandth (.001) of 1%; provided that in no event shall the All Hold Rate be more than the Maximum Rate or less than zero.

“Applicable ARCs Rate” shall have the meaning set forth in Section 1.4(b) of this Exhibit A:

“Applicable Number of Business Days” means the greater of two Business Days or one Business Day plus the number of Business Days by which the Auction Date precedes the first day of the next succeeding Interest Period.

“Applicable Percentage,” on any date of determination, shall mean the percentage determined (as such percentage may be adjusted pursuant to Section 1.12 of this Exhibit A) based on the lower of the prevailing credit ratings on the related Series of ARCs in effect at the close of business on the Business Day immediately preceding such date, as set forth below:

<u>Credit Ratings</u>		
<u>Moody’s Investor Service</u>	<u>Standard & Poor’s Corporation</u>	<u>Applicable Percentage</u>
“Aaa”	“AAA”	175%
“Aa3” to “Aa1”	“AA-” to “AA+”	175%
“A3” to “A1”	“A-” to “A+”	175%
“Baa3” to “Baa1”	“BBB-” to “BBB+”	200%
Below “Baa3”	Below “BBB-”	265%

provided, that, in the event that the related Series of ARCs are not rated by any nationally recognized rating agency, the Applicable Percentage shall be 265%, and, provided further, that if a Payment Default shall have occurred and be continuing, the Applicable Percentage shall be 265%. For purposes of this definition, Standard & Poor’s Corporation’s rating categories of “AAA,” “AA,” “A” and “BBB,” and Moody’s Investors Service’s rating categories of “Aaa,” “Aa,” “A” and “Baa,” refer to and include the respective rating categories correlative thereto if either or both of such rating agencies have changed or modified their generic rating categories or if Moody’s Investors Service or Standard & Poor’s Corporation no longer rates the ARCs and have been replaced.

“ARCs” shall mean the Series Y Bonds outstanding as Auction Rate Certificates.

“Auction” shall mean each periodic implementation of the Auction Procedures.

“Auction Agency Agreement” shall mean the Auction Agency Agreement between the Trustee and the Auction Agent and any similar agreement with a successor Auction Agent, in each case as from time to time amended or supplemented.

“Auction Agent” shall mean any person appointed as such pursuant to Section 1.14 of this Exhibit A.

“Auction Agent Fee” shall mean the fee to be paid to the Auction Agent for the services rendered by it under the Auction Agency Agreement and the Broker-Dealer Agreement.

“Auction Date” shall mean for the Series Y Bonds outstanding as ARCs, the Business Day selected by the Market Agent which shall be no more than 21 days and no less than 1 day next preceding the conversion of Series Y Bonds to ARCs and thereafter, in each instance, the Business Day immediately preceding the first day of each Interest Period, other than:

- (a) each Interest Period commencing after the ownership of the ARCs of such Series is no longer maintained in book entry form by the Depository;

(b) each Interest Period commencing after the occurrence and during the continuance of a Payment Default; or

(c) any Interest Period commencing less than the Applicable Number of Business Days after the cure or waiver of a Payment Default.

Notwithstanding the foregoing, the Auction Date for one or more Auction Periods may be changed pursuant to Section 1.17 of this Exhibit A.

“Auction Period” means, with respect to any ARCs, the Interest Period applicable thereto as the same may be changed pursuant to Section 1.17 of this Exhibit A.

“Auction Period Adjustment” means an adjustment to the Auction Period as provided in Section 1.17 of this Exhibit A.

“Auction Procedures” shall mean the procedures set forth in Section 1.6 of this Exhibit A.

“Auction Rate” shall mean the rate of interest per annum on any Auction Date that results from the implementation of the Auction Procedures, and determined as described in Section 1.6(c)(ii) of this Exhibit A.

“Authorized Denominations” shall mean with respect to the Series Y Bonds Outstanding as ARCs \$50,000 and any multiple thereof.

“Available ARCs” shall have the meaning set forth in Section 1.6(c)(i)(A) of this Exhibit A.

“Bid” shall have the meaning set forth in Section 1.6(a)(i) of this Exhibit A.

“Bidder” shall have the meaning set forth in Section 1.6(a)(i) of this Exhibit A.

“Broker-Dealer” shall mean UBS Financial Services Inc. or any other broker or dealer (each as defined in the Securities Exchange Act), commercial bank or other entity permitted by law to perform the functions required of a Broker-Dealer set forth in the Auction Procedures that (i) is a Participant (or an affiliate of a Participant), (ii) has a capital surplus of at least \$50,000,000, (iii) has been selected by the Board with the approval of the Market Agent (which approval shall not be unreasonably withheld) and (iv) has entered into a Broker-Dealer Agreement that remains effective.

“Broker-Dealer Agreement” shall mean the Broker-Dealer Agreement relating to the ARCs between the Auction Agent and the Broker-Dealer and each other agreement between the Auction Agent and a Broker-Dealer pursuant to which the Broker-Dealer agrees to participate in Auctions as set forth in the Auction Procedures, as from time to time amended or supplemented.

“Broker-Dealer Fee” shall mean the fee to be paid to the Broker-Dealers for the services rendered by them under the Broker-Dealer Agreement.

“Business Day” shall mean for purposes of any Auction any day other than (i) April 14, April 15, December 30, December 31 and such other dates as may be agreed to in writing by the Market Agent, the Auction Agent, the Broker-Dealer and the Board, or (ii) a Saturday, Sunday, holiday or day on which banks located in the city of New York, New York, or the New York Stock Exchange, the Trustee or the Auction Agent, are authorized or permitted by law or executive order to close.

“Change of Preference Law” shall mean, with respect to any Holder of ARCs, any amendment to the Code or other statute enacted by the Congress of the United States or any temporary, proposed or final regulation promulgated by the United States Treasury after the date of delivery of ARCs which (i) changes or would change any deduction, credit or other allowance allowable in computing liability for any federal

tax with respect to, or (ii) imposes or would impose or reduces or would reduce or increases or would increase any federal tax (including, but not limited to, preference or excise taxes) upon, any interest earned by any holder of bonds the interest on which is excluded from federal gross income under Section 103 of the Code.

“Default Rate” on any date of determination shall mean the interest rate per annum equal to the lesser of (i) the Applicable Percentage of the Kenny Index and (ii) the Maximum Interest Rate.

“Depository” shall mean Cede & Co., as the nominee of DTC or any successor securities depository selected or approved by the Board.

“Existing Holder” means (a) with respect to and for the purpose of dealing with the Auction Agent in connection with an Auction, a Person who is a Broker-Dealer listed in the Existing Holder registry at the close of business on the Business Day immediately preceding the Auction Date for such Auction and (b) with respect to and for the purpose of dealing with the Broker-Dealer in connection with an Auction, a Person who is a beneficial owner of ARCs.

“Holder” as used in this Exhibit A shall mean the beneficial owner of any ARCs.

“Hold Order” shall have the meaning set forth in Section 1.6(a)(i) of this Exhibit A.

“Initial Interest Payment Date” shall mean the next May 1 or November 1 which is at least two months following conversion of Weekly Rate Bonds to ARCs.

“Initial Interest Period” shall mean the period from and including the date of conversion of the Series Y Bonds to ARCs and ending on the date specified by the Market Agent at the time of establishment of the initial rate.

“Interest Amount” shall mean the amount of interest distributable in respect of each \$1,000 in principal amount (taken, without rounding, to .0001 of one cent) of ARCs for any Interest Period or part thereof, as calculated in accordance with Section 1.10 of this Exhibit A.

“Interest Payment Date” means with respect to the Series Y Bonds while outstanding as ARCs, each May 1 and November 1, commencing with the Initial Interest Payment Date, except as changed as described in Section 1.17(a) of this Exhibit A, and on the maturity date thereof, or if any such date is not a Business Day, the next succeeding Business Day (but only for interest accrued through the preceding April 30 or October 31, as the case may be).

“Interest Period” means with respect to ARCs, (i) so long as interest is payable on May 1 and November 1 with respect thereto and unless otherwise changed as described in Section 1.17(a) of this Exhibit A, the respective Initial Interest Period and each successive period of generally 35-days thereafter (except as provided below), respectively, commencing on a Wednesday (or the Business Day following the last day of the prior Interest Period, if the prior Interest Period does not end on a Tuesday) and ending on (and including) a Tuesday (unless such Tuesday is not followed by a Business Day, in which case such Interest Period shall end on the next succeeding day that is followed by a Business Day) (or such other changed period), and (ii) if, and for so long as, Interest Payment Dates are specified to occur at the end of each Auction Period as described in Section 1.17 of this Exhibit A, each period commencing on an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

“Kenny Index” shall mean the index most recently made available by Kenny S&P Evaluation Services (“Kenny”) or any successor thereto (the “Indexing Agent”) based upon 30-day yield evaluations at par of securities, the interest on which is excluded from gross income for federal income tax purposes under the Code, of not less than five “Intermediate Grade” component issuers selected by the Indexing Agent which shall include, without limitation, issuers of general obligation bonds. The specific issuers included among the component issuers may be changed from time to time by the Indexing Agent in its

discretion. The securities on which the Kenny Index is based shall not include any securities the interest on which is subject to a “minimum tax” or similar tax under the Code, unless all such securities are subject to such tax. In the event that Kenny no longer publishes an index satisfying the above definition of the Kenny Index or the Market Agent reasonably concludes that the Kenny Index will not be announced in a timely manner, then the Market Agent shall announce a rate based upon the same criteria used by Kenny to determine the Kenny Index and the rate announced by the Market Agent for each Auction Date thereafter shall be used in lieu of the Kenny Index for each Auction Date.

“Market Agent” shall mean the market agent or market agents appointed pursuant to Section 1.13 of this Exhibit A, and its or their successors or assigns.

“Market Agent Agreement” shall mean the Market Agent Agreement relating to the ARCs between the Trustee and the Market Agent, and any similar agreement with a successor Market Agent, in each case as from time to time amended or supplemented.

“Maximum Interest Rate” shall mean the lesser of (a) 14% per annum or (b) the maximum rate of interest permitted under Utah law.

“Maximum Rate,” on any date of determination, shall mean the interest rate per annum equal to the lesser of:

(a) the Applicable Percentage of the higher of (i) the After-Tax Equivalent Rate on such date and (ii) the Kenny Index on such date; and

(b) the Maximum Interest Rate;

rounded to the nearest one thousandth (.001) of 1%.

“Order” shall have the meaning set forth in Section 1.6(a) of this Exhibit A.

“Participant” shall mean a member of or participant in, the Depository.

“Payment Default” shall mean failure to make payment of interest on, premium, if any, and principal of the ARCs when due, by the Board or AMBAC.

“Person” means and includes, unless otherwise specified, an individual, corporation, company, trust, estate, partnership or association.

“Potential Holder” means any Person (including an Existing Holder that is (a) a Broker-Dealer when dealing with the Auction Agent and (b) a potential beneficial owner when dealing with a Broker-Dealer) who may be interested in acquiring ARCs (or, in the case of an Existing Holder thereof, an additional principal amount of ARCs).

“Record Date” shall mean, with respect to Series Y Bonds outstanding as ARCs, (a) so long as interest is payable with respect thereto on each May 1 and November 1, one Business Day prior to each Interest Payment Date and (b) if, and for so long as, Interest Payment Dates are specified to occur at the end of each Auction Period, as provided in Section 1.17 of this Exhibit A, the Applicable Number of Business Days immediately preceding each Interest Payment Date.

“Redemption Date,” when used with respect to any ARCs to be redeemed, shall mean the date fixed for such redemption.

“Registrar” shall mean the Trustee or any separate registrar appointed under the Indenture with respect to the Series Y Bonds.

“SEC” shall mean the Securities and Exchange Commission.

“Securities Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Sell Order” shall have the meaning set forth in Section 1.6(a) of this Exhibit A.

“Statutory Corporate Tax Rate” shall mean, as of any date of determination, the highest tax rate bracket (expressed in decimals) now or hereafter applicable in each taxable year on the taxable income of every corporation as set forth in Section 11 of the Code or any successor section without regard to any minimum additional tax provision or provisions regarding changes in rates during a taxable year.

“Submission Deadline” shall mean 1:00 p.m., New York City time, on any Auction Date or such other time on any Auction Date by which Broker-Dealers are required to submit Orders to the Auction Agent as specified by the Auction Agent from time to time.

“Submitted Bid” shall have the meaning set forth in Section 1.6(c)(i) of this Exhibit A.

“Submitted Hold Order” shall have the meaning set forth in Section 1.6(c)(i) of this Exhibit A.

“Submitted Order” shall have the meaning set forth in Section 1.6(c)(i) of this Exhibit A.

“Submitted Sell Order” shall have the meaning set forth in Section 1.6(c)(i) of this Exhibit A.

“Sufficient Clearing Bids” shall have the meaning set forth in Section 1.6(c)(i)(B) of this Exhibit A.

“Winning Bid Rate” shall have the meaning set forth in Section 1.6(c)(i)(C) of this Exhibit A.

Section 1.2 Description of Series; Global Form; Depository.

(a) As provided in this Thirteenth Supplemental Indenture the Series Y Bonds may be converted to ARCs.

(b) Except as otherwise provided in this Section 1.2, the ARCs, in the form of one or more securities, shall be registered in the name of the Depository, and ownership thereof shall be maintained in book-entry form by the Depository for the account of the Participants thereof. Initially, the ARCs shall be registered in the name of Cede & Co., as the nominee of DTC. Except as provided in subsection (c) of this Section 1.2, the ARCs may be transferred, in whole but not in part, only to the Depository, or to a successor to DTC selected or approved by the Board or to a nominee of such successor Depository.

(i) Neither the Board, the Registrar nor any of their respective affiliates shall have any responsibility or obligation with respect to:

(A) the accuracy of the records of the Depository or any Participant with respect to any beneficial ownership interest in the ARCs;

(B) the delivery to any Participant, any beneficial owner of the ARCs or any other person, other than the Depository, of any notice with respect to the ARCs; or

(C) the payment to any Participant, any beneficial owner of the ARCs or any other person, other than the Depository, of any amount with respect to the principal, premium, if any, or interest on the ARCs.

So long as the certificates for the ARCs are not issued pursuant to subsection (c) of this Section 1.2, the Board and the Registrar may treat the Depository as, and deem the Depository to be, the absolute owner of the ARCs for all purposes whatsoever, including without limitation:

- (i) the payment of principal, premium, if any, and interest on the ARCs;
- (ii) giving notices of redemption and other matters with respect to the ARCs;
- (iii) registering transfer with respect to the ARCs; and
- (iv) the selection of ARCs for redemption.

(c) If at any time the Market Agent has notified the Board that the ARCs (or any Series of ARCs) should not be maintained in book entry form or the Depository notifies the Board that it is unwilling or unable to continue as Depository with respect to the ARCs, or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the Board within 90 days after the Board receives notice or becomes aware of such condition, as the case may be, then this Section 1.2 shall no longer be applicable and the Board shall execute and the Registrar shall authenticate and deliver certificates representing the ARCs as provided below. Certificates for the ARCs issued in exchange for a global certificate pursuant to this subsection (c) shall be registered in such names and Authorized Denominations as the Depository, pursuant to instructions from the Participants or otherwise, shall instruct the Board and the Registrar. The Registrar shall deliver such certificates representing the ARCs to the persons in whose names such ARCs are so registered on the Business Day immediately preceding the first day of an Interest Period. In the case of any conflict between this Section and Section 2.11 of the Twelfth Supplemental Indenture, the provisions of this Section shall control.

Section 1.3 Limitations on Transfer. So long as the ownership of the ARCs is maintained in book-entry form by the Depository, an Existing Holder may sell, transfer or otherwise dispose of its beneficial interest in ARCs only pursuant to a Bid or Sell Order placed in any Auction or to or through a Broker-Dealer; provided that in the case of all transfers other than pursuant to Auctions such Existing Holder, its Broker-Dealer or its Participant advises the Auction Agent of such transfer.

Section 1.4 Interest on ARCs.

(a) Interest on the ARCs shall accrue for each Interest Period and shall be payable in arrears, on each Interest Payment Date.

(b) The rate of interest on the ARCs for the initial Interest Period shall be established prior to the time of conversion. The rate of interest on the ARCs for each subsequent Interest Period shall be the Auction Rate; provided that if, on any Auction Date, an Auction is not held for any reason, then the rate of interest for the next succeeding Interest Period shall equal the Maximum Rate on such Auction Date. Notwithstanding the foregoing, if:

- (i) the ownership of a Series of ARCs is no longer maintained in book-entry form by the Depository, the rate of interest on such Series of ARCs for any Interest Period commencing after the delivery of certificates representing ARCs pursuant to Section 1.2(c) of this Exhibit A shall equal the Maximum Rate on the Business Day immediately preceding the first day of such Interest Period; or
- (ii) if a Payment Default occurs, Auctions will be suspended and the Applicable ARCs Rate (as defined below) for the Interest Period commencing on or after such Payment Default and for each Interest Period thereafter to and including the Interest

Period, if any, during which, or commencing less than the Applicable Number of Business Days after, such Payment Default is cured will equal the Default Rate.

Notwithstanding the preceding provisions of this paragraph (b), if an Auction is scheduled to occur for the next Interest Period on the date that was reasonably expected to be a Business Day, but that Auction does not occur because that date is later not considered to be a Business Day, the Auction shall nevertheless be deemed to have occurred. The applicable Auction Rate in effect for the next Interest Period will be the related Auction Rate in effect for the preceding Interest Period and that Interest Period will generally be 35 days in duration, beginning on the calendar day following the date of the deemed Auction and ending on (and including) the next applicable Auction Date. If the preceding Interest Period was other than generally 35 days in duration, the Auction Rate for the deemed Auction will instead be the rate of interest determined by the Market Agent on equivalently rated auction securities with a comparable length of auction period.

The rate per annum at which interest is payable on a Series of ARCs for any Interest Period is herein referred to as the “Applicable ARCs Rate.” Notwithstanding anything herein to the contrary, the Applicable ARCs Rate cannot exceed the Maximum Interest Rate.

(c) Notwithstanding anything herein to the contrary, if any ARC or portion thereof has been selected for redemption during the next succeeding Interest Period, said ARC or portion thereof, will not be included in the Auction preceding such Redemption Date, and said ARC or portion thereof, will continue to bear interest until the Redemption Date at the rate established for the Interest Period prior to said Auction.

Section 1.5 Payments. So long as the ARCs are registered in the name of the Depository or the nominee thereof, payment of interest (other than at maturity) and premium, if any, on, and of principal at redemption of, the ARCs shall be made to the Depository by wire transfer provided proper wire instructions are received. Each holder of ARCs, by such Holder’s purchase of ARCs, appoints the Trustee as its agent in connection with the payment by such Holder of its share, if any, of the amounts payable to the Auction Agent and the Broker-Dealers pursuant to Section 1.8(a) of this Exhibit A.

Section 1.6 Auction Procedures. Auctions shall be conducted on each Auction Date (other than the Auction Date immediately preceding (i) each Interest Period commencing after the ownership of the ARCs is no longer maintained in book-entry form by the Depository; (ii) each Interest Period commencing after the occurrence and during the continuance of a Payment Default; or (iii) any Interest Period commencing less than the Applicable Number of Business Days after the cure of a Payment Default). If there is an Auction Agent on such Auction Date, Auctions shall be conducted in the following manner:

(a) Orders by Existing Holders and Potential Holders

(i) Prior to the Submission Deadline on each Auction Date:

(A) each Existing Holder of ARCs may submit to a Broker-Dealer information as to:

(1) the principal amount of Outstanding ARCs, if any, held by such Existing Holder which such Existing Holder desires to continue to hold without regard to the Auction Rate for the next succeeding Interest Period;

(2) the principal amount of Outstanding ARCs, if any, which such Existing Holder offers to sell if the Auction Rate for the

next succeeding Interest Period shall be less than the rate per annum specified by such Existing Holder; and/or

(3) the principal amount of Outstanding ARCs, if any, held by such Existing Holder which such Existing Holder offers to sell without regard to the Auction Rate for the next succeeding Interest Period; and

(B) one or more Broker-Dealers may contact Potential Holders to determine the principal amount of ARCs which each such Potential Holder offers to purchase if the Auction Rate for the next succeeding Interest Period shall not be less than the rate per annum specified by such Potential Holder.

For the purposes hereof, the communication to a Broker-Dealer of information referred to in clause (A)(1), (A)(2), (A)(3) or (B) of this paragraph (i) is hereinafter referred to as an "Order" and collectively as "Orders" and each Existing Holder and each Potential Holder placing an Order is hereinafter referred to as a "Bidder" and collectively as "Bidders"; an Order containing the information referred to in (x) clause (A)(1) of this paragraph (i) is hereinafter referred to as a "Hold Order" and collectively as "Hold Orders," (y) clause (A)(2) or (B) of this paragraph (i) is hereinafter referred to as a "Bid" and collectively as "Bids" and (z) clause (A)(3) of this paragraph (i) is hereinafter referred to as a "Sell Order" and collectively as "Sell Orders."

(ii) (A) Subject to the provisions of Section 1.6(b) of this Exhibit A, a Bid by an Existing Holder shall constitute an irrevocable offer to sell:

(1) the principal amount of Outstanding ARCs specified in such Bid if the Auction Rate determined as provided in this Section 1.6 of this Exhibit A shall be less than the rate specified in such Bid; or

(2) such principal amount or a lesser principal amount of Outstanding ARCs to be determined as set forth in Section 1.6(d)(i)(D) of this Exhibit A, if the Auction Rate determined as provided in this Section 1.6 shall be equal to the rate specified in such Bid; or

(3) such principal amount or a lesser principal amount of Outstanding ARCs to be determined as set forth in Section 1.6(d)(ii)(C) of this Exhibit A if the rate specified shall be higher than the Maximum Rate and Sufficient Clearing Bids have not been made.

(B) Subject to the provisions of Section 1.6(b) of this Exhibit A, a Sell Order by an Existing Holder shall constitute an irrevocable offer to sell:

(1) the principal amount of Outstanding ARCs specified in such Sell Order; or

(2) such principal amount or a lesser principal amount of Outstanding ARCs as set forth in Section 1.6(d)(ii)(C) of this Exhibit A if Sufficient Clearing Bids have not been made.

(C) Subject to the provisions of Section 1.6(b) of this Exhibit A, a Bid by a Potential Holder shall constitute an irrevocable offer to purchase:

(1) the principal amount of Outstanding ARCs specified in such Bid if the Auction Rate determined as provided in this Section

1.6 of this Exhibit A shall be higher than the rate specified in such Bid;
or

(2) such principal amount or a lesser principal amount of Outstanding ARCs as set forth in Section 1.6(d)(i)(E) of this Exhibit A if the Auction Rate determined as provided in this Section 1.6 of this Exhibit A shall be equal to the rate specified in such Bid.

(b) Submission by Broker Dealer to Auction Agent.

(i) Each Broker-Dealer shall submit in writing to the Auction Agent prior to the Submission Deadline on each Auction Date all Orders obtained by such Broker-Dealer and shall specify with respect to each such Order:

(A) the name of the Bidder placing such Order;

(B) the aggregate principal amount of ARCs that are the subject of such Order;

(C) to the extent that such Bidder is an Existing Holder:

(1) the principal amount of ARCs, if any, subject to any Hold Order placed by such Existing Holder;

(2) the principal amount of ARCs, if any, subject to any Bid placed by such Existing Holder and the rate specified in such Bid; and

(3) the principal amount of ARCs, if any, subject to any Sell Order placed by such Existing Holder; and

(D) to the extent such Bidder is a Potential Holder, the rate and amount specified in such Potential Holder's Bid.

(ii) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one thousandth (.001) of 1%.

(iii) If an Order or Orders covering all Outstanding ARCs held by any Existing Holder is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the principal amount of Outstanding ARCs held by such Existing Holder and not subject to an Order submitted to the Auction Agent.

(iv) None of the Board, the Trustee nor the Auction Agent shall be responsible for any failure of a Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Holder or Potential Holder.

(v) If any Existing Holder submits through a Broker-Dealer to the Auction Agent one or more Orders covering in the aggregate more than the principal amount of Outstanding ARCs held by such Existing Holder, such Orders shall be considered valid as follows and in the following order of priority:

(A) all Hold Orders shall be considered valid, but only up to and including in the aggregate the principal amount of ARCs held by such Existing

Holder, and if the aggregate principal amount of ARCs subject to such Hold Orders exceeds the aggregate principal amount of ARCs held by such Existing Holder, the aggregate principal amount of ARCs subject to each such Hold Order shall be reduced pro rata to cover the aggregate principal amount of Outstanding ARCs held by such Existing Holder;

(B) (1) any Bid shall be considered valid up to and including the excess of the principal amount of Outstanding ARCs held by such Existing Holder over the aggregate principal amount of ARCs subject to any Hold Orders referred to in clause (A) of this paragraph (v);

(2) subject to subclause (1) of this clause (B), if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the aggregate principal amount of Outstanding ARCs subject to such Bids is greater than such excess, such Bids shall be considered valid up to and including the amount of such excess and the stated amount of ARCs subject to each Bid with the same rate shall be reduced pro rata to cover the stated amount of ARCs equal to such excess;

(3) subject to subclause (1) and (2) of this clause (B), if more than one Bid with different rates is submitted on behalf of such Existing Holder, such Bids shall be considered valid first in the ascending order of their respective rates until the highest rate is reached at which such excess exists and then at such rate up to and including the amount of such excess; and

(4) in any such event, the aggregate principal amount of Outstanding ARCs, if any, subject to Bids not valid under this clause (B) shall be treated as the subject of a Bid by a Potential Holder at the rate therein specified; and

(C) all Sell Orders shall be considered valid up to and including the excess of the principal amount of Outstanding ARCs held by such Existing Holder over the aggregate principal amount of ARCs subject to valid Hold Orders referred to in clause (A) of this paragraph (v) and valid Bids referred to in clause (B) of this paragraph (v).

(vi) If more than one Bid for ARCs is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate and principal amount therein specified.

(vii) Any Bid or Sell Order submitted by an Existing Holder covering an aggregate principal amount of ARCs not equal to an Authorized Denomination therefor shall be rejected and shall be deemed a Hold Order. Any Bid submitted by a Potential Holder covering an aggregate principal amount of ARCs not equal to an Authorized Denomination therefor shall be rejected.

(viii) Any Bid submitted by an Existing Holder or a Potential Holder specifying a rate lower than the All Hold Rate shall be treated as a Bid specifying the All Hold Rate and any such Bid shall be considered as valid and shall be selected in the ascending order of the respective rates in the Submitted Bids.

(ix) An Existing Holder that offers to purchase additional ARCs is, for purposes of such offer, treated as a Potential Holder.

(x) Any Bid specifying a rate higher than the Maximum Interest Rate will (a) be treated as a sell order if submitted by an Existing Holder and (b) not be accepted if submitted by a Potential Holder.

(c) Determination of Sufficient Clearing Bids, Auction Rate and Winning Bid Rate.

(i) Not earlier than the Submission Deadline on each Auction Date, the Auction Agent shall assemble all valid Orders submitted or deemed submitted to it by the Broker-Dealers (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to individually as a "Submitted Hold Order," a "Submitted Bid" or a "Submitted Sell Order," as the case may be, or as a "Submitted Order" and collectively as "Submitted Hold Orders," "Submitted Bids" or "Submitted Sell Orders," as the case may be, or as "Submitted Orders") and shall determine:

(A) the excess of the total principal amount of Outstanding ARCs over the sum of the aggregate principal amount of Outstanding ARCs subject to Submitted Hold Orders (such excess being hereinafter referred to as the "Available ARCs"); and

(B) from such Submitted Orders whether:

(1) the aggregate principal amount of Outstanding ARCs subject to Submitted Bids by Potential Holders specifying one or more rates equal to or lower than the Maximum Rate, exceeds or is equal to the sum of:

(2) the aggregate principal amount of Outstanding ARCs subject to Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Rate; and

(3) the aggregate principal amount of Outstanding ARCs subject to Submitted Sell Orders;

(in the event such excess or such equality exists, other than because the sum of the principal amounts of ARCs in subclauses (1) and (3) above is zero because all of the Outstanding ARCs are subject to Submitted Hold Orders, such Submitted Bids in subclause (1) above being hereinafter referred to collectively as "Sufficient Clearing Bids"); and

(C) if Sufficient Clearing Bids have been made, the lowest rate specified in such Submitted Bids (which shall be the "Winning Bid Rate") such that if:

(1) (aa) each such Submitted Bid from Existing Holders specifying such lowest rate and (bb) all other Submitted Bids from Existing Holders specifying lower rates were rejected, thus entitling such Existing Holders to continue to hold the principal amount of ARCs subject to such Submitted Bids; and

(2) (aa) each such Submitted Bid from Potential Holders specifying such lowest rate and (bb) all other Submitted Bids from Potential Holders specifying lower rates were accepted;

the result would be that such Existing Holders described in subclause (1) above would continue to hold an aggregate principal amount of Outstanding ARCs

which, when added to the aggregate principal amount of Outstanding ARCs to be purchased by such Potential Holders described in subclause (2) above, would equal not less than the Available ARCs.

(ii) Promptly after the Auction Agent has made the determinations pursuant to paragraph (i) of this subsection (c), the Auction Agent shall advise the Trustee of the Maximum Rate and the All Hold Rate and the components thereof on the Auction Date and, based on such determinations, the Auction Rate for the next succeeding Interest Period (the "Auction Rate") as follows:

(A) if Sufficient Clearing Bids have been made, that the Auction Rate for the next succeeding Interest Period shall be equal to the Winning Bid Rate so determined;

(B) if Sufficient Clearing Bids have not been made (other than because all of the Outstanding ARCs are subject to Submitted Hold Orders), that the Auction Rate for the next succeeding Interest Period shall be equal to the Maximum Rate; or

(C) if all outstanding ARCs are subject to Submitted Hold Orders, that the Auction Rate for the next succeeding Interest Period shall be equal to the All Hold Rate.

(d) Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of ARCs. Existing Holders shall continue to hold the principal amount of ARCs that are subject to Submitted Hold Orders, and, based on the determinations made pursuant to Section 1.6(c)(i) of this Exhibit A, Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Agent shall take such other action as set forth below:

(i) If Sufficient Clearing Bids have been made, all Submitted Sell Orders shall be accepted and, subject to the provisions of paragraph (iv) of this subsection (d), Submitted Bids shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Holders' Submitted Bids specifying any rate that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Holder to sell the aggregate principal amount of ARCs subject to such Submitted Bids;

(B) Existing Holders' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be rejected, thus entitling each such Existing Holder to continue to hold the aggregate principal amount of ARCs subject to such Submitted Bids;

(C) Potential Holders' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring such Potential Holder to purchase the aggregate principal amount of ARCs subject to such Submitted Bids;

(D) each Existing Holders' Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be rejected, thus entitling such Existing Holder to continue to hold the aggregate principal amount of ARCs subject to such Submitted Bid, unless the aggregate principal amount of Outstanding ARCs subject to all such Submitted Bids shall be greater than the principal amount of ARCs (the "remaining principal amount") equal to the excess of the

Available ARCs over the aggregate principal amount of ARCs subject to Submitted Bids described in clauses (B) and (C) of this paragraph (i), in which event such Submitted Bid of such Existing Holder shall be rejected in part, and such Existing Holder shall be entitled to continue to hold the principal amount of ARCs subject to such Submitted Bid, but only in an amount equal to the aggregate principal amount of ARCs obtained by multiplying the remaining principal amount by a fraction the numerator of which shall be the principal amount of Outstanding ARCs held by such Existing Holder subject to such Submitted Bid and the denominator of which shall be the sum of the principal amount of Outstanding ARCs subject to such Submitted Bids made by all such Existing Holders that specified a rate equal to the Winning Bid Rate; and (E) each Potential Holder's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be accepted but only in an amount equal to the principal amount of ARCs obtained by multiplying the excess of the aggregate principal amount of Available ARCs over the aggregate principal amount of ARCs subject to Submitted Bids described in clauses (B), (C) and (D) of this paragraph (i) by a fraction the numerator of which shall be the aggregate principal amount of Outstanding ARCs subject to such Submitted Bid and the denominator of which shall be the sum of the principal amounts of Outstanding ARCs subject to Submitted Bids made by all such Potential Holders that specified a rate equal to the Winning Bid Rate.

(ii) If Sufficient Clearing Bids have not been made (other than because all of the Outstanding ARCs are subject to Submitted Hold Orders), subject to the provisions of paragraph (iv) of this subsection (d), Submitted Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Holders' Submitted Bids specifying any rate that is equal to or lower than the Maximum Rate shall be rejected, thus entitling such Existing Holders to continue to hold the aggregate principal amount of ARCs subject to such Submitted Bids;

(B) Potential Holders' Submitted Bids specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring each Potential Holder to purchase the aggregate principal amount of ARCs subject to such Submitted Bids; and

(C) each Existing Holder's Submitted Bid specifying any rate that is higher than the Maximum Rate and the Submitted Sell Order of each Existing Holder shall be accepted, thus entitling each Existing Holder that submitted any such Submitted Bid or Submitted Sell Order to sell the ARCs subject to such Submitted Bid or Submitted Sell Order, but in both cases only in an amount equal to the aggregate principal amount of ARCs obtained by multiplying the aggregate principal amount of ARCs subject to Submitted Bids described in clause (B) of this paragraph (ii) by a fraction the numerator of which shall be the aggregate principal amount of Outstanding ARCs held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the aggregate principal amount of Outstanding ARCs subject to all such Submitted Bids and Submitted Sell Orders.

(iii) If all Outstanding ARCs are subject to Submitted Hold Orders, all Submitted Bids shall be rejected.

(iv) If, as a result of the procedures described in paragraph (i) or (ii) of this subsection (d), any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a principal amount of ARCs that is not

equal to an Authorized Denomination therefor the Auction Agent shall, in such manner as it shall, in its sole discretion, determine, round up or down the principal amount of ARCs to be purchased or sold by any Existing Holder or Potential Holder so that the principal amount of ARCs purchased or sold by each Existing Holder or Potential Holder shall be equal to an Authorized Denomination, even if such allocation results in one or more of such Potential Holders not purchasing any ARCs.

(e) Based on the results of each Auction, the Auction Agent shall determine the aggregate principal amount of ARCs to be purchased and the aggregate principal amount of ARCs to be sold by Potential Holders and Existing Holders on whose behalf each Broker-Dealer submitted Bids or Sell Orders and, with respect to each Broker-Dealer, to the extent that such aggregate principal amount of ARCs to be sold differs from such aggregate principal amount of ARCs to be purchased, determine to which other Broker-Dealer or Broker-Dealers acting for one or more purchasers such Broker-Dealer shall deliver, or from which other Broker-Dealer or Broker-Dealers acting for one or more sellers such Broker-Dealer shall receive, as the case may be, ARCs.

Section 1.7 Certain Orders Not Permitted. The Board may not submit an Order in any Auction. The Auction Agent shall have no duty or liability in monitoring or enforcing compliance with this Section 1.7.

Section 1.8 Notice of Payment Defaults and Cures; Payment of Service Charges.

(a) Following a conversion to ARCs, the Board shall pay to the Auction Agent, on behalf of the Holders of the ARCs in same day funds out of amounts in the Revenue Account of Operating Account, (i) on the first Business Day of February, May, August and November commencing with the first such date following conversion, an amount equal to the Auction Agent Fee as calculated in the Auction Agency Agreement and (ii) on the first Business Day of February, May, August and November commencing with the first such date following conversion, an amount equal to the Broker-Dealer Fee as calculated in the Broker-Dealer Agreement.

(b) By 12:30 p.m. New York City time on the Business Day immediately succeeding each Interest Payment Date, the Trustee will determine if a Payment Default has occurred. If a Payment Default has occurred, the Trustee shall notify the Auction Agent and Broker-Dealer by 1:00 p.m. New York City time of such Payment Default. If a Payment Default has been cured, the Trustee shall so notify the Auction Agent and the Broker-Dealer by 5:00 p.m. New York City time on the day such Payment Default is cured.

Section 1.9 Calculation of Maximum Rate, All Hold Rate and Default Rate. The Auction Agent shall calculate the Maximum Rate and the All Hold Rate on each Auction Date. If the ownership of the ARCs is no longer maintained in book-entry form by the Depository, the Trustee shall calculate the Maximum Rate on the Business Day immediately preceding the first day of each Interest Period commencing after the delivery of certificates representing the ARCs pursuant to Subsection 1.2(c) of this Exhibit A. If a Payment Default shall have occurred, the Trustee shall calculate the Default Rate on the first day of (i) each Interest Period commencing after the occurrence and during the continuance of such Payment Default and (ii) any Interest Period commencing less than the Applicable Number of Business Days after the cure of any Payment Default. The Auction Agent shall determine the “AA” Financial Commercial Paper Rate for each Interest Period other than the first Interest Period; provided, that if the ownership of the ARCs is no longer maintained in book-entry form, or if a Payment Default has occurred, then the Trustee shall determine the “AA” Financial Commercial Paper Rate for each such Interest Period. The determination by the Trustee or the Auction Agent, as the case may be, of the “AA” Financial Commercial Paper Rate shall (in the absence of manifest error) be final and binding upon all parties. If calculated or determined by the Auction Agent, the Auction Agent shall promptly advise the Trustee of the “AA” Financial Commercial Paper Rate.

Section 1.10 Computation of Interest. The amount of interest distributable to Holders of ARCs in respect of each \$50,000 in principal amount thereof for any Interest Period or part thereof shall be calculated by applying the Applicable ARCs Rate for such Interest Period or part thereof to the principal amount of \$50,000, multiplying such product by the actual number of days in the Interest Period or part thereof concerned divided by 365 or 366, as applicable, and truncating the resultant figure to the nearest one cent. Interest on the ARCs shall be computed by the Trustee on the basis of a 365-day year for the number of days actually elapsed; except that for any such calculation with respect to an Interest Payment Date occurring from January 1 of any leap year through December 31 of such leap year, such interest (for any day occurring during such period) shall be computed on the basis of a 366-day year period. In the event an Interest Payment Date occurs in any Interest Period on a date other than the first day of such Interest Period, the Trustee, after confirming the calculation required above, shall calculate the portion of the Interest Amount payable on such Interest Payment Date and the portion payable on the next succeeding Interest Payment Date. The Trustee shall make the calculation required in this Section 1.10 not later than the close of business on each Auction Date.

Section 1.11 Notification of Rates, Amounts and Payment Dates.

(a) The Trustee shall determine the aggregate amount of interest distributable on the next succeeding Interest Payment Date to the Holders of the ARCs. So long as the ownership of the ARCs is maintained in book-entry form by the Depository, the Trustee shall advise the Depository of each Record Date for the ARCs at least two Business Days prior thereto.

(b) Promptly after the conversion of the Series Y Bonds to ARCs, and in any event at least 10 days prior to each Interest Payment Date thereafter, the Trustee shall:

(i) so long as no Payment Default has occurred and is continuing and the ownership of the ARCs is maintained in book-entry form by the Depository, confirm the Auction Agent's determination of (A) the date of such next Interest Payment Date and (B) the amount payable to the Auction Agent on each Interest Payment Date pursuant to Section 1.8 hereof and notify the Auction Agent of any discrepancy therein; and

(ii) advise the Depository, so long as the ownership of the ARCs is maintained in book-entry form by the Depository, of the Applicable ARCs Rate and the Interest Amount in respect of the next succeeding Interest Period.

In the event that any day that is scheduled to be an Interest Payment Date shall be changed after the Trustee shall have given the notice referred to in clause (i) of the preceding sentence, not later than 9:15 a.m., New York City time, on the Business Day next preceding the earlier of the new Interest Payment Date or the old Interest Payment Date, the Trustee shall, by such means as the Trustee deems practicable, give notice of such change to the Auction Agent, so long as no Payment Default has occurred and is continuing and the ownership of the ARCs is maintained in book-entry form by the Depository.

Section 1.12 Adjustment in Percentages.

(a) The Market Agent shall adjust the percentage used in determining the All Hold Rate, the Applicable Percentage used in determining the Maximum Rate and the percentage of the Kenny Index used in determining the Default Rate, if any such adjustment is necessary, in the judgment of the Market Agent, to reflect any Change of Preference Law such that ARCs paying the Maximum Rate, ARCs paying the All Hold Rate and ARCs paying the Default Rate shall have equal market values before and after such Change of Preference Law. Prior to any such adjustment, the Board shall give notice thereof to the Rating Agency and AMBAC, and no such adjustment shall be made unless such adjustment will not adversely affect the rating on any of the Bonds. In making any such adjustment, the Market Agent shall take the following factors, as in existence both before and after such Change of Preference Law, into account:

- (i) short-term taxable and tax-exempt market rates and indices of such short-term rates;
- (ii) the market supply and demand for short-term tax-exempt securities;
- (iii) yield curves for short-term and long-term tax-exempt securities or obligations having a credit rating that is comparable to the ARCs;
- (iv) general economic conditions; and
- (v) economic and financial factors present in the securities industry that may affect or that may be relevant to the ARCs.

(b) The Market Agent shall effectuate an adjustment in the percentage used in determining the All Hold Rate, the Applicable Percentage used in determining the Maximum Rate and the Applicable Percentage of the Kenny Index used to determine the Default Rate pursuant to subsection (a) of this Section 1.12 by delivering to the Board, AMBAC, the Trustee and the Auction Agent at least 10 days prior to the Auction Date on which the Market Agent desires to effect such change a Favorable Opinion and a certificate in substantially the form attached hereto as Exhibit E, authorizing the adjustment of the percentage used in determining the All Hold Rate, the Applicable Percentage used in determining the Maximum Rate and the percentage of the Kenny Index used to determine the Default Rate, which shall be specified in such certificate.

Section 1.13 Market Agent. The Trustee shall enter into a Market Agent Agreement with UBS Financial Services Inc. as the initial Market Agent. The Market Agent shall serve as such under the terms and provisions hereof and of the Market Agent Agreement. The Market Agent, including any successor appointed pursuant hereto, shall be a member of the National Association of Securities Dealers, Inc. having capitalization of at least \$25,000,000, and be authorized by law to perform all the duties imposed upon it by this Thirteenth Supplemental Indenture and the Market Agent Agreement. The Market Agent may be removed at any time by the Trustee, acting at the direction of (a) the Board, or (b) the holders of 66-2/3% of the aggregate principal amount of the ARCs with the prior written consent of AMBAC (which consent may not be unreasonably withheld) or (c) AMBAC; provided, that such removal shall not take effect until the appointment of a successor Market Agent. The Market Agent may resign upon 30 days' written notice delivered to the Board, AMBAC and the Trustee. The Board shall use its best efforts to appoint a successor Market Agent that is a qualified institution, effective as of the effectiveness of any such resignation or removal. Notwithstanding that the Market Agent is the agent of the Trustee under the Market Agent Agreement, the Trustee shall not be liable in any way for any action taken, suffered, or omitted, or for any error of judgment made by the Market Agent, whether in the performance of its duties under the Market Agent Agreement or otherwise.

Section 1.14 Auction Agent.

(a) An initial Auction Agent for the ARCs shall be appointed in connection with the Conversion. The Trustee is hereby directed to enter into an agreement with the Auction Agent which shall provide as follows: The Auction Agent shall be (i) a bank or trust company duly organized under the laws of the United States of America or any state or territory thereof having its principal place of business in the Borough of Manhattan, The City of New York, and having a combined capital stock, surplus and undivided profits of at least \$15,000,000 or (ii) a member of the National Association of Securities Dealers, Inc., having a capitalization of at least \$15,000,000 and, in either case, authorized by law to perform all the duties imposed upon it hereunder and under the Auction Agency Agreement. The Auction Agent may resign and be discharged of the duties and obligations created by this Thirteenth Supplemental Indenture by giving at least 90 days' written notice to the Board, the Trustee, AMBAC and the Market Agent (30 days' written notice if the Auction Agent has not been paid its fee for more than 30 days after such fee is due). The Auction Agent may be removed at any time by the Trustee if the Auction Agent is an entity other than the Trustee, acting at the direction of (i) the Board, or (ii) the holders of 66-2/3% of the

aggregate principal amount of the ARCs with the prior written consent of AMBAC (which consent may not be unreasonably withheld), or (iii) AMBAC, by an instrument signed by the Trustee and filed with the Auction Agent, the Board, AMBAC and the Market Agent upon at least 90 days' notice; provided that, if required by the Market Agent, an agreement in substantially the form of the Auction Agency Agreement shall be entered into with a successor Auction Agent. If the Auction Agent and the Trustee are the same entity, the Auction Agent may be removed as described above, with the Board acting in lieu of the Trustee.

(b) In the event that the Auction Agent shall resign or be removed or dissolved, or if the property or affairs of the Auction Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, the Board shall use its best efforts to appoint a successor as Auction Agent, and the Trustee shall thereupon enter into an Auction Agency Agreement with such successor.

(c) The Auction Agent shall be acting as agent for the Trustee and the Board in connection with Auctions. In the absence of bad faith or negligence on its part, the Auction Agent shall not be liable for any action taken, suffered or omitted or for any error of judgment made by it in the performance of its duties under the Auction Agency Agreement and shall not be liable for any error of judgment made in good faith unless the Auction Agent shall have been negligent in ascertaining (or failing to ascertain) the pertinent facts necessary to make such judgment.

(d) Notwithstanding that the Auction Agent is the agent of the Trustee hereunder and under the Auction Agency Agreement, the Trustee shall not be liable in any way for any action taken, suffered or omitted, or for any error of judgment made by the Auction Agent, whether in the performance of its duties under the Auction Agency Agreement or otherwise, subject to the provisions of the Auction Agency Agreement.

Section 1.15 Broker-Dealers.

(a) The Auction Agent shall enter into a Broker Dealer Agreement with UBS Financial Services Inc. as the initial Broker-Dealer. The Market Agent may from time to time approve one or more additional persons to serve as Broker-Dealer under Broker-Dealer Agreements.

(b) Any Broker-Dealer may be removed at any time, at the request of an Authorized Officer of the Board (with notice to AMBAC), but there shall, at all times, be at least one Broker-Dealer appointed and acting as such.

Section 1.16 Redemption of Series Y Bonds. The Series Y Bonds bearing interest at an Auction Rate are subject to redemption at the option of the Board from any source of funds in whole or in part on any date at a redemption price equal to the principal amount of the Bonds being redeemed, plus accrued interest, if any, to the redemption date.

Section 1.17 Changes in Auction Periods or Auction Date.

(a) Changes in Auction Period or Periods.

(i) While any of the Series Y Bonds are outstanding as ARCs, the Market Agent:

(A) in order to conform with then current market practice with respect to similar securities, shall; or

(B) in order to accommodate economic and financial factors that may affect or be relevant to the length of the Auction Period and the interest rate

borne by the ARCs and upon receipt of a Favorable Opinion and with the written consent of an Authorized Officer of the Board, may change, from time to time, the length of one or more Auction Periods. In connection with any such change, or otherwise, but for the same stated purpose, the Market Agent:

(1) in order to conform with then current market practice with respect to similar securities, shall; and

(2) upon receipt of a Favorable Opinion and with the written consent of an Authorized Officer, may change Interest Payment Dates to or from semi-annual payments on May 1 and November 1 of each year or to or from Interest Payment Dates specified in the notice described below corresponding to the end of each Interest Period and Auction Period (each such change being an "Auction Period Adjustment" for the purposes of this Thirteenth Supplemental Indenture. The Authorized Officer of the Board shall not consent to such Auction Period Adjustment, if such consent is required above, unless he or she shall have received from the Market Agent not less than three days nor more than 20 days prior to the effective date of such change a written request for consent together with a certificate demonstrating the need for change in reliance on such factors. The Market Agent shall initiate the Auction Period Adjustment by giving written notice to the Trustee, the Auction Agent, the Board, AMBAC and the Depository in substantially the form of, or contain substantially the information contained in, Exhibit F to this Thirteenth Supplemental Indenture at least 10 days prior to the Auction Date for such Auction Period.

(ii) Any such changed Auction Period shall not be less than 7 days. No change in an Auction Period from an Auction Period of one year or less to an Auction Period of more than one year shall occur unless there shall have been delivered to the Trustee a Favorable Opinion and AMBAC's consent; and no change in Auction Period from an Auction Period of more than one year to an Auction Period of one year or less shall occur unless there shall have been delivered to the Trustee a Favorable Opinion.

(iii) The Auction Period Adjustment shall not be allowed unless Sufficient Clearing Bids existed at both the Auction before the date on which the notice of the proposed change was given as provided in this Section 1.17(a) and the Auction immediately preceding the proposed change.

(iv) The Auction Period Adjustment shall take effect only if (A) the Trustee and the Auction Agent receive, by 11:00 A.M. on the Business Day before the Auction Date for the first such Auction Period, a certificate from the Market Agent in substantially the form attached as, or containing substantially the same information contained in, Exhibit G to this Thirteenth Supplemental Indenture, authorizing the Auction Period Adjustment specified in such certificate and (B) Sufficient Clearing Bids exist at the Auction on the Auction Date for such first Auction Period. If the condition referred to in (A) above is not met, the Applicable ARCs Rate for the next Auction Period shall be determined pursuant to the Auction Procedures and the Auction Period shall be the Auction Period determined without reference to the proposed change. If the condition referred to in (A) is met but the condition referred to in (B) above is not met, the Applicable ARCs Rate for the next Auction Period shall be the Maximum Rate and the Auction Period shall be the Auction Period determined without reference to the proposed change. In connection with any Auction Period Adjustment, the Auction Agent shall provide such further notice to such parties as is specified in the Auction Agent Agreement.

(b) Changes in the Auction Date. While any of the Series Y Bonds are outstanding as ARCs, the Market Agent:

(i) in order to conform with then current market practice with respect to similar securities, shall; or

(ii) in order to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an Auction Date and the interest rate borne on the ARCs and upon receipt of a Favorable Opinion and with the written consent of an Authorized Officer of the Board, may specify an earlier Auction Date (but in no event more than five Business Days earlier) than the Auction Date that would otherwise be determined in accordance with the definition of "Auction Date" in Section 1.1 of this Exhibit A with respect to one or more specified Auction Periods. The Authorized Officer of the Board shall not consent to such change in the Auction Date, if such consent is required in subparagraph (b)(ii) above, unless he or she shall have received from the Market Agent not less than three days nor more than 20 days prior to the effective date of such change a written request for consent together with a certificate demonstrating the need for change in reliance on such factors. The Market Agent shall provide notice of any determination to specify an earlier Auction Date for one or more Auction Periods by means of a written notice delivered at least 10 days prior to the proposed changed Auction Date to the Trustee, the Auction Agent, the Board, AMBAC and the Depository. Such notice shall be substantially in the form of, or contain substantially the information contained in, Exhibit H to this Thirteenth Supplemental Indenture.

(c) In connection with any change described in this Section 1.17, the Auction Agent shall provide such further notice to such parties as is specified in the Auction Agency Agreement.

(d) No change shall be made to the Auction Period or Auction Date unless the Board shall have received confirmation from the Rating Agency that the rating on any of the Bonds will not be adversely affected.

Section 1.18 Credit Ratings. The Board shall take all reasonable action necessary to enable at least one nationally recognized statistical rating organization (as that term is used in the rules and regulations of the SEC under the Securities Exchange Act) to provide credit ratings for the ARCs.

Section 1.19 Notices.

(a) The Market Agent shall provide the Trustee, AMBAC and, so long as no default under the Indenture has occurred and is continuing and the ownership of the ARCs is maintained in book-entry form by the Depository, the Auction Agent with notice of any change in the Statutory Corporate Tax Rate.

(b) The Board shall use its best efforts to provide the Trustee, AMBAC and, so long as no Payment Default has occurred and is continuing and the ownership of the ARCs is maintained in book-entry form by the Depository, the Auction Agent with notice of any change in the maximum rate on the ARCs permitted by law.

Section 1.20 Purchases of ARCs. The Board shall not purchase or otherwise acquire ARCs unless the Board redeems or otherwise cancels such ARCs on the day of any purchase.

Section 1.21 Notice of Payment Default.

(a) If the Board determines that a Payment Default has occurred the Board shall promptly notify the Trustee and AMBAC thereof.

(b) So long as the ownership of the ARCs is maintained in book-entry form by the Depository, upon the occurrence of a Payment Default the Trustee shall immediately send a notice thereof to the Auction Agent and Market Agent by telecopy or similar means.

(c) So long as the ownership of the ARCs is maintained in book-entry form by the Depository, the Trustee shall immediately send notice to the Auction Agent by telecopy or similar means if a Payment Default is cured.

Section 1.22 Applicability to Each Subseries. The provisions of this Exhibit A, except as otherwise provided, shall be deemed to apply separately and independently to each Subseries, if any, of the Series Y Bonds.

EXHIBIT B

FORM OF WEEKLY RATE BONDS

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN REVENUE BOND
2007 SERIES Y

No. RY- _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
Weekly			

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS *****

State Board of Regents of the State of Utah (the “Board”), a body politic duly created and existing under the laws of the State of Utah, for value received, hereby promises to pay (but only from the sources hereinafter mentioned) to the Registered Owner (the “Owner”) or registered assigns, on the Maturity Date shown above (subject to prior redemption, as hereinafter described), upon presentation and surrender hereof, the Principal Amount set forth above and to pay interest on such Principal Amount, from and including the later of the date the Series Y Bonds (defined below) were delivered to the initial purchasers thereof or the most recent Interest Payment Date (as defined in the hereinafter described Indenture) to which interest has been paid until the principal hereof shall have become due, whether at maturity, by redemption or acceleration, and provision therefor has been made as provided in the Indenture, at the rate or rates and on the dates hereinafter set forth.

The Principal Amount of this Bond is payable at the principal corporate trust office of Wells Fargo Bank, N.A. in Salt Lake City, Utah, as Trustee and Paying Agent (the “Trustee”), or any successor Trustee under the Indenture. The interest payable on this Bond on any Interest Payment Date shall be paid to the person in whose name this Bond is registered on the registration books kept by the Trustee on the Record Date (as defined in the Indenture) to such person, or in certain cases by wire transfer to such person’s bank account, as described in the Indenture, provided, however, that if any Interest Payment Date shall fall on a day which is not a Business Day (as defined in the Indenture), interest payable on the Bonds or any portion thereof on such Interest Payment Date shall be paid on the immediately succeeding Business Day, and no additional interest shall accrue on such Bonds as a result thereof. The principal of and interest on this Bond are payable in lawful money of the United States of America.

THIS BOND IS NOT A GENERAL OBLIGATION OF THE BOARD BUT IS A SPECIAL LIMITED OBLIGATION OF THE BOARD AND IS PAYABLE SOLELY FROM THE PROCEEDS DERIVED FROM THE SALE OF THE BONDS (UNTIL EXPENDED FOR THE PURPOSES FOR WHICH THE BONDS WERE ISSUED), THE REVENUES AND OTHER AMOUNTS, IF ANY, DEPOSITED IN THE FUNDS AND ACCOUNTS ESTABLISHED BY THE INDENTURE EXCLUDING THE OPERATING ACCOUNT AND THE REBATE ACCOUNT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THIS BOND. THE SERIES Y BONDS SHALL NOT BE A DEBT OF THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, AND IN NO EVENT SHALL THE SERIES Y BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN FROM THE SOURCES AS HEREIN PROVIDED. THE BOARD HAS NO TAXING POWER.

This Bond is one of an authorized issue of bonds of the Board designated as its “Student Loan Revenue Bonds, 2007 Series Y” limited in aggregate principal amount to \$_____ (the “Series Y

Bonds”) issued pursuant to a resolution duly adopted by the governing body of the Board on October 26, 2007 and under and in full compliance with the Constitution and laws of the State of Utah, in particular, Chapter 13, Title 53B, Utah Code Annotated 1953, as amended (the “Act”) for the purpose of obtaining funds to finance the acquisition of loans for higher education. The Series Y Bonds are being issued under and are equally and ratably secured by and entitled to the protection of a General Student Loan Program Indenture (the “General Indenture”) dated July 15, 1988, as supplemented by Supplemental Indentures First through Thirteenth (the General Indenture and the First through Thirteenth Supplemental Indentures are herein collectively referred to as the “Indenture”) between the Board and Wells Fargo Bank, N.A., Salt Lake City, Utah as trustee (the “Trustee”). The Board has previously issued, under the General Indenture, various Series of its Student Loan Revenue Bonds all payable on a parity with the Series Y Bonds (collectively, the “Bonds”).

Unless defined herein, the terms used in this Bond have the meanings assigned to them in the Indenture.

The Board has caused to be delivered to Wells Fargo Bank, N.A., as tender agent (the “Tender Agent,” which term includes any replacement) a Standby Bond Purchase Agreement (the “Liquidity Facility,” which term as used herein includes any renewal thereof or any replacement thereof as hereinafter described), which expires February 11, 2024 or earlier as therein provided, between the Board, the Tender Agent and _____, acting through its New York Branch (the “Liquidity Provider,” which term includes any replacement thereof). The Tender Agent is entitled under the Liquidity Facility to draw up to an amount sufficient to enable the Tender Agent to pay the Purchase Price of Series Y Bonds required to be purchased. The Board may, upon the conditions specified in the Indenture, provide for the delivery to the Trustee or the Tender Agent of a substitute liquidity facility in replacement for the then existing liquidity facility, as further provided in the Indenture.

The Bonds are payable solely from revenues and other moneys pledged to or held by the Trustee or the Paying Agent under the Indenture for such purpose, and there shall be no other recourse against the Board or any other property now or hereafter owned by it. Except as otherwise specified in the Indenture, this Bond is entitled to the benefits of the Indenture equally and ratably both as to principal and interest with all other Bonds issued under the Indenture. Under certain circumstances additional bonds may be issued under the Indenture, secured on a parity with the Series Y Bonds. Reference is made to the Indenture for a description of the rights of the owners of the Series Y Bonds; the rights and obligations of the Board; the rights, duties and obligations of the Trustee and the Paying Agent; and the provisions relating to amendments and modifications thereof. The acceptance of the terms and conditions of such documents and the Municipal Bond Insurance Policy, described below (including amplifications and qualifications of the provisions thereof), copies of which are on file at the principal corporate trust office of the Trustee, is an explicit and material part of the consideration of the Board’s issuance hereof, and each owner hereof by acceptance of this Bond accepts and assents to all such terms and conditions as if fully set forth herein.

Reference is made to the Indenture for a complete statement of the terms and conditions upon which the Series Y Bonds of this issue have been issued and provisions made for their security and for the issuance of additional bonds, and for the rights, duties and obligations of the Board, the Trustee and the holders of the Series Y Bonds.

GENERAL PROVISIONS

The Series Y Bonds are issuable as fully registered Bonds in denomination of \$100,000 or integral multiples thereof in the case of Weekly Rate Bonds (provided that one Series Y Bond may be in a denomination of \$_____).

The transfer of this Bond shall be registered upon the register kept by the Registrar at the corporate trust office of Wells Fargo Bank, N.A., or at the office of any successor Trustee under the Indenture, upon surrender of this Bond at such office, together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or its duly authorized attorney. As a condition

precedent to any transfer or exchange of this Bond, the Trustee may require payment from the Owner hereof of a sum sufficient to cover any tax or other governmental fee or charge that may be imposed with respect to such transfer or exchange. Upon satisfaction of the foregoing requirements, the Trustee or Authenticating Agent shall authenticate, register and deliver, in the name of the designated transferee or transferees, one or more Bonds of Authorized Denominations and of a like Series, maturity and aggregate principal amount as the Bond or Bonds surrendered for transfer, subject to certain limitations set forth in the Indenture with respect to Bonds selected for redemption.

Bonds may be redeemed in part and upon any partial redemption of any Bond the same shall be surrendered in exchange for one or more new Bonds of Authorized Denominations for the unredeemed portion of such principal, except as otherwise required by the Indenture.

Upon any declaration of acceleration after an Event of Default under the Indenture, the Trustee shall give notice of such declaration to registered owners of Bonds and if funds in an amount sufficient to pay the principal of and interest on the Series Y Bonds have been deposited with the Trustee, interest shall cease to accrue on the Series Y Bonds.

No recourse shall be had for the payment of principal of, or interest on, this Bond, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the Board or of any successor body, as such, either directly or through the Board or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

INTEREST PROVISIONS

This Bond shall bear interest from the date the Series Y Bonds were delivered to the initial purchasers thereof through _____ at the Initial Rate. After the initial Weekly Rate Period, but prior to the ARCs Conversion Date or the Variable Rate Conversion Date for this Bond, this Bond shall bear interest at a Weekly Rate equal to the lesser of (1) the Maximum Rate, or (2) the applicable Weekly Rate determined by the Remarketing Agent in accordance with the provisions of the Indenture. Notwithstanding the foregoing if this Bond becomes a Liquidity Provider Bond it shall bear interest at the lesser of (i) the Maximum Rate (as defined in the Indenture) or (ii) the rate provided in the initial Liquidity Facility or any substitute or replacement Liquidity Facility for interest on Liquidity Provider Bonds.

The Weekly Rate for any Weekly Rate Period shall be determined by the Remarketing Agent no later than 3:00 P.M., New York City time, on the Business Day next preceding the Adjustment Date for such Weekly Rate Period. While the Series Y Bonds bear interest at a Weekly Rate, interest is payable on the first day of May and November] [the first Business Day of each month commencing _____ and on each Proposed ARCs Conversion Date or Proposed Variable Rate Conversion Date.

On certain conditions set forth in the Indenture, the interest rate on this Bond may be converted to an ARCs Rate, which is an auction rate of interest to be borne for a period of approximately [35] [28] days or to another variable rate mode. A date proposed for such conversion to an ARCs Rate is a "Proposed ARCs Conversion Date," and the date of a successful conversion is an "ARCs Conversion Date." On certain conditions set forth in the Indenture, the interest rate on this Bond may be converted to another Variable Rate. A date proposed for such conversion is a "Proposed Variable Rate Conversion Date," and the date of a successful conversion is a "Variable Rate Conversion Date." If all the conditions in the Indenture for a conversion are not met, the conversion of the principal amount of the Series Y Bonds designated for conversion shall not occur, and the affected Bonds will bear interest at a Weekly Rate determined by the Remarketing Agent on the failed Proposed ARCs Conversion Date or Proposed Variable Rate Conversion Date, as applicable, in the same manner as the interest rate with respect to Weekly Rate Bonds is determined, as set forth above.

In the event that the Remarketing Agent for any reason fails to determine the Weekly Rate for any Weekly Rate Period, or the rate established by the Remarketing Agent is held to be invalid or

unenforceable by a court of law for any Weekly Rate Period, the rate of interest to be borne by the Series Y Bonds for such Weekly Rate Period shall be determined as set forth in the Indenture.

REDEMPTION

The Bonds are subject to optional or mandatory redemption prior to maturity as provided in the Indenture. Redemptions of certain of the Bonds may be required or authorized, all as set forth in the Indenture.

The Series Y Bonds bearing a Weekly Rate are subject to optional redemption prior to their scheduled maturity dates, in whole or in part on any date at a Redemption Price of par, plus accrued interest, if any.

OPTIONAL TENDER OF WEEKLY RATE BONDS

Each Weekly Rate Bond is subject to purchase, in whole or in part, at the request of the Owner thereof, on any Optional Tender Date, at the Purchase Price. To exercise the option to have a Weekly Rate Bond so purchased, such Owner must deliver a properly executed and completed Tender Notice to the Tender Agent at its office located in Salt Lake City, Utah, no later than 10:00 A.M., Salt Lake City time, on a Business Day which is no less than the seventh (7th) calendar day preceding the Optional Tender Date. Optionally Tendered Bonds shall be delivered to the Tender Agent on or prior to the Optional Tender Date. The exercise of an option by an Owner of a Weekly Rate Bond to have such Bond purchased is irrevocable and binding on such Owner and cannot be withdrawn. The Tender Agent's determination as to whether a Tender Notice has been properly completed, executed and delivered will be binding upon the Owner of such Bond. Optionally Tendered Bonds shall be purchased as of the applicable Optional Tender Date. Payment of the Purchase Price of any Optionally Tendered Bonds shall be made in immediately available funds on the applicable Purchase Date. In the event of a failure by an Owner of a Weekly Rate Bond to deliver its Bond on or prior to the Purchase Date, said Owner shall not be entitled to any payment (including interest to accrue subsequent to the Purchase Date), other than the Purchase Price for such Bond, and any Undelivered Bond shall no longer be entitled to the benefits of the Indenture, except for the payment of the Purchase Price therefore from amounts in the Undelivered Bond Payment Account provided in the Indenture.

The Weekly Rate Bonds shall not be subject to optional tender as described above at any time after (i) the declaration by the Trustee and continuation of an Event of Default under Section 10.1(1) or (2) of the General Indenture (or any declaration of acceleration of the Bonds); or (ii) receipt by the Trustee of notice from the Liquidity Provider that the Liquidity Facility has been terminated as a result of the occurrence of an event of default specified in Section 7.1(a), (b), (c) or (d) of the initial Liquidity Facility or similar events specified in any substitute Liquidity Facility.

MANDATORY TENDER OF WEEKLY RATE BONDS

All Weekly Rate Bonds must be tendered by the Owners thereof for repurchase at their Purchase Price, under the circumstances set forth below.

Except as otherwise provided herein, Owners are required to tender their Weekly Rate Bonds for purchase as follows:

- (i) on each Proposed ARCs Conversion Date or Proposed Variable Rate Conversion Date; and
- (ii) on the fifth Business Day prior to each Expiration Date and each Termination Date With Mandatory Tender and on each Substitution Date.

The Trustee shall give notice of mandatory tender to the Owners of affected Bonds as provided in the Indenture.

Any Weekly Rate Bonds required to be tendered for purchase shall be delivered to the Tender Agent at an office designated by the Tender Agent prior to 9:30 A.M., Salt Lake City time, on the date on which such Bonds are required to be purchased and any Weekly Rate Bonds required to be tendered for purchase that are not delivered and for which there has been irrevocably deposited with the Tender Agent in the Purchase Fund an amount of money sufficient to pay the Purchase Price thereof shall be deemed to have been purchased by the Tender Agent and shall constitute Undelivered Bonds. In the event of a failure by an Owner of Weekly Rate Bonds to deliver its Weekly Rate Bonds on or prior to the required date, said Owner shall not be entitled to any payment (including any interest to accrue subsequent to the required Purchase Date) other than the Purchase Price for such Undelivered Bonds, and any Undelivered Bonds shall no longer be entitled to the benefits of the Indenture, except for the payment of the Purchase Price therefor from amounts on deposit in the Undelivered Bond Payment Account provided in the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Trustee for registration of transfer, exchange, or payment, any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY OTHER PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is one of a Series of Bonds which were certified as legal obligations by the Attorney General of the State of Utah on October 26, 2007.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been executed by an Authenticating Agent.

IT IS HEREBY CERTIFIED RECITED, AND DECLARED that all acts, conditions and things required to be done, to exist to happen and to be performed in order to make this Bond a valid and binding special obligation of the Board according to its terms have been done, do exist have happened and have been performed in regular and due form, time and manner as so required.

IN WITNESS WHEREOF, the State Board of Regents of the State of Utah has caused this Bond to be executed by the manual or facsimile signature of its Chair and to have its seal imprinted thereon by impression or facsimile and attested by the manual or facsimile signature of its Secretary.

STATE BOARD OF REGENTS OF THE STATE
OF UTAH

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series Y Bonds described in the within-mentioned Indenture.

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

By: _____
Authorized Officer

Date of Authentication: _____

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____
(Cust.)

Custodian for _____
(Minor)

Under Uniform Gifts to Minors Act of _____
(State)

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned
sells, assigns and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature: _____

NOTICE: The signature on this assignment must correspond with the name(s) of the Registered owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

Financial Guaranty Insurance Policy No. _____ (the "Policy") with respect to payments due for principal of and interest on this bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

EXHIBIT C

FORM OF ARCS SERIES Y BONDS

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN REVENUE BOND
2007 SERIES Y

No. RY- _____ \$ _____

Maturity Date Conversion Date CUSIP

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS *****

State Board of Regents of the State of Utah (the "Board"), a body politic duly created and existing under the laws of the State of Utah, for value received, hereby promises to pay (but only from the sources hereinafter mentioned) to the registered owner identified above, or registered assigns, on the maturity date specified above, unless this Bond shall have been called for redemption in whole or in part and payment of the redemption price shall have been made or duly provided for, upon presentation and surrender hereof at the principal corporate trust office of Wells Fargo Bank, N.A., in Salt Lake City, Utah, as paying agent (the "Paying Agent"), the principal amount specified above and to pay (but only from the sources hereinafter mentioned) interest hereon, from the interest payment date next preceding the date of authentication hereof, unless such date of authentication is prior to the first interest payment date, in which case this Bond shall bear interest from the Conversion Date specified above or unless such date of authentication is an interest payment date, in which case this Bond shall bear interest from such interest payment date; provided, however, that if as shown by the records of the Trustee (defined herein) interest on the Series Y Bonds (defined herein) shall be in default, Series Y Bonds issued in lieu of such Series Y Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the Series Y Bonds surrendered until payment of the principal hereof has been made or duly provided for. Interest on this Bond shall be paid to the person in whose name this Bond is registered on the registration books kept by the Trustee on the Record Date specified in the Indenture, by check or draft mailed on the Interest Payment Date to such person, or in certain cases by wire transfer to such person's bank account, as described in the Indenture. The principal of and premium, if any, and interest on the Series Y Bonds shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

THIS BOND IS NOT A GENERAL OBLIGATION OF THE BOARD BUT IS A SPECIAL LIMITED OBLIGATION OF THE BOARD AND IS PAYABLE SOLELY FROM THE PROCEEDS DERIVED FROM THE SALE OF THE BONDS (UNTIL EXPENDED FOR THE PURPOSES FOR WHICH THE BONDS WERE ISSUED), THE REVENUES AND OTHER AMOUNTS, IF ANY, DEPOSITED IN THE FUNDS AND ACCOUNTS ESTABLISHED BY THE INDENTURE EXCLUDING THE OPERATING ACCOUNT AND THE REBATE ACCOUNT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THIS BOND. THE SERIES Y BONDS SHALL NOT BE A DEBT OF THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, AND IN NO EVENT SHALL THE SERIES Y BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN FROM THE SOURCES AS HEREIN PROVIDED. THE BOARD HAS NO TAXING POWER.

Interest on this Bond shall be paid to the person in whose name this Bond is registered on the registration books kept by the Trustee on the Record Date specified in the Indenture, by check or draft

mailed on the Interest Payment Date to such person, or in certain cases by wire transfer to such person's bank account, as described in the Indenture. The principal of and premium, if any, and interest on the Series Y Bonds shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

This Bond is one of an authorized issue of bonds of the Board designated as its "Student Loan Revenue Bonds, 2007 Series Y" limited in aggregate principal amount to \$_____ (the "Series Y Bonds") issued pursuant to a resolution duly adopted by the governing body of the Board on October 26, 2007 and under and in full compliance with the Constitution and laws of the State of Utah, in particular, Chapter 13, Title 53B, Utah Code Annotated 1953, as amended (the "Act") for the purpose of obtaining funds to finance the acquisition of loans for higher education. The Series Y Bonds are being issued under and are equally and ratably secured by and entitled to the protection of a General Student Loan Program Indenture (the "General Indenture") dated July 15, 1988, as supplemented by Supplemental Indentures First through Thirteenth (the General Indenture and the First through Thirteenth Supplemental Indentures are herein collectively referred to as the "Indenture") between the Board and Wells Fargo Bank, N.A., Salt Lake City, Utah as trustee (the "Trustee"). The Board has previously issued, under the General Indenture various Series of its Student Loan Revenue Bonds all payable on a parity with the Series Y Bonds (collectively, with the Series Y Bonds, the "Bonds").

This Bond shall initially bear interest at the rate of interest per annum established by the Broker-Dealer for the initial Auction Period pursuant to the Broker-Dealer Agreement, written notice of which shall be given to the Trustee. For each Auction Period thereafter the unpaid principal amount hereof from time to time outstanding shall bear interest at the Auction Rate determined in accordance with the provisions of Exhibit A of the Thirteenth Supplemental Indenture, payable on each Interest Payment Date and on the date of payment or redemption of principal hereof to the extent of interest accrued on the principal then being paid or redeemed, such interest to accrue from the later of the date hereof or the date through which interest has been paid or duly provided for. Interest at the Auction Rate established from time to time pursuant to Exhibit A of the Thirteenth Supplemental Indenture shall be computed for the actual number of days elapsed on the basis of a year consisting of 365 or 366 days, as applicable, as described in the Thirteenth Supplemental Indenture.

This bond shall bear interest at an Auction Rate based on an Auction Period that shall, until adjusted pursuant to Exhibit A of the Thirteenth Supplemental Indenture, generally consist of 35 days, all as determined in Exhibit A of the Thirteenth Supplemental Indenture.

The Auction Period, the Auction Rate, the method of determining the Auction Rate on this bond and the Auction Procedures related thereto, a change in the Auction Date and the Interest Payment Dates will be determined in accordance with the terms, conditions and provisions of, including, without limitation, required notices thereof to the Existing Holders of the Series Y Bonds, the Indenture and the Auction Agency Agreement, to which terms, conditions and provisions specific reference is hereby made, and all of which terms, conditions and provisions are hereby specifically incorporated herein by reference.

The Bonds are payable solely from revenues and other moneys pledged to or held by the Trustee or the Paying Agent under the Indenture for such purpose, and there shall be no other recourse against the Board or any other property now or hereafter owned by it. Except as otherwise specified in the Indenture, this Bond is entitled to the benefits of the Indenture equally and ratably both as to principal, redemption price and interest with all other Bonds issued under the Indenture. Under certain circumstances additional bonds may be issued under the Indenture, secured on a parity with the Series Y Bonds. Reference is made to the Indenture for a description of the rights of the owners of the Series Y Bonds; the rights and obligations of the Board; the rights, duties and obligations of the Trustee and the Paying Agent; and the provisions relating to amendments and modifications thereof. The acceptance of the terms and conditions of such documents and the Municipal Bond Insurance Policy, described below (including amplifications and qualifications of the provisions thereof), copies of which are on file at the principal corporate trust office of the Trustee, is an explicit and material part of the consideration of the Board's issuance hereof, and each owner hereof by acceptance of this Bond accepts and assents to all such terms and conditions as if fully set forth herein.

Reference is made to the Indenture for a complete statement of the terms and conditions upon which the Series Y Bonds of this issue have been issued and provisions made for their security and for the issuance of Additional Bonds; for a description of the rights of the owners of the Series Y Bonds; the rights and obligations of the Board; the rights, duties and obligations of the Trustee and the Paying Agent; and the provisions relating to amendments and modifications thereof.

Capitalized terms used in this Bond which are not defined herein but which are defined in the Indenture shall have the respective meanings set forth in the Indenture.

The Series Y Bonds are subject to redemption on the dates, in the amounts, at the prices and upon notice all as set forth in the Indenture.

Upon any declaration of acceleration after an Event of Default under the Indenture, the Trustee shall give notice of such declaration to registered owners of Bonds and if funds in an amount sufficient to pay the principal of and interest on the Series Y Bonds have been deposited with the Trustee, interest shall cease to accrue on the Series Y Bonds.

The Series Y Bonds bearing interest at an Auction Rate are issuable as registered bonds in the denomination of \$50,000 or any integral multiple thereof. Subject to the limitations provided in the Indenture and upon payment of any tax or governmental charge, Series Y Bonds may be exchanged for a like aggregate principal amount of Series Y Bonds of other authorized denominations.

This Bond is transferable by the registered owner hereof or his duly authorized attorney on the registration books of the Board kept at the principal office of the bond registrar, upon surrender of this Bond accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Registrar, subject to such reasonable regulations as the Board, the Trustee, the Registrar or the Paying Agent may prescribe, and upon payment of any tax or other governmental charge incident to such transfer. Upon any such transfer a new Bond or Bonds of authorized denomination or denominations of the same Series, aggregate principal amount, interest rate and maturity will be issued to the transferee in exchange therefor, all upon payment of the charges and subject to the terms and conditions set forth in the Indenture. The Board and any Fiduciary may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether or not this Bond shall be overdue, for the purpose of receiving payment and for all other purposes, and neither the Board nor any Fiduciary shall be affected by any notice to the contrary.

No recourse, either directly or indirectly, shall be had for the payment of principal or redemption price of, or interest on, this Bond, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the Board or of any successor body, as such, either directly or through the Board or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, but the obligation to pay all amounts required by the Indenture securing this Bond and the obligation to do and perform the covenants and acts required of the Board therein and herein shall be and remain the responsibility and obligation of said Board, limited as herein set forth.

This Bond is one of a Series of Bonds which were certified as legal obligations by the Attorney General of the State of Utah on October 26, 2007.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been executed by an Authenticating Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to be done, to exist, to happen and to be performed in order to make this Bond a valid and binding obligation of the Board according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

IN WITNESS WHEREOF, the Board has caused this Bond to be executed with the manual or facsimile signature of its Chair and its seal or a facsimile thereof to be hereto affixed, and to be signed and attested with the manual or facsimile signature of its Secretary.

STATE BOARD OF REGENTS OF THE STATE
OF UTAH

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series Y Bonds described in the within-mentioned Indenture.

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

By: _____
Authorized Officer

Date of Authentication: _____

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____
(Cust.)

Custodian for _____
(Minor)

Under Uniform Gifts to Minors Act of _____
(State)

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned
sells, assigns and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature: _____

NOTICE: The signature on this assignment must correspond with the name(s) of the Registered owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED:

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

Financial Guaranty Insurance Policy No. _____ (the "Policy") with respect to payments due for principal of and interest on this bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

EXHIBIT D

FORM OF TENDER AND DEMAND

Relating to

State Board of Regents of the State of Utah
Student Loan Revenue Bonds
2007 Series Y

To be delivered to:

WELLS FARGO BANK, N.A.
Corporate Trust Services
299 South Main Street
12th Floor
Salt Lake City, Utah 84111

Notice is hereby given to you, in your capacity as Tender Agent, by the undersigned, on behalf of the registered Holder of the State Board of Regents of the State of Utah, Student Loan Revenue Bonds 2007 Series Y (the "Bonds") identified below, that such Bonds are hereby tendered to you for purchase on _____ (which date shall be a Business Day during the Weekly Rate Period not less than seven (7) days after delivery of this notice to Wells Fargo Bank, N.A., as the Tender Agent (the "Purchase Date")). The purchase price of the tendered Bonds which is to be paid on the Purchase Date upon surrender of the Bonds shall be the unpaid principal amount of such Bonds plus accrued and unpaid interest, if any, thereon (computed at the Weekly Rate) to, but not including, the Purchase Date. The Bonds, if not enclosed herewith, will be delivered to you as Tender Agent at or before 9:30 a.m. Salt Lake City time, on the Purchase Date.

The serial numbers, denominations, and principal amount of the Bonds being tendered for purchase by this Purchase Demand are:

<u>Serial No(s)</u>	<u>Denomination(s)</u>	<u>Principal Amount Tendered</u> *
---------------------	------------------------	------------------------------------

THE UNDERSIGNED RECOGNIZES THAT THIS TENDER OF THE BONDS MUST BE AUTHORIZED UNDER THE INDENTURE SECURING THE BONDS IN ORDER FOR THE UNDERSIGNED TO RECEIVE PAYMENT OF THE PURCHASE PRICE FOR SUCH BONDS. THE UNDERSIGNED FURTHER RECOGNIZES THAT THIS TENDER OF THE BONDS IS IRREVOCABLE AND BINDS THE UNDERSIGNED TO TENDER AND DELIVER THE BONDS DESCRIBED IN THIS PURCHASE DEMAND TO THE TENDER AGENT ON OR BEFORE THE PURCHASE DATE AND THAT, IN THE EVENT OF A FAILURE BY THE UNDERSIGNED TO DELIVER THE TENDERED BONDS ON OR PRIOR TO THE PURCHASE DATE, THE UNDERSIGNED, PROVIDED THAT FUNDS ARE AVAILABLE AND ON HAND WITH THE TENDER AGENT ON THE PURCHASE DATE TO PAY THE PURCHASE PRICE OF SUCH BONDS, SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE ON OR SUBSEQUENT TO THE PURCHASE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BONDS.

*

THE UNDERSIGNED HEREBY IRREVOCABLY APPOINTS THE TENDER AGENT AS HIS DULY AUTHORIZED ATTORNEY AND DIRECTS THE TENDER AGENT TO EFFECT THE TRANSFER OF SUCH TENDERED BONDS, OR, IN THE CASE OF ANY BOND ONLY A PORTION OF WHICH IS TENDERED FOR PURCHASE, TO EXCHANGE SUCH BOND INTO (I) A BOND REPRESENTING THAT PORTION OF THE BOND TO BE PURCHASED AND (II) A BOND REPRESENTING THAT PORTION OF THE BOND NOT TO BE PURCHASED, IN FULLY REGISTERED FORM REGISTERED IN THE SAME NAME AS THE BONDS TENDERED FOR PURCHASE ON THE PURCHASE DATE.

Dated: _____

Signature of Registered Holder of the Tendered
Bonds

Street

City

State

Zip

Taxpayer Identification Number

Area Code/Telephone Number

Signature Guaranteed:

IMPORTANT: The above signature(s) must correspond with the name(s) as set forth on the face of the tendered Bond with respect to which this Purchase Demand is being delivered without any change whatsoever and must bear a signature guarantee by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.. The method of presenting this notice and Bonds to the Tender Agent is at the risk of the person making such presentation.

EXHIBIT E

FORM OF NOTICE OF CHANGE IN PERCENTAGES

STATE BOARD OF REGENTS OF THE STATE OF UTAH

\$_____

STUDENT LOAN REVENUE BONDS

2007 SERIES Y

NOTICE OF CHANGE IN PERCENTAGES

(Used in Determination of the Maximum Rate,
the Minimum Rate and the Index for Default Rate)

NOTICE IS HEREBY GIVEN that _____, as Market Agent for the above-identified Bonds, hereby authorizes the adjustment in the percentages used to determine the Maximum Rate, the All Hold Rate and the index for the Default Rate to reflect a Change in Preference Law as set forth in its notice dated _____.

Notice is also hereby given that the Market Agent has obtained confirmation that [Bond Counsel] expects to be able to give its opinion to the effect that the adjustment in the percentages is authorized by Section 1.12 of Exhibit A to the Thirteenth Supplemental Indenture and will not have an adverse effect on the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Dated:_____

By:_____

EXHIBIT F

FORM OF NOTICE OF CHANGE IN LENGTH OF
ONE OR MORE AUCTION PERIODS

STATE BOARD OF REGENTS OF THE STATE OF UTAH
\$ _____
STUDENT LOAN REVENUE BONDS
2007 SERIES Y

NOTICE OF PROPOSED CHANGE IN LENGTH
OF ONE OR MORE AUCTION PERIODS

Notice is hereby given that _____, as Market Agent for the captioned Bonds, proposes to change the length of one or more Auction Periods pursuant to the Thirteenth Supplemental Indenture therefor as follows:

1. The change shall take effect on _____, _____, the date of commencement of the next Auction Period (the "Effective Date").

2. The change in length of one or more Auction Periods described in Paragraph 1 above shall take place only if (A) the Trustee and Auction Agency receive, by 11:00 a.m., New York City time, on the Business Day before the Auction Date for the Auction Period commencing on the Effective Date, a certificate from the Market Agent, as required by the Thirteenth Supplemental Indenture authorizing the change in length of one or more Auction Periods [(B) if required by Section 1.17 of Exhibit A to the Thirteenth Supplemental Indenture, the Market Agent shall have received an opinion of Bond Counsel to the effect that the change in Auction Periods is authorized by Section 1.17 of Exhibit A to the Thirteenth Supplemental Indenture and will not have an adverse effect on the exclusion of interest on the Bonds from gross income for federal income tax purposes and (C)] Sufficient Clearing Bids exist on the Auction Date for the Auction Period commencing on the Effective Date.

3. If the conditions referred to in (A) and (B) above are not met, the Applicable ARCs Rate for the Auction Period commencing on the Effective Date will be determined pursuant to the Auction Procedures and the Auction Period shall be the Auction Period determined without reference to the proposed change. If the conditions referred to in (A) and (B) above are met but the condition referred to in (C) above is not met, the Applicable ARCs for the Auction Period commencing on the Effective Date shall be the Maximum Rate and the Auction Period shall be the Auction Period determined without reference to the proposed change.

4. It is hereby represented, upon advice of the Auction Agent for the Bonds described herein, that there were Sufficient Clearing Bids for such Bonds at the Auction immediately preceding the date of this Notice.

5. Terms not defined in this Notice shall have the meanings set forth in the Indenture of Trust authorizing the captioned Bonds.

Dated: _____

By: _____

EXHIBIT G

FORM OF NOTICE ESTABLISHING CHANGE IN LENGTH
OF ONE OR MORE AUCTION PERIODS

STATE BOARD OF REGENTS OF THE STATE OF UTAH
\$ _____
STUDENT LOAN REVENUE BONDS
2007 SERIES Y

NOTICE ESTABLISHING CHANGE IN LENGTH
OF ONE OR MORE AUCTION PERIODS

Notice is hereby given that _____, as Market Agent for the captioned Bonds, hereby establishes new lengths for one or more Auction Periods pursuant to the Thirteenth Supplemental Indenture therefor as follows:

1. The change shall take effect on _____, _____, the date of commencement of the next Auction Period (the "Effective Date").

[Alternative A: Semi-annual Interest Payment Dates]

2. Interest Payment Dates shall be (or, if applicable, remain) each November 1 and May 1 after the date of this Notice. For the Auction Period commencing on the Effective Date, the Interest Period (and Auction Period) shall be the period commencing on the Effective Date through and including _____, _____ (date). For Auction Periods occurring after the Auction Period commencing on the Effective Date, the Interest Period (and Auction Period) shall be the period commencing on _____, _____ (date) through and including _____, _____ (date) and each _____ (number of days) day period thereafter commencing on a _____ (day of week) and ending on (and including) a _____ (day of week); provided, however, that the length of subsequent Auction Periods shall be subject to further change hereafter as provided in Section 1.17 of Exhibit A to the Thirteenth Supplemental Indenture.

[Alternative B: For Interest Payment Dates corresponding to the end of Interest Periods]

2. Interest Payment Dates shall correspond (or, if applicable, continue to correspond) to the end of each Interest Period. For the Auction Period commencing on the Effective Date, the Interest Payment Date shall be _____, _____, or the next succeeding Business Day if such date is not a Business Day. For Auction Periods occurring after the Auction Period commencing on the Effective Date the Interest Payment Dates shall be [_____, _____ (date) and every _____ (number) _____ (day of week) thereafter] [every _____ (number) _____ (day of week) after the date set forth in paragraph 2 above], or the next Business Day if any such day is not a Business Day; provided, however, that the length of subsequent Auction Periods shall be subject to further change hereafter as provided in Section 1.17 of Exhibit A to the Thirteenth Supplemental Indenture.

3. The changes described above shall take place only upon delivery of this Notice and the satisfaction of other conditions set forth in the Thirteenth Supplemental Indenture and our prior notice dated _____ regarding the proposed change.

4. Terms not defined in this Notice shall have the meanings set forth in the Indenture relating to the captioned Bonds.

Dated: _____

By: _____

EXHIBIT H

FORM OF NOTICE OF CHANGE IN AUCTION DATE

STATE BOARD OF REGENTS OF THE STATE OF UTAH

\$_____

STUDENT LOAN REVENUE BONDS

2007 SERIES Y

NOTICE OF CHANGE IN AUCTION DATE

Notice is hereby given that _____, as Market Agent for the Series Y Bonds, that the Auction Date is hereby changed as follows:

6. The definition of "Auction Date" shall be deemed amended by substituting "[X] (*number*) Business Day" in the third line thereof and by substituting "_____ (*number*) Business Days" for "two Business Days" in the first line of the definition of "Applicable Number of Days."

7. This change shall take effect on _____ which shall be the Auction Date for the Auction Period commencing on _____.

8. The Auction Date for the Series Y Bonds shall be subject to further change hereafter as provided in the Thirteenth Supplemental Indenture.

9. Terms not defined in this Notice shall have the meanings set forth in the Thirteenth Supplemental Indenture relating to the Series Y Bonds.

_____, as Marketing Agent

Dated: _____

By: _____

EXHIBIT I

LETTER OF REPRESENTATION

[See Transcript Document No. 8]

EXHIBIT J

CONSENT OF TRUSTEE AND AMBAC TO THIRTEENTH
SUPPLEMENTAL INDENTURE

CONSENT OF TRUSTEE

The undersigned officer of Wells Fargo Bank, N.A. (the "Trustee") hereby represents and covenants, as follows:

1. Pursuant to the provisions of Section 8.2 of the General Student Loan Program Indenture dated as of July 15, 1988 (the "General Indenture") between the State Board of Regents of the State of Utah (the "Board") and the Trustee, the Trustee hereby consents to the provisions of the Thirteenth Supplemental Indenture dated as of _____ 1, 2007 between the Board and the Trustee, which amends and supplements the General Indenture.

2. The undersigned is authorized to execute this consent on behalf of the Trustee.

IN WITNESS WHEREOF, the undersigned has executed this consent for and on behalf of the Trustee as of the ____ day of _____, 2007.

WELLS FARGO BANK, N.A.

By: _____

Its: _____

CONSENT OF AMBAC

The undersigned officer of AMBAC Corporation ("AMBAC") hereby represents and covenant, as follows:

1. AMBAC hereby consents to the provisions of the Thirteenth Supplemental Indenture dated as of _____ 1, 2007 (the "Thirteenth Supplement") between the State Board of Regents of the State of Utah (the "Board") and Wells Fargo Bank, N.A. (the "Trustee") which amends and supplements the General Student Loan Program Indenture dated as of July 15, 1988 (the "General Indenture") between the Board and the Trustee.

2. Those representations set forth in the Thirteenth Supplement as to directions, approvals and requests of AMBAC are true and correct.

3. The undersigned is authorized to execute this consent on behalf of AMBAC.

IN WITNESS WHEREOF, the undersigned has executed this consent for and on behalf of AMBAC as of the ____ day of _____, 2007.

AMBAC CORPORATION

By: _____

Its: _____

EXHIBIT K

NOTICE TO RATING AGENCY OF SUPPLEMENTAL INDENTURE

_____, 2007

Moody's Investors Service
99 Church Street
New York, New York 10007
Att: Public Finance Department

Fitch
One State Street Plaza
New York, New York 10004
Att: Structured Finance

Standard & Poor's Corporation
25 Broadway
New York, New York 10004
Att: Asset Backed Securities Structured Finance Group

Notice is hereby given pursuant to Section 12.6 of the General Student Loan Program Indenture between the State Board of Regents of the State of Utah (the "Board") and Wells Fargo Bank, N.A., as trustee (the "Trustee") dated as of July 15, 1988 (the "General Indenture") that the Board and the Trustee have executed and delivered a Thirteenth Supplemental Indenture dated as of _____ 1, 2007 to the General Indenture, a copy of which accompanies this notice.

Should you have any questions with respect to the enclosed please do not hesitate to call.

STATE BOARD OF REGENTS OF THE
STATE OF UTAH

By: _____
Assistant Commissioner for
Student Loan Finance

EXHIBIT L

PROVISIONS RELATING TO SERIES Y BONDS OUTSTANDING AS VARIABLE RATE BONDS

The provisions of this Exhibit L apply to Series Y Bonds converted to a Variable Rate.

Section 1.1 Certain Definitions. In addition to the terms defined elsewhere in the Indenture, the following terms shall have the following meanings with respect to the Series Y Bonds converted to Variable Rate Bonds, unless the context requires otherwise. For purposes of this Exhibit L, when times are given, they shall be deemed to be in Eastern Standard or Eastern Daylight Saving Time, as appropriate.

“Assumed Rate” shall mean during any Long Rate Period, an annual rate of interest of eight percent (8%); and at all other times, an annual rate of interest of twelve percent (12%), or any higher rate that may be established from time to time pursuant to any Supplemental Indenture and after receipt of a Favorable Opinion; provided that, at the time any such increase in the Assumed Rate is to become effective, the Available Amount of any Letter of Credit shall be at least equal to the aggregate principal amount of all of the Series Y Bonds bearing interest at a Variable Rate then Outstanding plus the Interest Coverage Requirement with respect thereto assuming an annual rate of interest equal to the Assumed Rate as increased by a Supplemental Indenture.

“Authorized Denominations” shall mean with respect to the Variable Rate Bonds other than Variable Rate Bonds bearing interest at a Long Rate in excess of a year, \$100,000 and any multiple thereof, and with respect to the Variable Rate Bonds bearing interest at a Long Rate in excess of a year, \$5,000 and any multiple thereof.

“Available Amount” shall mean the initial amount of any Letter of Credit (or the aggregate amount of more than one Letter of Credit) set forth therein, as such amount may be reduced or reinstated pursuant to the terms of such Letter of Credit, and available to be drawn under such Letter of Credit.

“Bank” shall mean any bank or banks or other financial institution or institutions which issues and delivers a Letter of Credit pursuant to a Reimbursement Agreement, or any other bank or banks or other financial institution or institutions which may be substituted for such bank pursuant to a Reimbursement Agreement or which may issue and deliver to the Trustee a substitute Letter of Credit. Any Bank issuing a Letter of Credit securing the Series Y Bonds with an Interest Period of one year or less must have the highest short-term rating from any Rating Agency then rating such Series Y Bonds and such rating must apply to such Series Y Bonds secured by such Bank’s Letter of Credit.

“Business Day” shall mean any day other than a Saturday, Sunday, holiday or day on which banks located in the City of New York, New York, or the New York Stock Exchange, the Trustee or the Bank, are authorized or permitted by law or executive order to close.

“Daily Rate” shall mean the rate of interest borne by any Series Y Bonds during any Daily Rate Period.

“Daily Rate Period” shall mean an Interest Period which may begin and end on the same day. The term “day” shall mean any calendar day, whether or not a Business Day.

“Final Payment Date” with respect to any Variable Rate Bonds shall mean the Business Day on which payment of such Variable Rate Bond is required to be made after receipt by the Remarketing Agent and, if applicable, the Trustee of a Notice and Demand in respect of such Variable Rate Bond, as set forth in Section 1.05 and attached as Schedule 2 to this Exhibit L.

“Interest Coverage Requirement” shall mean, (i) with respect to any principal amount of the Variable Rate Bonds with an Interest Period of less than one year, an amount equal to interest accruing on such Variable Rate Bonds for whatever period is required by the Rating Agencies then rating the Variable

Rate Bonds to permit such Rating Agencies to assign their highest short-term ratings to such Variable Rate Bonds at the Assumed Rate (regardless of whether assigned) and (ii) with respect to any principal amount of the Variable Rate Bonds with an Interest Period of one year or more, an amount equal to interest accruing on such Variable Rate Bonds for whatever period is required by the Rating Agencies then rating such Variable Rate Bonds to permit such Rating Agencies to assign the Bank's applicable ratings to such Variable Rate Bonds at the Assumed Rate (regardless of whether assigned).

"Interest Payment Date" shall mean, with respect to any Variable Rate Bond, each May 1 and November 1, commencing on the May 1 or November 1 next following the Variable Rate Conversion Date.

"Interest Period" shall mean, with respect to the Variable Rate Bonds, each period commencing on a Rate Adjustment Date and ending on the day before the next Rate Adjustment Date, as established in accordance with Section 1.04(b) hereof.

"Letter of Credit" shall mean any direct-pay irrevocable letter of credit, committed line of credit, surety bond or standby bond purchase agreement, or any combination of the foregoing approved by AMBAC and issued by a Bank to the Trustee for the account of the Board pursuant to a Reimbursement Agreement, as the same may be amended from time to time in accordance with the terms of a Reimbursement Agreement and this Indenture, the aggregate Available Amount of which is not less than the aggregate principal amount of all Variable Rate Bonds then Outstanding plus the Interest Coverage Requirement with respect to such principal amount of Variable Rate Bonds; provided that any substitute Letter of Credit shall have a term of not less than twelve (12) months (except that any Letter of Credit may provide that it shall terminate on the effective date of any substitute Letter of Credit delivered to the Trustee) and when delivered to the Trustee shall be accompanied by (i) a written statement of each Rating Agency then rating the Variable Rate Bonds, to the effect that the rating on such Variable Rate Bonds assigned by such Rating Agency will not be reduced or withdrawn as a result of the delivery of such substitute Letter of Credit, (ii) a Favorable Opinion, and (iii) the written consent of AMBAC.

"Letter of Credit Fees" shall mean the amounts payable by the Board to the Bank, other than for reimbursement of drawings on the Letter of Credit for the purpose of paying principal of or interest on Bonds, pursuant to the Reimbursement Agreement.

"Long Rate" shall mean the rate of interest borne by any Variable Rate Bond during any Long Rate Period.

"Long Rate Period" shall mean an Interest Period of not less than ninety (90) days.

"Mandatory Tender Date" shall mean, with respect to any Variable Rate Bonds affected thereby, any Period Adjustment Date, or any date on which the Letter of Credit is replaced by a Letter of Credit issued by a different Bank or the fifth Business Day preceding the Termination Date of a Letter of Credit.

"Maximum Rate" shall mean fourteen percent (14%) per annum.

"Monthly Rate" shall mean the rate of interest borne by any Variable Rate Bonds during any Monthly Rate Period.

"Monthly Rate Period" shall mean an Interest Period which begins on the first Wednesday following the first Tuesday of a calendar month and ends on the first Tuesday of the next succeeding calendar month.

"Notice and Demand" shall mean, with respect to the Series Y Bonds, a Notice of the Tender of Variable Rate Bonds, as more fully set forth in Section 1.05 hereof and Schedule 2 to this Exhibit L.

"Period Adjustment Date" shall mean, as to the Series Y Bonds: the first day of any Interest Period for the applicable Series Y Bonds unless such Interest Period and the immediately preceding Interest

Period are both Daily Rate Periods or Monthly Rate Periods; provided, that a Period Adjustment Date shall occur on any Business Day.

“Placement” shall have the meaning set forth in Section 1.05(a) hereof.

“Rate Adjustment Date” shall mean, with respect to the Series Y Bonds, any date on which the rate of interest borne by any such Series Y Bonds is subject to change, which shall be the first day of each Interest Period for such Series Y Bonds.

“Rate Determination Date” shall mean, with respect to the Series Y Bonds, any date on which the rate of interest to be borne by the Series Y Bonds for the succeeding Interest Period is determined in accordance with Section 1.4(a) hereof, as set forth in Schedule 3 to this Exhibit L. If a scheduled Rate Determination Date is not a Business Day, the Rate Determination Date shall be the next succeeding Business Day.

“Record Date” shall mean, with respect to the Variable Rate Bonds, the tenth (10th) day preceding each Interest Payment Date for the Variable Rate Bonds.

“Reimbursement Agreement” shall mean any reimbursement agreement between the Board and a Bank, approved as to form and execution by the Board and entered into from time to time by the Board, providing for the issuance of a Letter of Credit with respect to the Series Y Bonds as such agreement is originally executed and as the same may from time to time be amended or supplemented in accordance with its terms and with this Indenture.

“Remarketing Agent” shall mean, with respect to the Variable Rate Bonds, UBS Financial Services Inc., or any successor to it as such agent.

“Remarketing Agreement” shall mean any Remarketing Agreement among the Board, the Remarketing Agent and the Trustee with respect to the Series Y Bonds, as originally executed and as from time to time amended or supplemented in accordance with the terms thereof and with the Indenture.

“Termination Date” shall mean the date on which the Letter of Credit is terminated in accordance with the terms and provisions of the related Reimbursement Agreement.

“Variable Rate” shall mean, with respect to the Series Y Bonds, a Daily Rate, a Monthly Rate or a Long Rate borne by any Series W Bond commencing on the Variable Rate Conversion Date (as defined in Section 1.2 of the Thirteenth Supplemental Indenture) or the Period Adjustment Date, as the case may be, for such Series Y Bonds establishing the Variable Rate.

“Variable Rate Bonds” means the Series Y Bonds bearing interest at Variable Rates.

Section 1.2 Description of Series Y Bonds; Global Form; Depository.

(a) The Series Y Bonds shall be designated “Student Loan Revenue Bonds, 2007 Series Y.”

(b) Except as otherwise provided in this Section 1.2, the Variable Rate Bonds, in the form of one or more securities, shall be registered in the name of the Depository, and ownership thereof shall be maintained in book-entry form by the Depository for the account of the Participants thereof. Initially, the Variable Rate Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. Except as provided in subsection (c) of this Section 1.2, the Variable Rate Bonds may be transferred, in whole but not in part, only to the Depository, or to a successor to DTC selected or approved by the Board or to a nominee of such successor Depository.

(i) Neither the Board, the Registrar nor any of their respective affiliates shall have any responsibility or obligation with respect to:

(A) the accuracy of the records of the Depository or any Participant with respect to any beneficial ownership interest in the Variable Rate Bonds;

(B) the delivery to any Participant, any beneficial owner of the Variable Rate Bonds or any other person, other than the Depository, of any notice with respect to the Variable Rate Bonds; or

(C) the payment to any Participant, any beneficial owner of the Variable Rate Bonds or any other person, other than the Depository, of any amount with respect to the principal or interest on the Variable Rate Bonds.

(ii) So long as the certificates for the Variable Rate Bonds are not issued pursuant to subsection (c) of this Section 1.2, the Board and the Trustee may treat the Depository as, and deem the Depository to be, the absolute owner of the Variable Rate Bonds for all purposes whatsoever, including without limitation:

(A) the payment of principal of and interest on the Variable Rate Bonds;

(B) giving notices of redemption, tender and other matters with respect to the Variable Rate Bonds;

(C) registering transfer with respect to the Variable Rate Bonds; and

(D) the selection of Variable Rate Bonds for redemption.

(c) If at any time the Board has notified the Trustee that the Variable Rate Bonds should not be maintained in book entry form or the Depository notifies the Board that it is unwilling or unable to continue as Depository with respect to the Variable Rate Bonds, or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the Board within 90 days after the Board receives notice or becomes aware of such condition, as the case may be, then this Section 1.2 shall no longer be applicable and the Board shall execute and the Trustee shall authenticate and deliver certificates representing the Variable Rate Bonds as provided below. Certificates for the Variable Rate Bonds issued in exchange for a global certificate pursuant to this subsection (c) shall be registered in such names and authorized denominations as the Depository, pursuant to instructions from the Participants or otherwise, shall instruct the Board and the Registrar. The Registrar shall deliver such certificates representing the Variable Rate Bonds to the persons in whose names such Variable Rate Bonds are so registered on the Business Day immediately preceding the first day of an Interest Period.

Section 1.3 Limitations on Transfer. So long as the ownership of the Variable Rate Bonds is maintained in book-entry form by the Depository, a beneficial owner may sell, transfer or otherwise dispose of its beneficial interest in Variable Rate Bonds only pursuant to the procedures of DTC.

Section 1.4 Variable Rate Bond Details.

(a) *Variable Rate.* Upon the Variable Rate Conversion Date, the Series Y Bonds subject to conversion shall bear interest at a Variable Rate for an Interest Period to be established by the Board, subject to Section 2.13(d) of the Thirteenth Supplemental Indenture. Thereafter, the

Variable Rate Bonds may be converted to bear interest at another Variable Rate pursuant to Section 1.4(b) hereof. The Trustee shall, at the direction of the Board, give notice to the Registered Owners of the Variable Rate Bonds being converted to another Variable Rate at least twenty-three (23) days before the Period Adjustment Date for such Variable Rate Bonds of such Period Adjustment Date. Such notice to the Registered Owners shall be given in the same manner that notices of redemption are given, and shall include or be accompanied by the notice required by subsection (c) of this Section. Promptly after the Period Adjustment Date for such Variable Rate Bonds, the Trustee shall cause to be prepared new Series Y Bonds in the form set forth in Schedule 1 to this Exhibit L, with such other modifications as may be required hereby or may be otherwise appropriate.

For any Interest Period during which the Variable Rate Bonds bear interest at a Variable Rate, the Variable Rate to be borne by such Variable Rate Bonds shall be determined by the Remarketing Agent and announced to the Trustee and the Board on each Rate Determination Date for such Variable Rate Bonds, and such Variable Rate shall be the rate of interest borne by such Variable Rate Bonds for the Interest Period commencing on the Rate Adjustment Date for such Interest Period. The Variable Rate to be borne by the Variable Rate Bonds for any Interest Period related to such Variable Rate Bonds shall, subject to the other provisions of this subsection, be the rate determined by the Remarketing Agent, in its discretion, to be that rate which, if borne by the Variable Rate Bonds, would in its judgment, having due regard to the prevailing financial market conditions, be the interest rate necessary, but which would not exceed the interest rate necessary, to enable the Remarketing Agent to sell such Variable Rate Bonds at par (disregarding accrued interest) if tendered for payment pursuant to Section 1.5 hereof (whether or not so tendered); provided that if the Remarketing Agent shall fail or refuse to determine a Variable Rate on any Rate Determination Date, the Variable Rate most recently determined for the Variable Rate Bonds shall remain in effect; and provided further that no Variable Rate shall exceed the Maximum Rate.

Variable Rate Bonds shall be purchased on the Final Payment Date for such Variable Rate Bonds following demand by the Registered Owner thereof as provided in Section 1.5 hereof, at the respective times and in the manner provided in said Section 1.5 and in Schedule 3 to this Exhibit L, unless a Placement of such Variable Rate Bond has theretofore been effected, but in no event later than the stated maturity thereof. So long as any Letter of Credit is in effect, not later than the second Business Day before each Interest Payment Date for any Variable Rate Bonds entitled to the benefits of such Letter of Credit, the Trustee shall notify the Bank of its estimate of the amount of interest on the Variable Rate Bonds entitled to the benefits of such Letter of Credit that will be payable on such Interest Payment Date. Such notice shall not be a condition to any drawing by the Trustee under the Letter of Credit. Any Registered Owners of Variable Rate Bonds may at any time obtain from the Trustee such information on such Variable Rate as the Trustee has in its possession by request to the Trustee. None of such information shall affect the rate of interest payable on such Variable Rate Bond.

(b) *Interest Period.* While the Variable Rate Bonds remain outstanding, from time to time, the Board may designate different Interest Periods to be applicable to such Variable Rate Bonds and to be effective on any Period Adjustment Date established for such Variable Rate Bonds. The Board shall evidence each such designation by giving written notice thereof to the Trustee and the Remarketing Agent at least twenty-eight (28) days before the applicable Period Adjustment Date established for the Variable Rate Bonds, and such notice shall state the Rate Determination Date for such Variable Rate Bonds; provided, however, that (i) no Interest Period may extend beyond the day immediately preceding the Termination Date then in effect of the Letter of Credit, and (ii) each Period Adjustment Date must be a Business Day and may not occur during a Long Rate Period, but may occur at the end of a Long Rate Period. If such notice from the Board designates a change in an Interest Period from a period of one year or less to a period of more than one year, or a change in an Interest Period from a period of more than one year to a period of one year or less, such notice shall not be effective unless accompanied by a Favorable Opinion and AMBAC's consent. In the case of any change in an Interest Period which results in an increase in the Interest Coverage Requirement, such notice shall also be accompanied by a

substitute Letter of Credit in an Available Amount not less than the principal amount of Variable Rate Bonds to be Outstanding on and after the Period Adjustment Date plus the Interest Coverage Requirement therefor, and a written confirmation from the Bank that the size of the Letter of Credit will be sufficient, following such change in Interest Period, to provide for the payment of the principal of, and the Interest Coverage Requirement on, the Variable Rate Bonds.

Upon receipt of such notice from the Board and written confirmation from the Bank, the Trustee shall, at least twenty-three (23) days before the Period Adjustment Date for the Variable Rate Bonds, notify each Registered Owner of the Variable Rate Bonds of such change in the Interest Period. Such notice to the Registered Owner shall be given in the same manner that notices of redemption are given, and shall include or be accompanied by the notice required by subsection (c) of this Section. Failure by the Trustee to give such notice by mailing, or any defect therein, shall not in any way change the rights of the Registered Owner of the Variable Rate Bonds to elect to have their Variable Rate Bonds purchased on any Final Payment Date.

For each Interest Period, the applicable provisions relating to the Rate Determination Date, the Rate Adjustment Date, any Notice and Demand and any Final Payment Date shall be determined in accordance with Schedule 3 to this Exhibit L.

(c) *Mandatory Tender.* The Variable Rate Bonds shall be subject to mandatory tender to the Trustee for purchase prior to maturity on any Mandatory Tender Date at a purchase price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest, if any, to such Mandatory Tender Date, as applicable.

In connection with any mandatory tender for purchase of the Variable Rate Bonds upon a Mandatory Tender Date pursuant to this subsection (c), the Trustee shall include in the notice mailed to Registered Owners of the Variable Rate Bonds pursuant to Section 1.4(b) or in a separate notice, a further notice of mandatory tender for purchase which in substance shall state the following:

(i) the Period Adjustment Date for such Variable Rate Bonds as determined in accordance with subsection (b) of this Section or the date on which the Letter of Credit will be replaced or the Termination Date, as applicable; and

(ii) that no Registered Owners of the Variable Rate Bonds shall have the right to retain their Variable Rate Bonds on and after the Mandatory Tender Date, but that all Registered Owners of such Variable Rate Bonds shall be required to tender or be deemed to have tendered their Variable Rate Bonds for payment on the Mandatory Tender Date.

The Registered Owners of the Variable Rate Bonds subject to a mandatory tender shall be required to tender their Variable Rate Bonds to the Trustee for payment on the Mandatory Tender Date with respect to their Variable Rate Bonds at a price equal to the principal amount thereof plus interest accrued thereon to the Mandatory Tender Date. Any Variable Rate Bonds subject to mandatory tender on such Mandatory Tender Date for which there has been irrevocably deposited with the Trustee amounts sufficient to pay the purchase price of such Variable Rate Bonds, shall be deemed to have been tendered in accordance with the provisions of Section 1.4(c) hereof. Replacement Variable Rate Bonds for any undelivered Variable Rate Bonds shall be authenticated by the Trustee and delivered to the purchaser thereof. The Registered Owner of any undelivered Variable Rate Bonds shall not be entitled to any payment (including any interest to accrue on and subsequent to the Mandatory Tender Date) other than the purchase price for such undelivered Variable Rate Bonds, and undelivered Variable Rate Bonds shall no longer be entitled to the benefits of this Indenture, except for the purpose of payment of the purchase price therefor.

Any Variable Rate Bond subject to the mandatory tender tendered for purchase pursuant to Section 1.4(c) hereof from the date the Trustee gives notice of mandatory tender until the

Mandatory Tender Date, or deemed to have been so tendered as provided in the preceding paragraph, shall not be remarketed except to a purchaser who agrees at the time of purchase to accept the terms of the Variable Rate Bonds to be in effect on and after the Mandatory Tender Date. Any Variable Rate Bond for which a Placement is effected to such a purchaser shall remain Outstanding as a Variable Rate Bond having the terms in effect on and after the Mandatory Tender Date, and all other Variable Rate Bonds subject to the mandatory tender shall be purchased pursuant to Section 1.4(c) hereof.

Not later than the seventh day before any Mandatory Tender Date, the Trustee shall notify the Remarketing Agent, by telephone, promptly confirmed in writing, of the principal amount of Series Y Bonds Outstanding subject to the mandatory tender, and such notice from the Trustee shall be treated as a Notice and Demand for all purposes of this Indenture, whether or not the Variable Rate Bonds referred to therein are delivered to the Trustee on such Mandatory Tender Date; provided that payment of the purchase price of such Variable Rate Bonds shall be made on or after such Mandatory Tender Date only upon delivery and surrender thereof to the Trustee.

(d) Variable Rate Bonds shall be subject to optional redemption on any date at a Redemption Price of par, plus accrued interest, if any. With a Favorable Opinion, the Board may specify provisions with respect to redemption of Variable Rate Bonds different from those provided in the first sentence hereof.

Section 1.5 Purchase Pursuant to Demand by Registered Owners. Each Registered Owner of a Variable Rate Bond may, by delivery or transmission to the applicable parties at the applicable time set forth in Schedule 3 to this Exhibit L hereto, of irrevocable notice in the form set forth in Schedule 2 to this Exhibit L, or, during any Daily Rate Period, by irrevocable telephonic notice confirmed in writing to the respective parties at the applicable time set forth in Schedule 3 to this Exhibit L (a "Notice and Demand"), all as provided in the form of Notice and Demand set forth in Schedule 2 to this Exhibit L hereto, demand payment of the principal of and accrued interest on such Variable Rate Bond on and as of the Final Payment Date. Any Registered Owner shall be deemed to have delivered a Notice and Demand as and to the extent provided in the last paragraph of Section 1.4(c). In order to receive such payment on the Final Payment Date, such Registered Owner must tender such Variable Rate Bond to the Trustee, duly endorsed in blank for transfer, at or before the time set forth therefor in Schedule 3 to this Exhibit L, on the Final Payment Date, and such Variable Rate Bond must conform in all respects to the description thereof in the Notice and Demand. The Trustee shall hold any Variable Rate Bond so tendered in trust for the Registered Owner tendering the same until payment therefor is made pursuant to this Section. During any Daily Rate Period, the Remarketing Agent shall notify the Trustee, the Board and the Bank of receipt of any telephonic Notice and Demand and shall promptly send to such parties, by telecopier, a copy of the written confirmation thereof received from the tendering Registered Owner. Not later than the close of business on the Business Day next succeeding the day on which it receives a Notice and Demand during any Interest Period other than a Daily Rate Period, the Trustee shall give notice by telephone, promptly confirmed by telegram or other electronic or wire transmission which produces a written copy or otherwise promptly confirmed in writing, to the Bank and the Board specifying the principal amount of the Variable Rate Bonds with respect to which it has received a Notice and Demand, the names of the Registered Owners thereof and the Final Payment Date applicable thereto. By 10:00 a.m. on the Business Day next preceding the Final Payment Date during any Interest Period other than a Daily Rate Period, the Trustee shall notify the Bank of the accrued interest which will be payable on each Variable Rate Bond as of the Final Payment Date for all Variable Rate Bonds for which a Notice and Demand has been received. The Notice and Demand shall authorize the Remarketing Agent to arrange for the placement of the Variable Rate Bond at a purchase price of not less than par plus accrued interest to the Final Payment Date (a "Placement"). Pursuant to the Remarketing Agreement, the Remarketing Agent is obligated to cause the purchase price of each Variable Rate Bond for which a Placement has been effected to be deposited, in a separate trust subaccount to be established and maintained by the Trustee, in immediately available funds, and to give notice thereof to the Trustee, in each case by 10:00 a.m. on the Final Payment Date during any Interest Period other than a Daily Rate Period, or by 11:30 a.m. on the Final Payment Date during any Daily Rate Period. All amounts deposited in such subaccount as aforesaid shall be held by the Trustee uninvested and in cash and in trust for the sole and exclusive benefit of the Registered Owner of the Variable Rate Bond

for the purchase of which such amounts were deposited in such subaccount and shall be applied to the purchase of such Variable Rate Bonds prior to the application of the proceeds of a drawing under the Letter of Credit, if any. If the Remarketing Agent is unable to arrange a Placement by 4:00 p.m. on the Business Day immediately preceding the Final Payment Date during any Interest Period other than a Daily Rate Period, or by 11:30 a.m. on the Final Payment Date during any Daily Rate Period, it shall, pursuant to the Remarketing Agreement, at or before that time, give notice thereof to the Board, the Trustee and the Bank. If the Trustee has not received the purchase price of the Variable Rate Bond by 10:00 a.m. on the Final Payment Date during any Interest Period other than a Daily Rate Period, or by 11:30 a.m. on the Final Payment Date during any Daily Rate Period, so long as the Letter of Credit is outstanding it shall give notice thereof to the Trustee and the Bank. In any such case, the Trustee shall, on the Final Payment Date, draw on the Letter of Credit in accordance with its terms, deposit the proceeds of such draw in a trust account, and purchase the Variable Rate Bonds subject to Section 1.4 hereof. If the Remarketing Agent fails to give notice of the amount of Variable Rate Bonds for which it has effected a Placement by the time set forth above, so long as the Letter of Credit is outstanding, the Trustee shall draw on the Letter of Credit in the amount of the full purchase price of all Variable Rate Bonds for which it has received a Notice and Demand and deposit and apply the proceeds of such drawing as provided in this Section. Variable Rate Bonds purchased pursuant to this Section with proceeds of the Letter of Credit shall be held registered in the name of the Bank, by the Trustee, subject to the Bank's order. Interest on Variable Rate Bonds so registered and held shall be payable at the rate specified in Section 1.7 hereof. The Trustee shall release Variable Rate Bonds registered in the name of the Bank only after being notified by telephone, promptly confirmed in writing or by telecopier, of the reinstatement in full by the Bank of so much of the Available Amount of the Letter of Credit as was reduced by reason of the purchase of such Variable Rate Bonds pursuant to this Section. Variable Rate Bonds, so long as they are held by the Bank pursuant to this Section, shall not be entitled to the benefits of the Letter of Credit; thus, interest on such Variable Rate Bonds shall be paid only from sources other than drawings on the Letter of Credit.

Section 1.6 Letter of Credit. Except as provided in Section 1.10, The Board hereby agrees to obtain and maintain a Letter of Credit whenever the Series Y Bonds bear interest at a Variable Rate. If at any time the Board obtains a Letter of Credit with respect to Series Y Bonds which were previously not entitled to the benefit thereof, the Board shall submit such Letter of Credit to AMBAC for its approval and to Moody's and Standard & Poor's (if then rating the Series Y Bonds) and any other Rating Agency (if then rating the Series Y Bonds) for the purpose of obtaining a rating on such Series Y Bonds. The Trustee shall be furnished with the original Letter of Credit obtained pursuant to this Section together with evidence of any rating or ratings obtained on the Series Y Bonds entitled to the benefit of such Letter of Credit. Any Bank not located in the State of New York shall provide the Trustee with a list of holidays on which it is closed through the next succeeding January 1 at the beginning of the term of its Letter of Credit and by January 1 of each year thereafter.

The Trustee agrees to hold any Letter of Credit for the benefit of the Registered Owners of the Series Y Bonds to which the Letter of Credit is applicable by its terms, other than Series Y Bonds held by the Board and Series Y Bonds held by the Bank pursuant to Sections 1.4(c) and 1.5 hereof. On the Final Payment Date of any Series W Bond entitled to the benefits of a Letter of Credit following a Notice and Demand by the Registered Owner thereof, whether on an Interest Payment Date, on a Maturity date of such Series Y Bonds, upon acceleration of such Series Y Bonds, on any date set for optional or mandatory redemption of such Series Y Bonds in whole or in part, or otherwise, the Trustee shall give notice by delivery in written form or by telecopier in the form of the appropriate certificate to the Bank stating that the Trustee is making a draw under the Letter of Credit applicable to such Series Y Bonds and the amount and type of such draw, to the extent applicable. Such draw shall be in accordance with the terms of the Letter of Credit in an amount sufficient to make such payment, and the Trustee shall apply such moneys to pay such principal or interest when due without further authorization or direction. Pending application of such moneys as aforesaid, the Trustee shall deposit all such moneys in a special purpose trust account, which shall be held in cash and shall not be invested or commingled with any other funds and over which the Trustee shall have the exclusive and sole right of withdrawal for the sole benefit of the Registered Owners of the Series Y Bonds for which such drawing was made.

The Board hereby authorizes and directs the Trustee to surrender any Letter of Credit to the Bank on the date of termination or substitution thereof as provided in the Reimbursement Agreement, and, upon the appointment and qualification of a successor Trustee, to transfer the Letter of Credit to such successor Trustee pursuant to the provisions of the Letter of Credit. Neither surrender of the Letter of Credit by the Trustee nor confirmation in writing or receipt thereof by the Bank shall be deemed to be a condition precedent to any termination or substitution of the Letter of Credit. Notwithstanding anything herein to the contrary, the Letter of Credit shall in no event be terminated or released until notice has been given as provided below that a substitute Letter of Credit has been delivered to the Trustee and is in effect and the Trustee and the Board have delivered to the Bank the certificate of cancellation. Simultaneously with the effective date of any substitute Letter of Credit the Board shall cause to be purchased from the Bank all Series Y Bonds entitled to the benefits of the original Letter of Credit then outstanding and shall repay to the Bank all other amounts then due under the Reimbursement Agreement.

Section 1.7 Interest Rate on and Redemption of Series Y Bonds Held by the Bank.

(a) Notwithstanding anything in this Indenture to the contrary, so long as the Letter of Credit is outstanding, any Series Y Bonds registered to and held by or for the Bank as a result of a purchase pursuant to Section 1.4(c) or 1.5 hereof shall bear interest while held by the Bank at the rate set forth in the Reimbursement Agreement, and on the dates set forth therein. No Registered Owner other than the Bank shall be entitled to be paid interest at such rate.

(b) Notwithstanding anything to the contrary in the Indenture, the Board shall redeem Series Y Bonds that are subject to mandatory redemption pursuant to the Reimbursement Agreement at the time or times required by the Reimbursement Agreement.

Section 1.8 Payments to the Bank; Drawings Under the Letter of Credit. All payments by the Trustee in respect of the Reimbursement Agreement shall be made to the Bank in accordance with the Reimbursement Agreement and any drawings by the Trustee on the Letter of Credit shall be made by the presentation of a demand to the Bank in accordance with the Letter of Credit.

Section 1.9 Notices to Registered Owners. Unless the Trustee has received written notification from the Bank of the extension of a Letter of Credit by the 35th day prior to the Termination Date with respect to such Letter of Credit or the Trustee has received notice that the Board has elected to terminate the Letter of Credit, the Series Y Bonds shall be mandatorily tendered on the fifth Business Day prior to the termination of the Letter of Credit at a tender price of 100% of the principal amount thereof (and without premium), and the Trustee shall, not later than thirty (30) days prior to the date that the Series Y Bonds entitled to the benefits of such Letter of Credit are to be tendered give written notice by mail to each Registered Owner of the Series Y Bonds entitled to the benefits of the Letter of Credit at the addresses of the Registered Owners recorded in the books of registry maintained by the Trustee hereof of the termination of the Letter of Credit on the Termination Date. In the event the Board intends to provide for the substitution of the Letter of Credit on any occasion other than in connection with the termination of the then outstanding Letter of Credit on the Termination Date thereof, the Board shall deliver to the Trustee, at least 35 days before the proposed date of such substitution, a notice of such intended substitution, identifying the name and address of the proposed issuer of such proposed substitute Letter of Credit and setting forth the proposed initial Available Amount and Termination Date thereof. Within seven days after receipt of such notice from the Board, the Trustee shall give notice thereof and of the information set forth therein to the Registered Owners of the Series Y Bonds entitled to the benefits of the Letter of Credit in the same manner as provided in this Section for notices of termination of the Letter of Credit. In the same manner, the Trustee shall promptly notify the Registered Owners of the Series Y Bonds entitled to the benefits of the Letter of Credit of the receipt of any such substitute Letter of Credit and of any change from the proposals set forth in any previous notice, or of any receipt from the Board of notice that it does not intend to proceed with such substitution. In the event that the Board is required to and does not obtain either an extension or a substitution of a Letter of Credit by the dates set forth above, the Trustee shall cause the Series Y Bonds entitled to the benefits of such Letter of Credit to be tendered pursuant to this Section 1.9 hereof.

Section 1.10 Alternative Liquidity Mechanisms. Notwithstanding anything in this Indenture to the contrary, (i) the Board may provide an alternative liquidity mechanism, in place of a Letter of Credit, for any Variable Rate Bonds; provided however, that the Trustee shall receive the prior written approval of AMBAC and (ii) the Board may convert the Series Y Bonds to a Long Rate Period to the final maturity thereof and in such case need not provide a Letter of Credit or other liquidity mechanism; provided, however, that in either case the Trustee shall receive AMBAC's consent and confirmation from each Rating Agency then rating any of the Bonds that the use of such alternative liquidity mechanism or conversion to a Long Rate Period to maturity will not adversely effect any of their ratings on the Bonds (other than the Bonds secured by such alternative liquidity mechanism or converted to a Long Rate Period to final maturity) and the Trustee shall receive a Favorable Opinion.

SCHEDULE 1 TO EXHIBIT L

FORM OF 2007 SERIES Y VARIABLE RATE BOND

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN REVENUE BOND
2007 SERIES Y

No. RY

\$ _____

<u>Interest Rate Mode</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
-------------------------------	----------------------	-------------------	--------------

Registered Owner:

Principal Amount:

State Board of Regents of the State of Utah (the "Board"), a body politic duly created and existing under the laws of the State of Utah, for value received, hereby promises to pay (but only from the sources hereinafter mentioned) to the registered owner identified above, or registered assigns, on the maturity date specified above, unless this Bond shall have been called for redemption in whole or in part and payment of the redemption price shall have been made or duly provided for, upon presentation and surrender hereof at the principal corporate trust office of Wells Fargo Bank, N.A., in Salt Lake City, Utah, as paying agent (the "Paying Agent"), the principal amount specified above and to pay (but only from the sources hereinafter mentioned) from the Variable Rate Conversion Date interest hereon at a Variable Rate for an Interest Period to be established by the Board pursuant to Exhibit A of the Thirteenth Supplemental Indenture. Thereafter, this Bond may be converted to bear interest at another Variable Rate pursuant to Exhibit L of the Thirteenth Supplemental Indenture; provided, however, that if as shown by the records of the Trustee (defined herein) interest on the Series Y Bonds (defined herein) shall be in default, Series Y Bonds issued in lieu of such Series Y Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the Series Y Bonds surrendered until payment of the principal hereof has been made or duly provided for. Interest on this Bond shall be paid to the person in whose name this Bond is registered on the registration books kept by the Trustee on the Record Date specified in the Indenture, by check or draft mailed on the Interest Payment Date to such person, or in certain cases by wire transfer to such person's bank account, as described in the Indenture. The principal of and premium, if any, and interest on the Series Y Bonds shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

THIS BOND IS NOT A GENERAL OBLIGATION OF THE BOARD BUT IS A SPECIAL LIMITED OBLIGATION OF THE BOARD AND IS PAYABLE SOLELY FROM THE PROCEEDS DERIVED FROM THE SALE OF THE BONDS (UNTIL EXPENDED FOR THE PURPOSES FOR WHICH THE BONDS WERE ISSUED), THE NET REVENUES AND OTHER AMOUNTS, IF ANY, DEPOSITED IN THE FUNDS AND ACCOUNTS ESTABLISHED BY THE INDENTURE (EXCLUDING THE OPERATING ACCOUNT AND THE REBATE ACCOUNT). NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THIS BOND. THE SERIES Y BONDS SHALL NOT BE A DEBT OF THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, AND IN NO EVENT SHALL THE SERIES Y BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN FROM THE SOURCES AS HEREIN PROVIDED. THE BOARD HAS NO TAXING POWER.

This Bond is one of an authorized issue of bonds of the Board designated as its "Student Loan Revenue Bonds, 2007 Series Y" limited in aggregate principal amount to \$_____ (the "Series Y Bonds") issued pursuant to a resolution duly adopted by the governing body of the Board on October 26, 2007 and under and in full compliance with the Constitution and laws of the State of Utah, in particular, Chapter 13, Title 53B, Utah Code Annotated 1953, as amended (the "Act") for the purpose of obtaining funds to finance the acquisition of loans for higher education. The Series Y Bonds, are being issued under and are secured by and entitled to the protection of a General Student Loan Program Indenture (the "General Indenture") dated July 15, 1988, as supplemented by the First through Thirteenth Supplemental Indentures (the General Indenture and the First through Thirteenth Supplemental Indentures are herein collectively referred to as the "Indenture") between the Board and Wells Fargo Bank, N.A., Salt Lake City, Utah as trustee (the "Trustee"). The Board has previously issued, under the General Indenture various Series of its Student Loan Revenue Bonds payable on a parity with the Series Y Bonds (collectively, the "Bonds").

This Bond shall bear interest at a Variable Rate as defined by the Remarketing Agent and announced to the Trustee and the Board on each Rate Determination Date for such Series Y Bonds and such Variable Rate shall be the rate of interest borne by such Series Y Bonds for the Interest Period commencing on the Rate Adjustment Date for such Interest Period. The Variable Rate to be borne by the Series Y Bonds for any Interest Period related to such Series Y Bonds shall, subject to the other provisions of this subsection, be the rate determined by the Remarketing Agent, in its discretion, to be that rate which, if borne by the Series Y Bonds would, in its judgment, having due regard to the prevailing financial market conditions, be the interest rate necessary, but which would not exceed the interest rate necessary, to enable the Remarketing Agent to sell such Series Y Bonds at par (disregarding accrued interest) if tendered for payment pursuant to Exhibit L to the Thirteenth Supplemental Indenture (whether or not so tendered); provided that if the Remarketing Agent shall fail or refuse to determine a Variable Rate on any Rate Determination Date, the Variable Rate most recently determined for the Series Y Bonds shall remain in effect; and provided further that no Variable Rate shall exceed the Maximum Rate.

While Series Y Bonds bear interest at a Variable Rate, from time to time, the Board may designate different Interest Periods to be applicable to such Series Y Bonds and to be effective on any Period Adjustment Date established for such Series Y Bonds. The Board shall evidence each such designation by giving written notice thereof to the Trustee and the Remarketing Agent at least twenty-eight (28) days before the applicable Period Adjustment Date established for the Series Y Bonds, and such notice shall state the Rate Determination Date for such Series Y Bonds; provided, however, that (i) no Interest Period may extend beyond the day immediately preceding the Termination Date then in effect of the Letter of Credit, and (ii) each Period Adjustment Date must be a Business Day and may not occur during a Long Rate Period, but may occur at the end of a Long Rate Period. If such notice from the Board designates a change in an Interest Period from a period of one year or less to a period of more than one year, or a change in an Interest Period from a period of more than one year to a period of one year or less, such notice shall not be effective unless accompanied by a Favorable Opinion. In the case of any change in an Interest Period which results in an increase in the Interest Coverage Requirement, such notice shall also be accompanied by a substitute Letter of Credit in an Available Amount not less than the principal amount of Series Y Bonds bearing interest at a Variable Rate to be Outstanding on and after the Period Adjustment Date plus the Interest Coverage Requirement therefor, and a written confirmation from the Bank that the size of the Letter of Credit will be sufficient, following such change in Interest Period, to provide for the payment of the principal of, and the Interest Coverage Requirement on, the Series Y Bonds bearing interest at a Variable Rate.

In no event shall the Variable Rate on this Bond exceed 14% per annum.

The Bonds are payable solely from revenues and other moneys pledged to or held by the Trustee or the Paying Agent under the Indenture for such purpose, and there shall be no other recourse against the Board or any other property now or hereafter owned by it. Under certain circumstances Additional Bonds may be issued under the Indenture secured on a parity with the Series Y Bonds.

Reference is made to the Indenture for a complete statement of the terms and conditions upon which the Series Y Bonds of this issue have been issued and provisions made for their security and for the issuance of Additional Bonds; for a description of the rights of the owners of the Series Y Bonds; the rights and obligations of the Board; the rights, duties and obligations of the Trustee and the Paying Agent; and the provisions relating to amendments and modifications thereof. The acceptance of the terms and conditions of such documents and the Municipal Bond Insurance Policy described below (including amplifications and qualifications of the provisions thereof), copies of which are on file at the principal corporate trust office of the Trustee, is an explicit and material part of the consideration of the Board's issuance hereof, and each owner hereof by acceptance of this Bond accepts and assents to all such terms and conditions as if fully set forth herein.

Capitalized terms used in this Bond which are not defined herein but which are defined in the Indenture shall have the respective meanings set forth in the Indenture.

The Series Y Bonds bearing interest at a Variable Rate are subject to redemption on the dates, in the amounts, at the prices and with notice all as described in the Indenture.

Upon any declaration of acceleration after an Event of Default under the Indenture, the Trustee shall give notice to the Registered Owners of the Series Y Bonds (i) of such declaration, (ii) whether funds in an amount sufficient to pay the principal of and interest on said Series Y Bonds have been deposited with the Trustee, and (iii) that interest shall cease to accrue on the Series Y Bonds from such date of acceleration.

The Series Y Bonds bearing interest at a Variable Rate are issuable as registered bonds in the denomination of \$_____ or any integral multiple thereof. Subject to the limitations provided in the Indenture and upon payment of any tax or governmental charge, Series Y Bonds may be exchanged for a like aggregate principal amount of Series Y Bonds of other authorized denominations.

So long as this bond is registered to and held by or for the Bank as the result of a purchase pursuant to the Indenture, it shall bear interest at the rate, and computed and payable in the manner, specified in the Reimbursement Agreement, as defined in the Indenture.

From and after the termination of the Initial Period and until changed pursuant to the procedures set forth in the Indenture, this Bond may bear interest at a Daily Rate, a Monthly Rate, or a Long Rate (each as defined in the Indenture). This bond shall initially bear interest at a _____ Rate. While the Series Y Bonds bear interest at a Variable Rate, pursuant to the procedures and subject to certain conditions set forth in the Indenture, the rate of interest borne by the Series Y Bonds may, on any Interest Payment Date, be changed to a Daily Rate for each Daily Rate Period, a Monthly Rate for each Monthly Rate Period, or a Long Rate for each Long Rate Period (as such terms are defined in the Indenture). The Rate Determination Date for Daily Rate Periods shall be each Business Day or other day selected by the Remarketing Agent, and the Rate Adjustment Date shall be the Rate Determination Date. The Rate Determination Date for Monthly Rate Periods shall be the Business Day before the first Wednesday following the first Tuesday of each month, and the Rate Adjustment Date shall be such Wednesday. The Rate Determination Date for each Long Rate Period shall be any day within fifteen days before the Rate Adjustment Date, and the Rate Adjustment Date shall be the Interest Payment Date which is the first day of the Long Rate Period.

The Interest Payment Dates with respect to the Series Y Bonds shall be each May 1 and November 1 following the Variable Rate Conversion Date; provided that, for purposes of payment of interest on the Bonds, if any such date is not a Business Day, such payment shall be made on the next day which is a Business Day with the same effect as if made on such date. Following the Initial Period, with respect to any Interest Period shorter than a Long Rate Period of less than one year, interest shall be computed for the actual number of days elapsed on the basis of a year of 365 or 366 days, as appropriate; and with respect to any Long Rate Period of one year or more, interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The Registered Owner of this Bond may, by delivery or transmission of an irrevocable Notice and Demand for Payment in the form set forth in the Indenture (copies of which may be obtained from the Trustee) to the Remarketing Agent and to the Trustee, on a Business Day not later than the date required therefor pursuant to the Indenture, demand payment of the principal of and accrued interest on this bond on and as of the Final Payment Date, as defined in the Indenture, which, during any Daily Rate Period, Monthly Rate Period or Long Rate Period shall be as provided in the Indenture and in the required notice from the Trustee of any Period Adjustment Date. This Bond must be tendered to the Trustee at its principal corporate trust office, duly endorsed in blank for transfer at or prior to the time required therefor on the Final Payment Date, and must conform in all respects to the description thereof in the Notice and Demand for Payment. When funds sufficient to pay the principal of and interest accrued on this Bond to the Final Payment Date have been deposited with, or shall be held by, the Trustee, as provided in the Indenture, interest on this Bond will cease to accrue on and after the Final Payment Date.

This Bond shall be subject to mandatory tender to the Trustee, as appropriate, for purchase pursuant to Exhibit L to the Thirteenth Supplemental Indenture prior to maturity on any Mandatory Tender Date at a purchase price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest, if any, to such Mandatory Tender Date, as applicable.

If on such Mandatory Tender Date for which there has been irrevocably deposited with the Trustee amounts sufficient to pay the purchase price of this Bond, this Bond shall be deemed to have been tendered in accordance with the provisions of Exhibit L of the Thirteenth Supplemental Indenture. The Registered Owner of this Bond, whether or not delivered to the Trustee shall not be entitled to any payment (including any interest to accrue on and subsequent to the Mandatory Tender Date) other than the purchase price for this Bond, and this Bond shall no longer be entitled to the benefits of the Indenture, except for the purpose of payment of the purchase price therefor.

So long as the ownership of this Bond is maintained in book-entry form by the Depository, a beneficial owner may sell, transfer or otherwise dispose of its beneficial interest in this Bond only pursuant to the procedures of DTC.

No recourse, either directly or indirectly, shall be had for the payment of principal or redemption price of, or interest on, this Bond, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the Board or of any successor body, as such, either directly or through the Board or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, but the obligation to pay all amounts required by the Indenture securing this Bond and the obligation to do and perform the covenants and acts required of the Board therein and herein shall be and remain the responsibility and obligation of said Board, limited as herein set forth.

This Bond is one of a Series of Bonds which were certified as legal obligations by the Attorney General of the State of Utah on October 26, 2007.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been executed by an Authenticating Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to be done, to exist, to happen and to be performed in order to make this Bond a valid and binding obligation of the Board according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

IN WITNESS WHEREOF, the Board has caused this Bond to be executed with the manual or facsimile signature of its Chair and its seal or a facsimile thereof to be hereto affixed, and to be signed and attested with the manual or facsimile signature of its Secretary.

STATE BOARD OF REGENTS OF THE STATE
OF UTAH

Chair

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series Y Bonds described in the within-mentioned Indenture.

WELLS FARGO BANK, N.A.
as Authenticating Agent

By: _____
Authorized Officer

Date of Authentication: _____

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT _____
(Cust.)

Custodian for _____
(Minor)

under Uniform Gift to Minors Act of _____
(State)

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned
sells, assigns and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

[STATEMENT OF INSURANCE]

Financial Guaranty Insurance Policy No. _____ (the "Policy") with respect to payments due for principal of and interest on this bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

SCHEDULE 2 TO EXHIBIT L

[FORM OF IRREVOCABLE NOTICE AND DEMAND FOR PAYMENT OR CONFIRMATION
THEREOF--NOT PART OF BOND FORM]

To be delivered or transmitted to:

UBS Financial Services Inc.
15th Floor
1285 Avenue of the Americas
New York, New York 10019

with a copy to:

[Name of Trustee]
[Address of Trustee]
Attn: Corporate Trust Department

The undersigned is the registered owner of Student Loan Revenue Bond, 2007 Series Y, of the State Board of Regents of the State of Utah (the "Board"), No. _____ (the "Series W Bond"). The undersigned hereby [irrevocably demands*] [confirms its irrevocable demand for**] payment of the principal of and accrued interest on the Series W Bond to the date of payment, unless a placement of the Series W Bond as hereinafter provided has theretofore been effected.

Payment shall be made in immediately available funds, deposited or wired in accordance with instructions provided by the undersigned to the Trustee (as hereinafter defined) or, if no such instructions are provided, by check mailed to the undersigned at the address appearing on the books of registry maintained by the Trustee. Payment shall occur on _____, ____ (the "Final Payment Date"), which shall be not earlier than the applicable date and time for such payment, as set forth in Schedule 3 to Exhibit L of the Thirteenth Supplemental Indenture to the Indenture referred to below, following delivery or transmission of [this notice*] [the telephonic notice of which this is written confirmation**] to UBS Financial Services Inc., as remarketing agent (the "Remarketing Agent") [and*] [, which telephonic notice is also confirmed by**] simultaneous delivery or transmission of a copy hereof to [Name of Trustee], as trustee (the "Trustee"), under that certain General Student Loan Program Indenture, dated as of July 15, 1988, as supplemented and amended, between the Board and the Trustee, pursuant to which the Series W Bond was issued, unless such a placement of the Series W Bond or has theretofore been effected. Delivery hereof shall be made in person or by registered mail, return receipt requested, to the addresses set forth above and shall occur upon receipt by the Remarketing Agent and the Trustee. Transmission hereof shall be by telecopier to the numbers set forth above and shall be effective upon receipt of such transmission by the Remarketing Agent and the Trustee. [Transmission of telephonic notice of which this is written confirmation shall be to the telephone number set forth above and shall be effective upon receipt of such transmission by the Remarketing Agent.**] Such delivery or transmission must be on a Business Day. The Series W Bond shall be tendered to _____, the Trustee, _____, _____, with a duly executed instrument of transfer in the form set forth on the Series W Bond or with signature guaranteed in a manner satisfactory to the Trustee, at or prior to the time required therefor pursuant to Schedule 3 of Exhibit L to the Thirteenth Supplemental Indenture, on or before the Final Payment Date. The Series W Bond shall conform in all respects to the description thereof in [this*] [the**] Notice and Demand [and this confirmation thereof**].

The undersigned hereby [authorizes and directs*] [confirms its authorization and direction to**] UBS Financial Services Inc., as remarketing agent, to arrange for the placement of the Series W Bond at not less than par plus accrued interest to the date of payment. In the event of such a placement, payment of the sale price of the Series W Bond shall be made on the Final Payment Date as hereinabove provided.

When funds sufficient to pay the principal of and interest accrued on the Series W Bond to the Final Payment Date have been deposited with, or shall be held by, the Trustee as provided in the Indenture, interest on the Series W Bond will cease to accrue on and after the Final Payment Date.

Name:

Authorized Signature

Date:

- * Language applicable with respect to any Notice and Demand except during a Daily Rate Period.
- ** Language applicable with respect to any confirmation of a telephonic Notice and Demand during a Daily Rate Period.

[FORM OF INSTRUCTIONS FOR
PAYMENT OF INTEREST]

[Name of Trustee]
[Address of Trustee]
Attn: Corporate Trust Department

The undersigned is the registered owner of Student Loan Revenue Bond, 2007 Series Y, of the State Board of Regents of the State of Utah, No(s). _____ (the "Series W Bond"), in an aggregate principal amount of \$1,000,000 or more. Until further notice or until the undersigned ceases to be the registered owner of the Series W Bond, you are instructed to make payment of all interest due on the Series W Bond on any date due by depositing or wiring immediately available funds on such date to the credit of the undersigned's Account No. _____ with _____.

Name:

Date:

Authorized Signature

Signature Guaranteed:

SCHEDULE 3 TO EXHIBIT L

VARIABLE RATE FEATURES

	<u>Daily Rate Periods</u>	<u>Monthly Rate Periods</u>	<u>Long Rate Periods</u>
Rate Determination Date	At or prior to 9:30* a.m. on each Business Day or on any other day at the discretion of the Remarketing Agent	First Business Day preceding the Rate Adjustment Date	Any day within 15 days before the Rate Adjustment Date and ending on the Rate Adjustment Date
Rate Adjustment Date	Rate Determination Date	First Wednesday following first Tuesday of each month	First day of Interest Period
Notice and Demand	Irrevocable Telephonic Notice and Demand to Remarketing Agent no later than 10:30* a.m., promptly confirmed in writing to Remarketing Agent and Trustee	Written notice to Remarketing Agent and Trustee on any Business Day at least seven days prior to the Final Payment Date	Written notice to Remarketing Agent and Trustee between 30 days and the Business Day 15 days prior to Final Payment Date, so long as the Letter of Credit or other Letter of Credit is in effect.
Final Payment Date	Not later than 4:30* p.m. on the day of receipt of Notice and Demand, if Bond delivered to Authenticating Agent not later than 10:30 a.m. on Final Payment Date	Not later than 4:30 p.m. on the next Rate Adjustment Date which is at least seven days following receipt of Notice and Demand, if Bond delivered to Authenticating Agent not later than 11:00 a.m. on the Final Payment Date	Not later than 4:30* p.m. on the next Rate Adjustment Date which is at least 15 days following receipt of Notice and Demand, if Bond delivered to Authenticating Agent not later than 3:00 p.m. 15 days prior to Final Payment Date

* All times are New York City time.

EXHIBIT “M”

CONSENT OF TRUSTEE AND AMBAC TO ELEVENTH
SUPPLEMENTAL INDENTURE

CONSENT OF TRUSTEE

The undersigned officer of Wells Fargo Bank, N.A. (the "Trustee") hereby represents and covenants, as follows:

1. Pursuant to the provisions of Section 8.2 of the General Student Loan Program Indenture dated as of July 15, 1988 (the "General Indenture") between the State Board of Regents of the State of Utah (the "Board") and the Trustee, the Trustee hereby consents to the provisions of the Thirteenth Supplemental Indenture dated as of _____ 1, 2007 between the Board and the Trustee, which amends and supplements the General Indenture.

2. The undersigned is authorized to execute this consent on behalf of the Trustee.

IN WITNESS WHEREOF, the undersigned has executed this consent for and on behalf of the Trustee as of the ____ day of December, 2007.

WELLS FARGO BANK, N.A.

By: _____

Its: _____

CONSENT OF AMBAC

The undersigned officer of AMBAC Assurance Corporation ("AMBAC") hereby represents and covenant, as follows:

1. AMBAC hereby consents to the provisions of the Thirteenth Supplemental Indenture dated as of _____ 1, 2007 (the "Thirteenth Supplement") between the State Board of Regents of the State of Utah (the "Board") and Wells Fargo Bank, N.A. (the "Trustee") which amends and supplements the General Student Loan Program Indenture dated as of July 15, 1988 (the "General Indenture") between the Board and the Trustee.

2. Those representations set forth in the Thirteenth Supplement as to directions, approvals and requests of AMBAC are true and correct.

3. [AMBAC hereby approves the use of amounts from the Revenue Account created in the General Indenture for the purposes described in Sections 3.2, 3.8 and 3.10 of the Eleventh Supplemental Indenture (and the transfers described therein).]

4. The undersigned is authorized to execute this consent on behalf of AMBAC.

IN WITNESS WHEREOF, the undersigned has executed this consent for and on behalf of AMBAC as of the ____ day of December, 2007.

AMBAC ASSURANCE CORPORATION

By: _____

Its: _____

In the opinion of Ballard Spahr Andrews & Ingersoll, LLP, Bond Counsel, based on an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the 2007 Series Y Bonds is excludable from gross income for federal income tax purposes. Interest on the 2007 Series Y Bonds is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. Bond Counsel is also of the opinion that, based on the laws of the State of Utah as enacted and construed on the date hereof, interest on the 2007 Series Y Bonds is exempt from Utah individual income taxes.

Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2007 Series Y Bonds. See "Tax Status" herein.

New Issue — Book Entry Only

**Expected Ratings: Moody's: "Aaa/VMIG-1"
S&P: "AAA/A-1+"
Fitch: "AAA/F-1+"**

**\$000,000,000
State Board of Regents of the State of Utah
Student Loan Revenue Bonds**

2007 Series Y (AMT)

Due: November 1, ____

Bonds Dated: Date of Delivery

Price: 100%

The 2007 Series Y Bonds (the "2007 Series Bonds") are being issued as Weekly Rate Bonds as described herein. The 2007 Series Bonds are issuable only as fully registered bonds and when issued shall be registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC"), which is to act as securities depository for the 2007 Series Bonds. Purchasers of beneficial ownership interests will not receive certificates representing their beneficial ownership interests in the 2007 Series Bonds. Purchases and sales by the beneficial owners of the 2007 Series Bonds, while outstanding a Weekly Rate Bonds, shall be in the principal amount of \$100,000 or any integral multiple thereof, in book-entry form only.

Payments of principal, redemption price and interest with respect to the 2007 Series Bonds are to be made directly to DTC by the Trustee, so long as DTC or Cede & Co. is the registered owner of the 2007 Series Bonds. Disbursements of such payments to DTC Participants (as defined herein) is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants as more fully described herein. The 2007 Series Bonds will bear interest at a Weekly Rate as defined herein, are subject to mandatory tender for purchase on certain dates and are subject to tender for purchase at the option of the Owners thereof on not less than seven days' notice, all as described herein. Under certain circumstances, if other funds are insufficient, the purchase price of properly tendered 2007 Series Bonds is to be paid from funds provided under a Standby Bond Purchase Agreement among _____ (the "Bank"), the Board and Wells Fargo Bank, National Association, as tender agent. Interest on the 2007 Series Bonds bearing interest at a Weekly Rate is initially payable on May 1, 2008 and semiannually thereafter on each May 1 and November 1 until maturity or earlier redemption, if applicable.

The 2007 Series Bonds are being issued pursuant to the General Student Loan Program Indenture, dated as of July 15, 1988 between the State Board of Regents of the State of Utah (the "Board") and Wells Fargo Bank, National Association (the "Trustee"), as amended and supplemented to the date hereof and the Thirteenth Supplemental Indenture dated as of November 1, 2007 (collectively, the "Indenture").

The 2007 Series Bonds are subject to redemption, mandatory tender and acceleration prior to their respective scheduled maturity dates, as described herein.

The 2007 Series Bonds are being issued and the proceeds shall be used, together with other moneys of the Board, for the purpose of (i) obtaining funds to make or acquire Eligible Student Loans; (ii) funding an additional deposit to the Debt Service Reserve Fund and (iii) paying certain costs incurred in connection with the issuance of the 2007 Series Bonds.

Payment of the principal of and interest on the 2007 Series Bonds when due will be insured by a financial guaranty insurance policy to be issued by

[AMBAC LOGO]

simultaneously with the delivery of the 2007 Series Bonds.

THE 2007 SERIES BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE BOARD, AND, EXCEPT TO THE EXTENT PAYABLE FROM 2007 SERIES BOND PROCEEDS AND INCOME FROM THE INVESTMENT THEREOF (UNTIL USED AS PROVIDED IN THE INDENTURE), ARE PAYABLE SOLELY OUT OF THE REVENUES, ASSETS AND FUNDS PLEDGED THEREFOR UNDER THE INDENTURE. IN ADDITION, THE 2007 SERIES BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF. THE BOARD HAS NO TAXING POWER.

The 2007 Series Bonds are offered when, as and if issued by the Board and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approving legal opinion of Ballard Spahr Andrews & Ingersoll, LLP, Salt Lake City, Utah, Bond Counsel. Certain legal matters will be passed upon for the Board by its counsel, the Attorney General of the State of Utah, and for the Underwriters by Orrick, Herrington & Sutcliffe LLP, New York, New York. The 2007 Series Bonds in book-entry-only form are expected to be available for delivery in New York, New York through the facilities of DTC on or about November __, 2007.

UBS Securities LLC

[Wells Fargo Brokerage Services LLC

Zions First National Bank

Citigroup]

Dated: _____ 1, 2007

No dealer, broker, salesman or other person has been authorized by the Board or Ambac Assurance Corporation (“Ambac”) or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2007 Series Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Board, Ambac, [Bank] and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation (other than as to representations about itself) by the Board, Ambac, or [Bank], respectively. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or Ambac.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2007 Series Bonds AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE 2007 Series Bonds IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE 2007 Series Bonds AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

TABLE OF CONTENTS

<u>Page</u>	<u>Page</u>
SUMMARY STATEMENT.....i	Purchasing of Insured Student Loans 20
INTRODUCTION.....1	Loan Servicing 21
Bond Insurance.....1	DESCRIPTION OF THE FEDERAL FAMILY EDUCATION
Liquidity Facility for the 2007 Series Bonds.....2	LOAN PROGRAM.....21
General2	FEDERAL FAMILY EDUCATION LOANS.....21
SECURITY FOR THE BONDS3	Subsidized Stafford Loans 21
General3	Unsubsidized Stafford Loans 22
Collateralization3	PLUS Loan Program.....22
Debt Service Reserve Account3	The Consolidation Loan Program 22
Potential Amendments to Indenture; Purchasers of 2007	Interest Rates 23
Series Bonds Deemed to have Consented3	Loan Limits 23
Additional Bonds4	Repayment.....23
THE 2007 SERIES BONDS4	Interest Subsidy Payments 24
Interest Payments4	Special Allowance Payments 24
Establishment of Interest Rates for Weekly Rate Bonds.....4	Loan Fees 25
Purchase of Weekly Rate Bonds on Demand of Owner.....5	Insurance and Guarantees 26
Liquidity Facility for the 2007 Series Bonds.....5	Federal Insurance 26
Standby Bond Purchase Agreement5	Guarantees 26
[Bank].....7	Guarantor Reserves 28
Substitution of Liquidity Facility.....8	GUARANTORS.....28
Redemption and Acceleration Provisions.....9	Lack of Liability of Eligible Guarantors.....28
Optional Tender of Weekly Rate Bonds.....9	The State Guarantor 28
Mandatory Tender of Weekly Rate Bonds 10	Reimbursement 29
Purchase Fund 10	The Guarantee Fund.....29
Insufficient Funds for Tenders.....10	LEGALITY FOR INVESTMENT IN UTAH30
Remarketing of Tendered Weekly Rate Bonds 10	TAX STATUS.....30
Conversion of Weekly Rate Bonds.....11	ABSENCE OF LITIGATION.....31
INSURANCE ON THE 2007 SERIES BONDS11	APPROVAL OF LEGALITY31
CERTAIN INVESTMENT CONSIDERATIONS12	UNDERWRITING31
Factors Affecting Sufficiency and Timing of Receipt of	CONTINUING DISCLOSURE31
Revenues 12	INDEPENDENT AUDITED FINANCIAL STATEMENTS31
Guarantors 13	TRUSTEE.....31
Changes in Federal Law 13	MISCELLANEOUS.....32
Noncompliance with the Higher Education Act.....13	
Uncertainty as to Available Remedies.....14	
Bond Insurance.....14	EXHIBIT I - EXTRACTS FROM THE
PLAN OF FINANCE14	GENERAL INDENTURE..... I-1
ESTIMATED SOURCES AND USES OF FUNDS14	EXHIBIT II - AUDITED FINANCIAL STATEMENTS OF
BOOK-ENTRY SYSTEM14	THE BOARD’S STUDENT LOAN PURCHASE
STATE BOARD OF REGENTS OF THE STATE OF UTAH16	PROGRAM FOR FISCAL YEAR ENDED JUNE 30, 2007 . II-1
Statutory Authorization.....16	EXHIBIT III - PROPOSED FORM OF APPROVING OPINION
Membership.....16	OF BOND COUNSEL..... III-1
The Program.....17	EXHIBIT IV - AMBAC ASSURANCE CORPORATION IV-1
Professional Staff17	EXHIBIT V - FORM OF FINANCIAL GUARANTY
Other Financings18	INSURANCE POLICY V-1
Loan Purchase Program Portfolio Information.....18	

SUMMARY STATEMENT

The Summary Statement is subject in all respects to more complete information contained in this Official Statement. The offering of the 2007 Series Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without this entire Official Statement. Capitalized terms used in this Summary Statement and not otherwise defined herein shall have the meanings given to such terms elsewhere in the Official Statement.

Issuer	The State Board of Regents of the State of Utah (the “Board”) is organized and operated under the laws of the State of Utah. The Board is vested with the power to govern the State’s system of higher education, which consists of the Board and various public post-secondary educational institutions in the State. The Board has established its Loan Purchase Program in order to effectuate the general purposes of the Board and the specific objective of providing funds to lending institutions to assist students in obtaining a post-secondary education. Through its Loan Purchase Program, the Board seeks to increase the availability of funds for such purposes.
The 2007 Series Bonds	The Board’s \$00,000,000 Student Loan Revenue Bonds, 2007 Series Y are to mature in the amounts and on the dates set forth on the cover page of this Official Statement and bear interest at the rate established from time to time as set forth herein. The 2007 Series Bonds are to bear interest initially at the Weekly Rate but in the future may be converted to bear interest at auction rates or other variable rates as described herein.
Purpose	The 2007 Series Bonds are being issued and the proceeds shall be used, together with other moneys of the Board, (i) to obtain funds to make or acquire Eligible Student Loans; (ii) to fund an additional deposit to the Debt Service Reserve Fund and (iii) to pay certain costs incurred in connection with the issuance of the 2007 Series Bonds. See the caption “ESTIMATED SOURCES AND USES OF FUNDS” in this Official Statement.
Interest Payments	Interest on the 2007 Series Bonds is payable on May 1 and November 1 of each year, commencing May 1, 2008 until maturity or earlier redemption. See the caption “THE 2007 Series Bonds - Interest Payments” in this Official Statement.
Sources of Revenue and Security	The 2007 Series Bonds are secured by and are payable solely from the Trust Estate created by the Indenture. The Trust Estate includes (i) Eligible Student Loans acquired with moneys held under the Indenture and Bond proceeds (until used as provided in the Indenture), (ii) Revenues on deposit in certain of the funds and accounts established under the Indenture and (iii) the Debt Service Reserve Account. See the caption “SECURITY FOR THE BONDS” in this Official Statement.
Guarantee and Reinsurance	All Eligible Student Loans are to be insured by the United States Secretary of Education (the “Secretary”) or covered by a guarantee by certain guarantors and reinsured by the Secretary for claims payments made on Eligible Student Loans, subject to certain limits under the Higher Education Act as described herein. Upon the issuance of the 2007 Series Bonds, it is expected that substantially all of the Loans held under the Indenture will be guaranteed by the Utah Higher Education Assistance Authority (the “State Guarantor”) or insured directly by the Secretary.

Bond Insurance	Payment of the principal of and interest on the 2007 Series Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation (“Ambac”) simultaneously with the delivery of the 2007 Series Bonds, as described more fully herein under the caption “INSURANCE ON THE 2007 Series Bonds.”
Redemption and Acceleration.....	The 2007 Series Bonds are subject to optional redemption and acceleration prior to their scheduled maturity dates, as described herein.
Remarketing and Tender Agent for Weekly Rate Bonds.....	UBS Securities LLC is to act as Remarketing Agent and Wells Fargo Bank, National Association is to act as Tender Agent for the 2007 Series Bonds. Each may be replaced in accordance with the terms of the Indenture.
Optional Tender of Weekly Rate Bonds	Each 2007 Series Bond bearing interest at a Weekly Rate is subject to purchase, in whole or in part, at the request of the Owner thereof, on any Optional Tender Date, at a purchase price equal to the principal amount thereof plus interest accrued at the applicable rate or rates to the Optional Tender Date (the “Purchase Price”). See “THE 2007 Series Bonds - Optional Tender of Weekly Rate Bonds” in this Official Statement.
Mandatory Tender of Weekly Rate Bonds	All Weekly Rate Bonds must be tendered by the Owners thereof for repurchase at their Purchase Price, under the circumstances set forth herein, including (i) on each proposed Conversion Date and; (ii) on the day which is five Business Days prior to the scheduled expiration of the Liquidity Facility or the day of replacement of the Liquidity Facility with a substitute liquidity facility; and (iii) upon the happening of certain events of default under the Liquidity Facility Agreement. Upon the happening of certain events, a Liquidity Facility may be terminated without the Owners having a right to tender their Weekly Rate Bonds. See the caption “THE 2007 Series Bonds - Mandatory Tender of Weekly Rate Bonds and - The Liquidity Facility” in this Official Statement.
Liquidity Facility	Under the circumstances described herein, if other funds are insufficient, the Purchase Price of properly tendered 2007 Series Bonds is to be paid from funds provided under a Standby Bond Purchase Agreement among _____ (the “Bank”), the Board and Wells Fargo Bank, National Association in its capacity as tender agent (the “Tender Agent”). The Indenture provides for the substitution of an alternate liquidity facility under certain circumstances. See the captions “THE 2007 Series Bonds - Liquidity Facility for the 2007 Series Bonds, - Substitution of Liquidity Facility, - Standby Bond Purchase Agreement”, and – _____” in this Official Statement.
Additional Bonds	The Board may issue additional Series of Bonds under the Indenture from time to time, with the consent of Ambac.

OFFICIAL STATEMENT

STATE BOARD OF REGENTS OF THE STATE OF UTAH

\$00,000,000 2007 Series Y (AMT)

This Official Statement is being distributed by the State Board of Regents of the State of Utah (the "Board"), to furnish information regarding \$00,000,000 aggregate principal amount of its Student Loan Revenue Bonds, 2007 Series Y (the "2007 Series Bonds") being offered hereby and authorized pursuant to Chapter 13, Title 53B, Utah Code Annotated, 1953, as amended (the "Act") and a resolution of the Board adopted October __, 2007 authorizing the execution and delivery of the bond purchase agreement, the Standby Bond Purchase Agreement (defined herein) and Official Statement with respect to the 2007 Series Bonds and which approved the form of the Thirteenth Supplemental Indenture of the Board, dated as of November 1, 2007 (the "Supplemental Indenture"), which is supplemental to the General Student Loan Program Indenture of the Board, dated as of July 15, 1988, as previously amended and supplemented (the "General Indenture," and collectively with the Supplemental Indenture, the "Indenture"), by and between the Board and Wells Fargo Bank, National Association, Salt Lake City, Utah, as trustee (the "Trustee"). The 2007 Series Bonds, together with all bonds heretofore or hereafter issued under the Indenture are referred to herein as "Bonds." The 2007 Series Bonds are issued as Additional Bonds under the Indenture, on a parity with those Bonds currently issued and outstanding under the Indenture. Prior to the issuance of the 2007 Series Bonds, as of _____, 2007 there were Bonds outstanding under the General Indenture in a total aggregate principal amount of \$ _____. See "SECURITY FOR THE BONDS" below. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as assigned to such terms in the Indenture. Certain defined terms are contained in Exhibit I hereto. The summaries of and extracts from the Indenture and other documents included in this Official Statement do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such document.

INTRODUCTION

The Act authorizes the Board, among other things, to acquire, purchase and make commitments to purchase loans made to students or parents of students by lenders and to loan money to students or parents of students for the purpose of assisting students in obtaining a post-secondary education, and to issue bonds and notes to obtain funds to purchase or make such loans. Pursuant to the Higher Education Assistance Authority Act, being Chapter 12, Title 53B, Utah Code Annotated, 1953, as amended (the "Assistance Authority Act"), the Board, acting in its capacity as the Utah Higher Education Assistance Authority (the "State Guarantor"), is empowered to guarantee the principal of and interest on loans to, or for the benefit of, persons attending or having been accepted to attend eligible post-secondary educational institutions for the purpose of assisting such persons in meeting educational expenses. See "STATE BOARD OF REGENTS OF THE STATE OF UTAH" and "GUARANTORS — The State Guarantor."

In order to finance its acquisition of student loans, the Board is authorized to borrow money and to issue bonds payable from sources authorized by the Act, including the revenues derived from such loans. All student loans acquired or financed with proceeds of the Bonds will secure the Bonds. All such student loans must be insured by the United States Secretary of Education (the "Secretary") under the provisions of the Higher Education Act or guaranteed by the State Guarantor or another Guarantor (as defined in the Indenture) and reinsured by the Secretary. The Board, as owner of such loans, is entitled to receive benefits as provided for under the Higher Education Act with respect to any loss resulting from default, death, disability or bankruptcy of a student borrower. Such benefits, loan payments and other amounts constitute revenues pledged under the Indenture and are discussed herein under the heading "DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM." Loans for the financing of post-secondary education that are eligible for purchase by the Board are hereinafter referred to as "Eligible Student Loans." Eligible Student Loans purchased with proceeds of the Bonds are hereinafter referred to as "Student Loans" or "Loans." The Board's program for the financing of loans for post-secondary education, including the acquisition of Loans, is herein referred to as the "Loan Purchase Program."

Bond Insurance

Payment of the scheduled principal of and interest on the 2007 Series Bonds when due shall be insured by a financial guaranty insurance policy to be issued simultaneously with the delivery of the 2007 Series Bonds by Ambac Assurance Corporation ("Ambac"), as more fully described herein under "INSURANCE ON THE 2007 Series Bonds." The form of the financial guaranty insurance policy is included as Exhibit V hereto. Certain information regarding Ambac is included as Exhibit IV hereto. Such information has been provided by Ambac, and neither the Board nor the Underwriters take responsibility for the accuracy or completeness thereof.

Liquidity Facility for the 2007 Series Bonds

In order to provide a source of funds for the timely purchase of the 2007 Series Bonds so long as they are Weekly Rate Bonds, the Board, Wells Fargo Bank, National Association, as tender agent (the "Tender Agent") and _____ (the "Bank," which, together with the issuer of any substitute or alternate liquidity facility provided to the Trustee in compliance with the Indenture herein referred to as the "Liquidity Provider"), are to enter into a Standby Bond Purchase Agreement (the "Standby Bond Purchase Agreement," which, together with any such substitute or alternate liquidity facility, is herein referred to as the "Liquidity Facility") to provide for the 2007 Series Bonds, an amount up to the aggregate principal amount of the 2007 Series Bonds then outstanding plus 190 days' accrued interest thereon at a rate not to exceed 14% per annum. The Tender Agent is required to draw under the Liquidity Facility up to an amount sufficient to pay the purchase price equal to the principal amount of and the interest on the 2007 Series Bonds delivered to the Tender Agent for purchase and not remarketed by the Remarketing Agent. The Standby Bond Purchase Agreement is scheduled to expire on the earliest of (1) _____, (2) upon the conversion of the 2007 Series Bonds to Auction Rate Certificates ("ARCs") or a variable rate other than a Weekly Rate and (3) on the date that there are no Weekly Rate Bonds outstanding. The 2007 Series Bonds are subject to mandatory tender for purchase prior to such expiration date. The Indenture permits the issuance of an alternate or substitute Liquidity Facility as described herein. See "THE 2007 Series Bonds - Liquidity Facility for the 2007 Series Bonds; - Substitution of Liquidity Facility; - Standby Bond Purchase Agreement" herein. See "THE 2007 Series Bonds - _____" herein for a description of the Bank, which has been furnished by the Bank. No representation is made by the Board or the Underwriters as to the accuracy or completeness of such description.

THE LIQUIDITY FACILITY IS NOT DESIGNED TO PROVIDE CREDIT PROTECTION. UPON THE HAPPENING OF CERTAIN EVENTS THE LIQUIDITY FACILITY MAY BE TERMINATED WITHOUT THE OWNERS OF 2007 Series Bonds HAVING A RIGHT TO TENDER. SEE "THE 2007 Series Bonds - Liquidity Facility for the 2007 Series Bonds" and "- Standby Bond Purchase Agreement".

General

The 2007 Series Bonds are being issued as Weekly Rate Bonds. The 2007 Series Bonds are subject to optional redemption prior to their scheduled maturity date. The 2007 Series Bonds are subject to acceleration prior to maturity. See "THE 2007 Series Bonds - Redemption and Acceleration Provisions." The 2007 Series Bonds outstanding as Weekly Rate Bonds are subject to tender for purchase at the option of the Owners thereof on not less than seven days' notice, and are subject to mandatory tender under certain circumstances, as described under the headings "THE 2007 Series Bonds - Optional Tender of Weekly Rate Bonds; - Mandatory Tender of Weekly Rate Bonds." Upon the happening of certain events, the Liquidity Facility may be terminated without providing the Owners of such 2007 Series Bonds with a right to tender prior to such termination, as described herein under the heading "THE 2007 Series Bonds - Standby Bond Purchase Agreement."

The Bonds are limited obligations of the Board, secured by and payable solely from payments, proceeds, charges and other income derived by or for the account of the Board with respect to Loans constituting Revenues (other than amounts held in the Operating Account or the Rebate Account) as described in Exhibit I - "EXTRACTS FROM THE GENERAL INDENTURE." Such income includes, without limitation, payments of interest on Loans and other investments (including federal interest subsidy payments), principal payments on such Loans (whether regularly scheduled, prepayments or proceeds of insurance payments for defaulted Loans) and special allowance payments from the Secretary. See "SECURITY FOR THE BONDS."

The State of Utah is not liable for the repayment of the Bonds. The Bonds do not constitute a debt, liability or obligation of the State of Utah or of any political subdivision thereof or a pledge of the faith and credit of the State of Utah or any political subdivision thereof. The Board has no taxing power.

The descriptions of the 2007 Series Bonds and of the documents authorizing and securing the 2007 Series Bonds contained herein do not purport to be definitive or comprehensive. All references herein to such documents are qualified in their entirety by reference to such documents. Copies of such documents, in reasonable quantity, may be obtained upon written request during the offering period of the 2007 Series Bonds from UBS Securities LLC Inc., 1285 Avenue of the Americas, New York, New York 10019 and upon written request thereafter from the Board at 60 South 400 West, Salt Lake City, Utah 84101-1284 or the Trustee at 299 South Main Street, 12th Floor, MAC: 1228-121, Salt Lake City, Utah 84111.

SECURITY FOR THE BONDS

General

The 2007 Series Bonds are issued on a parity basis and are limited obligations of the Board secured by and payable solely from the Trust Estate established under the Indenture pursuant to which the 2007 Series Bonds are issued. The Trust Estate consists of: (i) the Student Loans acquired by or on behalf of the Board under the Indenture, including any agreements and notes evidencing such Student Loans; (ii) all proceeds of the Bonds (until expended for purposes for which the Bonds were issued); (iii) all amounts on deposit in Accounts (except for amounts held in the Operating Account or the Rebate Account) until their use or release from such Accounts; (iv) moneys received as Revenues; and (v) any other property pledged to the Trust Estate. No other assets of the Board are pledged to the payment of the 2007 Series Bonds. For a description of the Accounts established under the Indenture, see Exhibit I – EXTRACTS FROM THE GENERAL INDENTURE.”

In addition to the 2007 Series Bonds, the Board has previously issued Bonds under the Indenture in a total aggregate principal amount of \$_____, of which \$_____ were outstanding as of _____, 2007. Bonds issued on a parity basis are secured by the same Trust Estate and moneys available under the Trust Estate for the payment of the Bonds may be applied toward the payment due on any Series of Bonds.

Collateralization

Upon the issuance of the 2007 Series Bonds it is anticipated that the principal amount of the Student Loans and the value of the other assets pledged under the Indenture will be equal to at least ____% of the aggregate principal amount of the outstanding Bonds. **The Indenture does not require that any levels of collateralization be maintained.**

Debt Service Reserve Account

The Bonds are additionally secured by the Debt Service Reserve Account established by the Indenture. The Indenture requires that at the issuance of any Bonds the Debt Service Reserve Account be funded to its applicable requirement. The requirement has been established at an amount equal to the greater of (a) three percent of the principal amount of the Outstanding Bonds, or (b) as of each December 1, the amount by which the principal of and interest on the Bonds scheduled to be paid within the next following twelve month period exceeds the amounts available to pay such principal or interest then on deposit in the Revenue Account plus the amounts expected to be received therefor within such twelve month period based on reasonable assumptions acceptable to Ambac. The balance of the Debt Service Reserve Account at cost was \$_____ as of _____, 2007. An amount equal to three percent of the aggregate principal amount of the 2007 Series Bonds is to be deposited into the Debt Service Reserve Account at the time of issuance of the 2007 Series Bonds.

Amounts on deposit in the Debt Service Reserve Account (other than amounts in excess of the above described requirements, which are to be transferred to the Revenue Account) are only to be used to pay the principal of or interest on Bonds to the extent other available moneys held under the Indenture are insufficient. It is a requirement of the Act that:

“If the assets in any bond debt service reserve fund are less than the amount currently required in the authorizing resolution to be on deposit, the chairman of the board shall, annually before the second day of December, certify to the governor and to the [State] director of finance the amount necessary to restore the assets of the funds to the required amount. The governor may request from the Legislature an appropriation of the certified amount in order to restore the required amount to the funds.”

The Board has covenanted in the Indenture to have the Chairman make such certification to the Governor and the State Director of Finance in accordance with the Act. In the opinion of Bond Counsel, such provision does not give rise to a legal obligation of the State. However, the Governor is legally authorized, but not legally obligated, to make such request and the legislature is legally authorized, but not legally obligated, to appropriate the amount requested.

Potential Amendments to Indenture; Purchasers of 2007 Series Bonds Deemed to have Consented

The Board is contemplating the use of a surety bond in lieu of a cash/investment Debt Service Reserve Account as a method of increasing the moneys available to the Board for financing Eligible Student Loans. The Supplemental Indenture

contains provisions with respect to the use of such a surety and the criteria therefore (including that the use of a surety would not result in an adverse change in a then existing rating on any of the Bonds or adversely effect the exemption from federal taxation of interest on the Bonds, to the extent applicable), including the process by which such a surety is to be drawn upon, if necessary, and reimbursed, and the method by which amounts in the Debt Service Reserve Account not required to meet the requirement therefore may be transferred to the Loan Account for the purpose of financing Student Loans. The referenced provisions of the Supplemental Indenture shall not become effective until such time as the Trustee shall have received the consents of the owners of two-thirds of the principal amount of the Outstanding Bonds. The Underwriters, as the initial owners of the 2007 Series Bonds, shall deliver their written consent to the Trustee evidencing their consent to the referenced provisions of the Supplemental Indenture. *By their purchase of the 2007 Series Bonds, purchasers of the 2007 Series Bonds shall be deemed to have consented to the amendments contemplated by the Supplemental Indenture with respect to the use of such sureties.*

Additional Bonds

The Board may issue additional Series of Bonds under the Indenture from time to time, payable on a lien on a parity with the Outstanding Bonds. The issuance of Additional Bonds, including the issuance of the 2007 Series Bonds, is subject to, among other things, receipt of Ambac's consent.

THE 2007 SERIES BONDS

The 2007 Series Bonds are dated and mature as set forth on the cover page of this Official Statement. The 2007 Series Bonds shall initially bear interest at Weekly Rates and shall be issued in denominations of \$100,000 or integral multiples thereof ("Authorized Denominations") while outstanding as Weekly Rate Bonds. Interest on the 2007 Series Bonds is payable by check or draft on the dates described below under the heading "THE 2007 Series Bonds - Interest Payments." Principal of the 2007 Series Bonds is payable upon presentation and surrender of such Bonds at the principal corporate trust office of the Trustee.

Interest Payments

Interest on the 2007 Series Bonds is payable each May 1 and November 1, commencing May 1, 2008 and on each proposed Conversion Date. Interest on Weekly Rate Bonds is to be computed on the basis of a year of 365 or 366 days, as appropriate, for the actual number of days elapsed. Upon conversion to ARCs or to another variable rate, the 2007 Series Bonds interest will be computed as described in the Indenture. The Maximum Rate on the Weekly Rate Bonds is the lowest of (i) 14% per annum, with respect to the 2007 Series Bonds, (ii) in the event any Liquidity Facility is then in effect, the rate supportable by the interest component of that Liquidity Facility for the period required by the Rating Agency to obtain a rating on the Bonds equal to the applicable rating of the Liquidity Provider and (iii) the maximum rate of interest permitted under Utah law.

Establishment of Interest Rates for Weekly Rate Bonds

The 2007 Series Bonds shall bear interest at a Weekly Rate (as defined below) during any "Weekly Rate Period," which is a period during which the 2007 Series Bonds bear interest at a Weekly Rate, commencing on a Wednesday and ending on Tuesday of the next succeeding week (provided that the final Weekly Rate Period shall terminate at maturity or upon earlier redemption). Prior to a Conversion Date, and except as provided in a Liquidity Facility for 2007 Series Bonds purchased by the Liquidity Provider ("Liquidity Provider Bonds"), the 2007 Series Bonds shall bear interest at the lesser of (1) the Maximum Rate, or (2) the Weekly Rate (as defined below). With respect to each series of the 2007 Series Bonds, the "Weekly Rate" means a rate equal to the lowest rate, which, in the judgment of the Remarketing Agent, would produce as nearly as possible a par bid (but not less than par) for each series of the 2007 Series Bonds for a particular Weekly Rate Period, or, in the event that the Remarketing Agent for any reason fails to determine the Weekly Rate for any Weekly Rate Period, or the rate established by the Remarketing Agent is held to be invalid or unenforceable by a court of law for any Weekly Rate Period, the rate of interest to be borne by the 2007 Series Bonds for such Weekly Rate Period shall be equal to 150% of the PSA Municipal Swap Index, as the same may be adjusted from time to time (but not to exceed the Maximum Rate), until such time as a new Weekly Rate can be established by the Remarketing Agent (in the event such index no longer exists, the Remarketing Agent is to select a comparable index of seven-day tender municipal bonds). The Weekly Rate is to be determined by the Remarketing Agent no later than 3:00 p.m., New York City time, on the Business Day next preceding the first day of each Weekly Rate Period.

From and after a conversion of the 2007 Series Bonds to ARCs or to another variable rate on the Conversion Date, the 2007 Series Bonds shall bear interest as provided in the Indenture.

Purchase of Weekly Rate Bonds on Demand of Owner

While the 2007 Series Bonds bear interest at a Weekly Rate, each Owner of such a Bond may, by delivery of a written tender notice to the Tender Agent (a "Tender Notice") on or before 10:00 a.m. Salt Lake City, Utah time, on any Business Day at least seven days before an Optional Tender Date (as defined below), demand payment of the principal of and accrued interest on such Bond on and as of such Optional Tender Date (the "Purchase Price"). An "Optional Tender Date" is any Business Day specified by an Owner in a Tender Notice for any purchase of any 2005 Series Bond bearing interest at a Weekly Rate in accordance with the provisions of the Indenture. In order to receive such payment on such Optional Tender Date, such Owner must tender such Bond to the Tender Agent on or before such Optional Tender Date and such Bond must conform in all respects to the description thereof in the Tender Notice. The Tender Agent shall hold any Bond so tendered in trust for the Owner tendering the same until payment therefor is made. If the Tender Agent has not received the purchase price of the Bond from the Remarketing Agent on such purchase date, the Tender Agent is required to draw on the Liquidity Facility and purchase the Bond. When funds sufficient to pay the purchase price of the principal of and interest on any Bond with respect to which a Tender Notice shall have been delivered to the Tender Agent have been deposited with the Tender Agent, as of such purchase date, in accordance with the Indenture, interest on the Bond for the benefit of the tendering owner will cease to accrue on and after such date. The owner of any undelivered Bonds shall not be entitled to any payment (including any interest to accrue subsequent to the purchase date) other than the purchase price for such undelivered Bonds, and undelivered Bonds shall no longer be entitled to the benefits of the Indenture except for the purpose of payment of the purchase price therefor.

The 2007 Series Bonds bearing interest at a Weekly Rate shall not be subject to optional tender as described above at any time after (i) the declaration by the Trustee and continuation of an Event of Default as described in Exhibit I - "EXTRACTS FROM THE GENERAL INDENTURE" under "Events of Default" therein, items (1) and (2) (or any declaration of acceleration of the Bonds); or (ii) receipt by the Trustee of notice from the Liquidity Provider that the Liquidity Facility has been terminated as a result of the occurrence of an event of default under the initial Liquidity Facility as described under the heading "Standby Bond Purchase Agreement - Events of Termination Without Mandatory Tender" or similar events specified in any substitute Liquidity Facility.

Liquidity Facility for the 2007 Series Bonds

The Board, Wells Fargo Bank, National Association, as Tender Agent and the Bank as the initial Liquidity Provider have entered into a Standby Bond Purchase Agreement pursuant to which the Bank as Liquidity Provider has agreed to purchase properly tendered 2007 Series Bonds bearing at a Weekly Rate if other funds are insufficient, subject to the conditions set forth therein. Such Standby Bond Purchase Agreement only relates to the 2007 Series Bonds bearing interest at a Weekly Rate. Under certain circumstances summarized below, the Standby Bond Purchase Agreement may be terminated without providing a right of tender to Owners of the 2007 Series Bonds (another Liquidity Facility may contain similar provisions). Certain provisions of the Standby Bond Purchase Agreement are summarized below under "THE 2007 Series Bonds - Standby Bond Purchase Agreement". Reference should be made to the Standby Bond Purchase Agreement for a full statement of its provisions.

Standby Bond Purchase Agreement

Concurrently with the issuance of the 2007 Series Bonds, the Bank is to enter into the Standby Bond Purchase Agreement with the Board and the Tender Agent to provide, under certain circumstances, for the payment of the purchase price of such Bonds bearing interest at a Weekly Rate.

[The Standby Bond Purchase Agreement (and any other Liquidity Facility) shall permit the Tender Agent to draw, upon the terms and conditions set forth therein, up to (i) an amount not exceeding the aggregate principal amount of Outstanding 2007 Series Bonds to pay the portion of the purchase price equal to the principal of the tendered 2007 Series Bonds (whether upon optional or mandatory tender of such Bonds), plus (ii) an amount equal to accrued interest on the Outstanding 2007 Series Bonds (A) with respect to the 2007 Series Y Bonds, in an amount not in excess of 190 days' interest at a rate not to exceed 14% per annum and (B) with respect to the 2005 Series X Bonds, in an amount not in excess of 35 days' interest at a rate not to exceed 18% per annum. The obligation of the Bank under the Standby Bond Purchase Agreement (and any other Liquidity Provider under a Liquidity Facility) shall be reduced to the extent of any drawing thereunder, subject to reinstatement for interest draws and drawings with respect to the purchase of 2007 Series Bonds that are subsequently remarketed as provided therein. The Standby Bond Purchase Agreement is to terminate on February 11, 2024 (such date, together with any stated termination date in any other Liquidity Facility, herein referred to as the "Expiration Date") unless earlier terminated as provided therein or extended pursuant to the Standby Bond Purchase Agreement or other Liquidity Facility. On each date on which the purchase price of the Weekly Rate Bonds is payable, the Tender Agent is required by the Indenture to draw moneys under the Liquidity Facility (up to the amount available thereunder and in accordance with the terms thereof) in an amount sufficient to pay the purchase price of the 2007 Series Bonds on such date, and is required to apply such moneys to pay such purchase price when due without further authorization or direction upon mandatory or optional tender thereof, to the extent that sufficient funds are not available from the

remarketing of such Bonds. Amounts drawn by the Tender Agent on the Liquidity Facility to pay principal and interest on the 2007 Series Bonds are to be automatically reinstated under the Liquidity Facility simultaneously with any Bonds so purchased being remarketed.

Under the Liquidity Facility, the Board must pay fees to the Liquidity Provider from funds available under the Indenture. The Board must also promptly after demand pay any and all reasonable fees, charges, or other costs or expenses incurred by the Liquidity Provider with respect to the Liquidity Facility or enforcement of the Liquidity Provider's rights under the Liquidity Facility. The Board must also compensate the Liquidity Provider for certain increased costs of the Liquidity Provider of issuing or maintaining the Liquidity Facility incidental to governmental application of reserve, deposit or other requirements or conditions. All such obligations are limited obligations of the Board and payable from moneys available under the Indenture therefor in accordance with the Liquidity Facility.]

The Board may, pursuant to the Indenture, substitute another Liquidity Facility for the Standby Bond Purchase Agreement at any time upon certain terms and conditions. See "THE 2007 Series Bonds - Substitution of Liquidity Facility", herein.

Events of Termination Without Mandatory Tender.

[Under the Standby Bond Purchase Agreement, if any of the following events shall occur, the Bank's commitment thereunder shall automatically and immediately terminate without the Owners having a right to tender their 2007 Series Bonds:

(a) Any principal or interest due on the Bonds is not paid by the Board when due and such principal or interest is not paid by the Bond Insurer when, as, and in the amounts required to be paid pursuant to the terms of the Insurance Policy; or

(b) Any material provision of the Insurance Policy at any time for any reason ceases to be valid and binding on the Bond Insurer in accordance with the terms of the Insurance Policy or is declared to be null and void by a court or other governmental agency of appropriate jurisdiction, or the validity or enforceability thereof is contested by the Bond Insurer or any governmental agency or authority, or the Bond Insurer denies that it has any or further liability or obligation under the Insurance Policy; or

(c) A proceeding is instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect to the Bond Insurer under applicable law and such proceeding is not terminated for a period of 60 consecutive days or such court enters an order granting the relief sought in such proceeding or the Bond Insurer shall institute or take any corporate action for the purposes of instituting any such proceeding; or the Bond Insurer shall become insolvent or unable to pay its debts as they mature or claims under any of its insurance policies as such claims are made, shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the Bond Insurer or for any substantial part of its property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts or claims as they become due, or shall take any corporate action in furtherance of any of the foregoing; or

(d) The Bond Insurer shall default in any payment or payments of amounts payable by it under any insurance policy or policies related to transactions rated by S&P, Moody's or Fitch when due, and either (i) any such default shall continue unremedied for a period of one day, or (ii) the aggregate amount of such payment defaults shall exceed \$75,000,000 at any one time outstanding.]

Events of Termination With Mandatory Tender.

[Upon the happening of any of the following events, the Bank may terminate its commitment to purchase Bonds by giving 75 days written notice to the Board, the Trustee, the Tender Agent and the Bond Insurer:

(a) Any representation or warranty made by the Board under or in connection with the Standby Bond Purchase Agreement or any of certain related documents shall prove to be untrue in any material respect on the date as of which it was made; or

(b) Nonpayment of certain amounts payable under the Standby Bond Purchase Agreement within five Business Days after the Trustee and the Board have received written notice from the Bank that the same were not paid when due; or

(c) Nonpayment of any other fees, or any other amount, when due under the Standby Bond Purchase Agreement, if such failure to pay when due shall continue for seven Business Days after written notice thereof to the Board by the Bank; or

(d) The breach by the Board of certain terms or provisions of the Standby Bond Purchase Agreement; or

(e) The breach by the Board of any of the other terms or provisions of the Standby Bond Purchase Agreement which is not remedied within 60 days after written notice thereof shall have been received by the Board from the Bank; or

(f) The Indenture shall terminate or cease to be in full force and effect, other than as a result of any redemption or prepayment in full of the Bonds; or

(g) The occurrence of any “Events of Default” as defined in the Indenture; or

(h) (i) The Board shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Board shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Board any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in an order for such relief or in the appointment of a receiver or similar official or (B) remains undismissed, undischarged or unbonded for a period of 90 days; or (iii) there shall be commenced against the Board, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 90 days from the entry thereof, or (iv) the Board shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Board shall generally not, or shall be unable to, or shall admit in writing its inability to, pay certain of its debts as they become due; or

(i) Any material provision of the Standby Bond Purchase Agreement or any of certain related documents shall at any time for any reason cease to be valid and binding on the Board or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Board or by any court or tribunal having jurisdiction, or the Board shall deny that it has any or further liability or obligation under any such document.

The date specified for such termination of the Bank’s commitment is referred to herein as the “Termination Date with Mandatory Tender.”]

[BANK]

The following information has been provided by the Bank (at times referred to hereinafter as “_____”) for use in this Official Statement. Such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Board or the Underwriters. This information has not been independently verified by the Board or the Underwriters. No representation is made by the Board or the Underwriters as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

[TO COME]

Substitution of Liquidity Facility

At any time permitted by the applicable Liquidity Facility, but not less than 10 Business Days prior to the scheduled expiration date of the Liquidity Facility then in effect, the Board may cause to be delivered to the Trustee a substitute Liquidity

Facility in a stated amount sufficient to cover the Purchase Price of the 2007 Series Bonds including interest thereon, in such amount as may be required by the Rating Agency, together with:

- (1) an opinion from counsel to the Liquidity Provider issuing the substitute Liquidity Facility, to the effect that it is the valid and binding obligation of the Liquidity Provider, payable in accordance with its terms, and regarding such matters under the United States Bankruptcy Code as the Rating Agency may then require;
- (2) an opinion of Bond Counsel to the effect that such substitution is authorized or permitted by the Act and the Indenture and will not adversely affect the exclusion from gross income of interest on the 2007 Series Y Bonds (a "Favorable Opinion"); and
- (3) the prior written consent of the Bond Insurer.

The Board shall notify the Trustee of the proposed substitution and the effective date of the proposed substitution (the "Substitution Date") at least 30 Business Days prior thereto, and the Trustee shall establish the Substitution Date as a Mandatory Tender Date for the 2007 Series Bonds.

Upon the delivery of a substitute Liquidity Facility to the Trustee and subject to any remaining requirements of the prior Liquidity Provider with respect to the reimbursement of any final drawing under its Liquidity Facility, the Trustee, on behalf of the Board, shall promptly confirm the cancellation of the then-held Liquidity Facility to the Liquidity Provider.

At all times while all or any of the 2007 Series Bonds bear interest at Weekly Rates, the Board covenants and agrees to maintain a Liquidity Facility in respect of the 2007 Series Bonds, under terms and in such a stated amount as may be required by the Rating Agency and the Bond Insurer. The Trustee shall not terminate a Liquidity Facility except after a Substitution Date or in the event the 2007 Series Bonds are converted in whole to ARCs or to another variable rate.

Redemption and Acceleration Provisions

The Indenture sets forth the provisions for the acceleration of the 2007 Series Bonds and for the redemption of certain of the 2007 Series Bonds prior to maturity, as described below. The Board may elect to redeem such Bonds, as described below, upon notice to the Trustee of the Redemption Date, the principal amounts of such Bonds, and maturities to be redeemed. In the event that the 2007 Series Bonds are to be redeemed in part, they are to be redeemed only in multiples of then authorized denominations, and are to be selected by lot or such other manner as the Trustee shall determine in accordance with the Indenture.

Optional Redemption. The 2007 Series Bonds bearing interest at a Weekly Rate shall be subject to optional redemption on any date at a Redemption Price of par plus accrued interest, if any. To the extent that there exist any Liquidity Provider Bonds, the Indenture requires that all of such Liquidity Provider Bonds be called for redemption at or prior to the redemption of any other Weekly Rate Bonds.

Notice and Effect of Redemption. On the date designated for redemption by notice as provided under the Indenture, the 2007 Series Bonds so called for redemption shall become due and payable at the stated redemption price and, to the extent moneys are available therefor, interest shall cease to accrue on such Bonds and such Bonds shall no longer be entitled to any benefit or security under the Indenture. Notice is to be given not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption.

Acceleration. Upon any declaration of acceleration of the 2007 Series Bonds after an Event of Default under the Indenture, the Trustee shall give notice of such declaration to registered Bondowners, and if funds in an amount sufficient to pay the principal of and interest on the 2007 Series Bonds have been deposited with the Trustee, interest shall cease to accrue on the 2007 Series Bonds.

Optional Tender of Weekly Rate Bonds

Each 2007 Series Bond bearing interest at a Weekly Rate is subject to purchase, in whole or in part, at the request of the Owner thereof, on any Optional Tender Date, at the Purchase Price. To exercise the option to have a 2007 Series Bond bearing interest at a Weekly Rate so purchased, such Owner must deliver a properly executed and completed Tender Notice to the Tender Agent at its office located in Salt Lake City, Utah, no later than 10:00 a.m., Salt Lake City, Utah time, on a Business Day which is no less than the seventh (7th) calendar day preceding the Optional Tender Date. Optionally Tendered Bonds are to be delivered to the Tender Agent on or prior to the Optional Tender Date. Such delivery shall be a condition precedent to

payment of the Purchase Price for such Bond. The exercise of an option by an Owner to have such Bond purchased is irrevocable and binding on such Owner and cannot be withdrawn. The Tender Agent's determination as to whether a Tender Notice has been properly completed, executed and delivered will be binding upon the Owner of such Bond. In the event of a failure of an Owner to deliver its tendered Bonds on or before the Optional Tender Date, the Owner will not be entitled to any payment (including any interest to accrue subsequent to the Purchase Date) other than the Purchase Price for such Bond, and any undelivered bond shall no longer be entitled to the benefits of the Indenture, except payment of the Purchase Price therefor.

The Liquidity Facility is not designed to provide credit protection. Upon the happening of certain events summarized above under the heading "THE 2007 Series Bonds - Standby Bond Purchase Agreement - Events of Termination Without Mandatory Tender", the obligation of the Liquidity Provider to purchase 2007 Series Bonds may be terminated without providing the Owners of such Bonds an opportunity to tender them for purchase.

The 2007 Series Bonds bearing interest at a Weekly Rate shall not be subject to optional tender as described above at any time after (i) the declaration by the Trustee and continuation of an Event of Default as described in Exhibit I - "EXTRACTS FROM THE GENERAL INDENTURE" under "Events of Default" therein, items (1) and (2) (or any declaration of acceleration of the Bonds); or (ii) receipt by the Trustee of notice from the Liquidity Provider that the Liquidity Facility has been terminated as a result of the occurrence of an event of default under the initial Liquidity Facility as described under the heading "THE 2007 Series Bonds - Standby Bond Purchase Agreement - Events of Termination Without Mandatory Tender" or similar events specified in any substitute Liquidity Facility.

The financial guaranty insurance policy does not insure against loss relating to the payments of the purchase price of the 2007 Series Bonds upon tender by an Owner of such Bonds or any preferential transfer relating to the payments of the purchase price of such Bonds upon tender by an Owner thereof.

Mandatory Tender of Weekly Rate Bonds

Except as otherwise provided in the Indenture, all 2007 Series Bonds bearing interest at a Weekly Rate must be tendered by the Owners thereof for purchase at their Purchase Price under the circumstances and on the dates set forth below (the "Mandatory Tender Date"):

- (a) On each proposed Conversion Date; and
- (b) On the fifth Business Day prior to each Expiration Date and each Termination Date with Mandatory Tender and on each Substitution Date; provided, that upon such mandatory tender, the affected Owners will be paid from the proceeds of a draw on the then-held Liquidity Facility and not from the proceeds of a draw on the substitute Liquidity Facility, if any.

Unless the Board shall rescind the notice of a proposed Conversion Date, the Trustee shall furnish to affected Owners of such Bonds notice not later than 15 days prior to each proposed Conversion Date. Such notice shall inform the affected Owners (a) that the affected 2007 Series Bonds are to be converted to ARCs or to another variable rate on the proposed Conversion Date, (b) that the proposed Conversion Date will be a Mandatory Tender Date and that all 2007 Series Bonds subject to conversion on such date are required to be tendered to the Tender Agent on the proposed Conversion Date for mandatory purchase at the Purchase Price and (c) if the conversion is with respect to all 2007 Series Bonds that the Liquidity Facility will terminate immediately following the conversion on the Conversion Date. On the Mandatory Tender Date, all affected 2007 Series Bonds are to be purchased.

The Trustee shall furnish to Owners of 2007 Series Bonds notice not later than 15 days prior to the Mandatory Tender Date described in (b) above that (i) the current Liquidity Facility will terminate on the Substitution Date or Expiration Date or Termination Date with Mandatory Tender, (ii) on the Substitution Date or the fifth Business Day prior to the Expiration Date or Termination Date with Mandatory Tender, which date shall be named, all 2007 Series Bonds will be subject to mandatory tender for purchase, (iii) that the Liquidity Facility will not support payment of the Purchase Price due on such Bonds after the Substitution Date or Expiration Date or Termination Date with Mandatory Tender, and that this may result in the withdrawal or reduction of any rating then applicable to such Bonds, and (iv) in the case of the Expiration Date or Termination Date with Mandatory Tender, Owners will have no right to tender such Bonds for optional purchase following such date. On the Mandatory Tender Date, all affected 2007 Series Bonds are to be purchased.

Purchase Fund

The Tender Agent is to establish a Purchase Fund for the 2007 Series Bonds (the "Purchase Fund"). Only the Tender Agent and the Trustee shall have any right of withdrawal from the Purchase Fund for the exclusive benefit of the purchasers and sellers (including the Liquidity Provider) of 2007 Series Bonds Weekly Rate Bonds tendered for purchase and the Board will have no legal, beneficial or equitable right, title or interest therein. A Remarketing Account, a Liquidity Account and an Undelivered Bond Payment Account are to be established by the Tender Agent as trust accounts within the Purchase Fund.

Any moneys received by the Tender Agent from the Remarketing Agent for the purchase of 2007 Series Bonds or the sale of Liquidity Provider Bonds is to be deposited into the Remarketing Account of the Purchase Fund, and any moneys received by the Tender Agent representing proceeds of drawings under the Liquidity Facility are to be deposited in the Liquidity Account of the Purchase Fund, and both are to be paid out to tendering Owners in accordance with the Indenture. Amounts on deposit in the Purchase Fund are to be held uninvested and without bearing interest.

Insufficient Funds for Tenders

If the funds available for purchases of 2007 Series Bonds subject to optional or mandatory tender are inadequate for the purchase of all such Bonds tendered on any purchase date, the Tender Agent shall, after any applicable grace period: (a) return all such tendered Bonds to the Owners thereof; (b) return all moneys received for the purchase of such Bonds (other than moneys provided by the Liquidity Facility Provider, unless the Liquidity Facility is reinstated with respect thereto) to the persons providing such moneys; and (c) notify the Trustee of the return of such Bonds and moneys and the failure to make payment for such tendered Bonds.

Remarketing of Tendered Weekly Rate Bonds

The Remarketing Agent is to use its best efforts to solicit purchases of 2007 Series Bonds which have been tendered for purchase or are subject to mandatory tender, at a price of par, plus accrued interest from the most recent Interest Payment Date, if any, subject, in all respects, to the terms and conditions of the Thirteenth Supplemental Indenture. The Remarketing Agent is to notify the Paying Agent of any 2007 Series Bonds which it does not expect to remarket. The Tender Agent is to make a drawing on the Liquidity Facility in an amount equal to the Purchase Price of unremarketed 2007 Series Bonds which have been tendered and shall use the proceeds of the drawing to pay the Purchase Price of tendered 2007 Series Bonds.

Any Remarketing Agent appointed by the Board is to covenant that it will not withdraw or resign until such time as the Board has appointed a replacement Remarketing Agent for the 2007 Series Bonds, the Trustee accepts the duties of Remarketing Agent, or a court of competent jurisdiction has appointed a replacement Remarketing Agent; provided, however, that from and after the date upon which all 2007 Series Bonds have been converted to ARCs, no Remarketing Agent need serve.

Conversion of Weekly Rate Bonds

The Board may give written notice at any time to the Bond Insurer, the Liquidity Provider, the Remarketing Agent, the Rating Agencies, the Paying Agent and the Trustee to the effect that it intends to effect a conversion of the interest rate on all or a specified principal amount of the outstanding 2007 Series Bonds to ARCs or another variable rate, which notice of conversion shall be delivered not less than 25 days prior to the proposed Conversion Date. The proposed Conversion Date shall be the first Business Day following the end of a subsequent Weekly Rate Period with respect to the 2007 Series Bonds. No conversion to ARCs or another variable rate shall occur unless (i) the Board shall file with the Trustee, the Bond Insurer, Liquidity Provider, the Paying Agent and the Remarketing Agent, a Favorable Opinion, regarding the conversion of the 2007 Series Bonds, or a specified principal amount thereof and (ii) except as otherwise provided in the Indenture, the Board shall have received the prior written consent of the Bond Insurer to such conversion.

INSURANCE ON THE 2007 SERIES BONDS

The following information concerning Ambac has been provided by representatives of Ambac and has not been independently confirmed or verified by the Board or the Underwriters or their respective counsel. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material changes in such information subsequent to the date of such information or the date hereof. Reference is made to Exhibit IV hereto for a further description of Ambac.

Ambac has made a commitment to issue a financial guaranty insurance policy (the “Financial Guaranty Insurance Policy”) relating to the 2007 Series Bonds effective as of the date of issuance of the 2007 Series Bonds. Under the terms of the Financial Guaranty Insurance Policy, Ambac will pay to The Bank of New York, New York, New York or any successor thereto (the “Insurance Trustee”) that portion of the principal of and interest on the 2007 Series Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Board (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac shall have received notice of Nonpayment from the Trustee. The insurance will extend for the term of the 2007 Series Bonds and, once issued, cannot be canceled by Ambac.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the 2007 Series Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding 2007 Series Bonds, Ambac will remain obligated to pay principal of and interest on outstanding 2007 Series Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the 2007 Series Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Trustee has notice that any payment of principal of or interest on a 2005 Series Bond which has become Due for Payment and which is made to a Bondowner by or on behalf of the Board has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does not insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Financial Guaranty Insurance Policy does not cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.
2. payment of any redemption, prepayment or acceleration premium.
3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee, Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of 2007 Series Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such 2007 Series Bonds to be registered in the name of Ambac to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of Bondowner entitlement to interest payments and an appropriate assignment of the Bondowner’s right to payment to Ambac.

Upon payment of the insurance benefits, Ambac will become the owner of the 2005 Series Bond, appurtenant coupon, if any, or right to payment of principal or interest on such 2005 Series Bond and will be fully subrogated to the surrendering Bondowner’s rights to payment.

The Financial Guaranty Insurance Policy does not insure against loss relating to payments of the purchase price of 2007 Series Bonds upon tender by a registered owner thereof or any preferential transfer relating to payments of the purchase price of 2007 Series Bonds upon tender by a registered owner thereof.

The insurance provided by the Financial Guaranty Insurance Policy is not covered by the property/casualty insurance security fund specified by the insurance laws of the State of New York.

CERTAIN INVESTMENT CONSIDERATIONS [TO BE UPDATED]

The Board believes, based on its analyses of multiple cash flow projections which have been based on various assumptions and scenarios, that (i) Revenues to be received pursuant to the Indenture and the balances in the various Accounts should be sufficient to pay principal of and interest on the Bonds (including the 2007 Series Bonds) when due and to pay when due certain fees and expenses related to the Bonds and the Loans until the final maturity of such Bonds, as more fully described

below; and (ii) the liquidity of the amounts in the Accounts should be sufficient under the circumstances as projected to pay principal of and interest on the 2007 Series Bonds when due and also pay when due all expenses related to such Bonds and the Loans. A variety of factors, including the factors discussed below, could affect the sufficiency of the Revenues to meet debt service payments on the 2007 Series Bonds.

Factors Affecting Sufficiency and Timing of Receipt of Revenues

The Board expects that the Revenues to be received pursuant to the Indenture should be sufficient to pay principal of and interest on the Bonds (including the 2007 Series Bonds) when due and also to pay the annual cost of all Trustee fees, remarketing fees, insurance fees, credit enhancement fees, servicing costs and other expenses related thereto and to the Loans until the final maturity or earlier redemption of such Bonds. This expectation is based upon an analysis of cash flow projections using assumptions, which the Board believes are reasonable, regarding the timing of the financing of such Loans to be held pursuant to the Indenture, the future composition of and yield on the Loan portfolio, the rate of return on moneys to be invested in various Accounts under the Indenture, and the occurrence of future events and conditions. These assumptions are derived from the Board's experience in the administration of its Loan Purchase Program. There can be no assurance, however, that the Loans will be acquired as anticipated, that interest and principal payments from the Loans will be received as anticipated, that the reinvestment rates assumed on the amounts in various Accounts will be realized, or that special allowance payments and other payments will be received in the amounts and at the times anticipated. In addition, there can be no assurance that certain costs related to maintaining the Loan portfolio, including servicing costs, will not increase. Furthermore, other future events over which the Board has no control may adversely affect the Board's actual receipt of Revenues pursuant to the Indenture. For a description of the composition of the Loan portfolio as of _____, 2007, see "STATE BOARD OF REGENTS OF THE STATE OF UTAH — Loan Purchase Program Portfolio Information" below.

Receipt of principal of and interest on Loans may be accelerated due to various factors, including, without limitation: (i) default claims or claims due to the disability, death or bankruptcy of the borrowers greater than those assumed; (ii) actual principal amortization periods which are shorter than those assumed based upon the current analysis of the Board's loan portfolio; (iii) the commencement of principal repayment by borrowers on earlier dates than are assumed based upon the current analysis of the Board's loan portfolio; (iv) economic conditions that induce borrowers to refinance or repay their loans prior to maturity; and (v) changes in federal law which may affect the timing of the receipt of funds by the Board. The Board or other lenders may make consolidation loans to borrowers for the purpose of retiring certain borrowers' existing loans under various federal higher education loan programs. To the extent that Loans are repaid with consolidation loans, the Board would realize repayment of such Loans earlier than projected.

Delay in the receipt of principal of and interest on Loans may adversely affect payment of the principal of and interest on the 2007 Series Bonds when due. Principal of and interest on Loans may be delayed due to numerous factors, including, without limitation: (i) borrowers entering deferment periods due to a return to school or other eligible purposes; (ii) forbearance being granted to borrowers; (iii) Loans becoming delinquent for periods longer than assumed; (iv) actual loan principal amortization periods which are longer than those assumed based upon the current analysis of the Board's loan portfolio; and (v) the commencement of principal repayment by borrowers at dates later than those assumed based upon the current analysis of the loan portfolio.

If actual receipt of Revenues under the Indenture or actual expenditures by the Board under its loan origination and acquisition programs vary greatly from those projected, the Board may be unable to pay the principal of and interest on the 2007 Series Bonds and amounts owing on other obligations when due. In the event that Revenues to be received under the Indenture are insufficient to pay the principal of and interest on the Bonds and amounts owing on certain other obligations when due, the Indenture authorizes and, under certain circumstances requires, the Trustee to declare an Event of Default, accelerate the payment of the Bonds, and sell the Loans. In such circumstances, it is possible, however, that the Trustee would not be able to sell the Loans and other assets held under the Indenture at prices sufficient to pay the Bonds.

Guarantors

In the event the financial status of a guarantor and its ability to honor guarantee claims were to deteriorate over time, such event may result in a delay or a failure to make guarantee payments to holders of guaranteed loans, including the Board. The percentage of federal reimbursement to a guarantor is based upon the amount of federal reimbursement payments made to such guarantor as a percentage of the principal amount of the guarantor's guaranteed loans in repayment at the end of the preceding federal fiscal year. Higher than expected default claims against a guarantor of guaranteed loans could reduce the amount of federal reimbursement to such guarantor, thus possibly causing such guarantor to reduce its reserve fund below desired levels in order to pay guarantee claims. Guarantor operations and activities are subject to statutory and regulatory change. See "DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM — Insurance and Guarantees."

Changes in Federal Law

Various amendments to the Higher Education Act authorize the Secretary to offer borrowers direct Consolidation Loans whereby the borrowers may consolidate their various student loans into a single loan with income-sensitive repayment terms. The financing of such Consolidation Loans by the Secretary on a large scale basis may cause an increase in the number of prepayments of Loans and reduce the size of the Board's Loan Portfolio. There can be no assurance that relevant federal laws, including the Higher Education Act, will not be changed in a manner which might adversely affect the availability and flow of funds for the Loan Purchase Program. See "DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" herein for more information on the Higher Education Act and various amendments thereto. There can be no assurance that any future law will not prospectively or retroactively affect the terms and conditions under which student loans are made and under which lenders are provided interest subsidies or special allowance payments in a manner that might adversely affect the ability of the Board to pay the principal of and interest on the Bonds when due.

Noncompliance with the Higher Education Act

Noncompliance with the Higher Education Act, with respect to Loans which are Higher Education Act loans, by lenders, any guarantor, any servicer or the Board may adversely affect payment of principal of and interest on the 2007 Series Bonds when due. The Higher Education Act and the applicable regulations thereunder require the lenders making education loans, guarantors guaranteeing such loans and lenders or servicers servicing such loans to follow certain due diligence procedures in an effort to ensure that education loans are properly made and disbursed to, and timely repaid by, the borrowers. Such due diligence procedures include certain loan application procedures, certain loan origination procedures and, when a student loan is in default, certain loan collection procedures. The procedures to make, guarantee and service Higher Education Act loans are set forth in the Code of Federal Regulations and other documents of the Department of Education, and no attempt has been made in this Official Statement to describe those procedures in their entirety. Failure to follow such procedures may result in the Secretary's refusal to make reinsurance payments to a guarantor on such loans or may result in the guarantor's refusal to honor its guarantee on such loans to holders of guaranteed loans, including the Board. Such action by the Secretary could adversely affect a guarantor's ability to honor guarantee claims and loss of guarantee payments to the Board by an Eligible Guarantor could adversely affect the ability of the Board to make payment of principal of and interest on the 2007 Series Bonds.

Uncertainty as to Available Remedies

The remedies available to owners of the 2007 Series Bonds upon an Event of Default under the Indenture or other documents described herein are in many respects dependent upon regulatory and judicial actions which often are subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the Indenture and such other documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the issuance of the 2007 Series Bonds will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Bond Insurance

As long as the Financial Guaranty Insurance Policy is in effect for the 2007 Series Bonds and Ambac has not lost its consent rights pursuant to the Indenture, Ambac shall have the right to direct the Trustee, as holder of the 2007 Series Bonds, to give any consent, approval or notice required under the provisions of the Indenture without the consent of any Owners of the 2007 Series Bonds. In addition, so long as Ambac performs its obligations under the Financial Guaranty Insurance Policy, Ambac may direct, and must consent to, any remedies that the Trustee exercises under the Indenture.

PLAN OF FINANCE

The 2007 Series Bonds are being issued and the proceeds shall be used, together with other moneys of the Board, (i) to obtain funds to make or acquire Eligible Student Loans, (ii) to fund an additional deposit to the Debt Service Reserve Fund and (iii) to pay certain costs incurred in connection with the issuance of the 2007 Series Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The Board estimates that the proceeds from the sale (exclusive of accrued interest, if any) of the 2007 Series Bonds will be applied approximately as follows:

Sources:	
Principal Amount of 2007 Series Bonds	<u>\$00,000,000</u>
Total Sources.....	<u>\$00,000,000</u>
 Uses:	
Loan Acquisition Account	\$00,000,000
Debt Service Reserve Account.....	00,000,000
Costs of issuance (including underwriting).....	<u>00,000,000</u>
Total Uses.....	<u>\$00,000,000</u>

BOOK-ENTRY SYSTEM

Beneficial ownership interests in the 2007 Series Bonds will be available in book-entry form only. Purchasers of beneficial ownership interests in the 2007 Series Bonds will not receive certificates representing their interests in the 2007 Series Bonds purchased and will not be Bondowners under the Indenture, except as described below.

The information that follows in this section “Book-Entry System” is based solely on information provided by DTC. No representation is made by the Board or the Underwriters as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the 2007 Series Bonds. The 2007 Series Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the 2007 Series Bonds, as set forth in the cover page hereof, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2007 Series Bonds under the DTC system must be made by or through Direct Participants, which are to receive a credit for the 2007 Series Bonds on DTC’s records. The ownership interest of each actual purchaser of a beneficial interest in the 2007 Series Bonds (“Beneficial Holder”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Holders will not receive written confirmation from DTC of their purchase, but Beneficial Holders are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Holder entered into the transaction. Transfers of ownership interests in the 2007 Series Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Holders. Beneficial Holders will not receive certificates representing their ownership interests in 2007 Series Bonds, except in the event that use of the book-entry system for the 2007 Series Bonds is discontinued.

To facilitate subsequent transfers, all 2007 Series Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of 2007 Series Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Holders of the 2007 Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2007 Series Bonds are credited, which may or may not be the Beneficial Holders. The Direct and Indirect Participants shall remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Holders shall be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2007 Series Bonds or all of a subseries thereof are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) shall consent or vote with respect to the 2007 Series Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2007 Series Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the 2007 Series Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Board or Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Holders shall be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and shall be the responsibility of such Participant and not of DTC, the Paying Agent, the Trustee or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Holders shall be the responsibility of Direct and Indirect Participants.

Neither the Board nor the Trustee shall have any responsibility or obligation to any DTC Participant, any Beneficial Holder or other persons claiming a beneficial ownership interest in the 2007 Series Bonds under or through DTC or any DTC Participant, with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant with respect to the beneficial ownership interest in the 2007 Series Bonds; (ii) the payment by DTC or any DTC Participant of any amount in respect of the principal of and premium, if any, or interest on the 2007 Series Bonds to any Beneficial Holder or other person for the 2007 Series Bonds; or (iii) the delivery to any Beneficial Holder of the 2007 Series Bonds, or any other person of any notice which is permitted or required to be given to owners under the Indenture. Neither the Board nor the Trustee shall have any responsibility with respect to obtaining consents from anyone other than the Registered Owners.

DTC may discontinue providing its services as securities depository with respect to the 2007 Series Bonds at any time by giving reasonable notice to the Board and Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2005 Series Bond certificates are required to be printed and delivered.

No assurance can be given by the Board or the Trustee that DTC will distribute to the DTC Participants or the DTC Participants will distribute to the Beneficial Holders (i) payments of debt service on the 2007 Series Bonds paid to DTC or its nominee, as the Registered Owner, or (ii) any redemption or other notices, or that DTC or the DTC Participants will serve or act on a timely basis or in a manner described in this Official Statement.

STATE BOARD OF REGENTS OF THE STATE OF UTAH

Statutory Authorization

The Board is organized and operates under the laws of the State of Utah and is vested with the power to govern the State's system of higher education, which consists of the Board and various public post-secondary educational institutions in the State.

The Board is composed of 18 residents of the State. Fifteen of the members are appointed by the Governor of the State with the consent of the Utah Senate, one member is appointed by the Governor as a student representative from nominations of a council of student body presidents, and two additional non-voting members are appointed from members of the State Board of Education. Utah law directs that members of the Board be selected from the State at large with due consideration for geographical representation and at least three members are to have experience in applied technology education.

Membership

The members of the Board as of the date of this Official Statement are as follows:

<u>Regent</u>	<u>Utah Residence</u>	<u>Term Expires*</u>	<u>Office</u>	<u>Occupation/Affiliation</u>
Jerry C. Atkin	St. George	2011	Member	Businessman
Bonnie Jean Beesley	Salt Lake City	2009	Vice Chair	Civic Leader
Janet A. Cannon	Salt Lake City	(1)	Member	Educator
Rosanita Cespedes	Salt Lake City	2011	Member	Businesswoman
Amy Eng	Orem	2008	Member	Student
Katharine B. Garff	Bountiful	2009	Member	Civic Leader
Patti Harrington	Orem	2013	Member	Educator
Greg W. Haws	Hooper	(1)	Member	Businessman
Meghan Holbrook	Salt Lake City	2009	Member	Businesswoman
James S. Jardine	Salt Lake City	2011	Member	Attorney
David J. Jordan	Bountiful	2009	Member	Attorney
Nolan E. Karras	Roy	2013	Member	Businessman
Anthony W. Morgan	Salt Lake City	2013	Member	Retired Educator
Jed H. Pitcher	Bountiful	2009	Chair	Retired Businessman
Josh M. Reid	Salt Lake City	2011	Member	Attorney
Sara V. Sinclair	Logan	2013	Member	Businesswoman
Marlon O. Snow	Orem	2013	Member	Retired Businessman
John H. Zenger	Midway	2011	Member	Businessman

* Term expires June 30 of year indicated.

(1) State statute provides that the Chair of the State Board of Education appoint two non-voting members, with no set term, to the Board.

The Program

The Board has established its Loan Purchase Program in order to effectuate the general purpose of the Board and the specific objective of providing funds to lending institutions to assist students in obtaining a post-secondary education. Through its Loan Purchase Program the Board seeks to increase the availability of funds for such purposes.

In order to participate in the Loan Purchase Program, each lender must be an “eligible lender” under the Higher Education Act or otherwise be approved by the Board. “Eligible lenders” under the Higher Education Act include certain commercial banks, mutual savings banks, savings and loan associations, credit unions, insurance companies, pension funds and educational institutions. Presently, each lender must also have entered into an Agreement for Guarantee of Student Loans with the State Guarantor.

All student loans submitted for purchase are to be reviewed by the Board to determine if they are Eligible Student Loans which meet the representations and warranties made by each lender in its purchase agreement. If any such student loan fails to meet such representations and warranties, the Board may refuse to purchase it or resell it to the lender, as the case may be.

Twenty-one lenders currently originate loans guaranteed by the State Guarantor and substantially all such lenders have sold Loans to the Board from time to time. The Board continues to seek to increase and continue lender participation in its Loan Purchase Program.

Professional Staff

The Board currently performs numerous functions for the State. The Board employs approximately 207 people of which 117 are involved in the operation of the Loan Purchase Program. The servicing of Student Loans is as described below under "Loan Servicing".

Dr. Richard E. Kendell, Utah Commissioner of Higher Education, serves as chief executive officer of the Board. Before becoming Commissioner in November 2003, he served as Deputy to the Governor for Higher Education, Public Education, and Economic Development. His institutional experience includes several faculty and administrative positions at the University of Utah. For ten years he served as the Superintendent of one of the state's largest school districts and spent over six years in private business at WICAT systems and the Boyer Company. Dr. Kendell earned a B.S. in English from Weber State University, and an M.Ed. and Ph.D. in Educational Leadership and Policy from the University of Utah. He also completed a post-doctoral study at the University of California-Berkley.

David A. Feitz was appointed Executive Director of UHEAA and Associate Commissioner for Student Financial Aid in November 2006. Prior to the appointment, Mr. Feitz was Associate Executive Director for Policy and Development. From 1981 to 1987 he served as Vice President of Marketing for the Loan Servicing Corporation of Utah, and was previously a Financial Aid Administrator at Brigham Young University and a consultant with the U.S. Department of Education. Mr. Feitz earned a Bachelor of Science degree in Business Education from Brigham Young University and a Master of Business Administration from Utah State University.

Richard O. Davis, the Associate Executive Director for Finance and Administration, administers the Loan Purchase Program's accounting, financial reporting and related operational functions. He also coordinates servicing activities between the Board and its servicers. Mr. Davis is a Certified Public Accountant and practiced public accounting for ten years prior to joining the Board in March, 1981. He holds a Bachelor's degree in Accounting from Utah State University.

David S. Schwanke, the Director of Accounting and Finance, directs the Loan Purchase Program's accounting, financial reporting and related operational functions. Mr. Schwanke is a Certified Public Accountant and practiced public accounting for four years, prior to assuming his current position in February 1995. He holds a Bachelor's degree in Accounting and a Masters of Accounting degree from Utah State University.

The Attorney General of the State of Utah acts as legal counsel to the Board. The State Auditor audits the accounts of the Board and the State Guarantor and, from time to time, appoints independent auditors to audit such accounts.

The principal offices of the Board are located at Board of Regents Building, The Gateway, 60 South 400 West, Salt Lake City, Utah 84101-1284; the Board's telephone number is (801) 321-7200.

Loan Purchase Program Portfolio Information

General

All of the Eligible Student Loans to be acquired with the proceeds of the Bonds are expected to be guaranteed by the Utah Higher Education Assistance Authority (the "State Guarantor"). The financed Eligible Student Loans will consist of Eligible Student Loans as to which the borrower has not commenced repayment because he or she is in school, has commenced repayment of principal on a loan or is delinquent with respect to such payments, or is in the grace period or a deferment period with respect to repayment. Generally, borrowers are required to begin repaying student loans after a grace period following termination of at least half-time school enrollment; in addition, repayment may be delayed during any deferment period or period of forbearance occurring after termination of the grace period.

Borrower Incentive Program

[Since January 1993, the Board has provided various programs which reward students/borrowers who repay their Federal Stafford, PLUS and consolidation loans (but not SLS loans) on time and programs which encourage the sale of loans to the Board, known as the Borrower Incentive Program. Under such program, generally, borrowers who timely make the first 48 consecutive payments are eligible for a two percentage point interest rate reduction (1% for consolidation loans) on the remaining balance of such loans. Consolidation loans disbursed after April 30, 2006 receive a 1% reduction after making 36 timely payments. In judging timeliness of payment, allowance is made for certain deferments and forbearance. Additional savings are available to borrowers who utilize direct withdrawal for payments. Participants in the direct withdrawal payment plan receive an

interest rate reduction of 1.25%. Consolidation loans disbursed after April 30, 2006 receive an interest reduction of .50%. The Board has also approved a provision for an origination fee credit for borrowers. For Stafford and PLUS loans originated from May 1, 2000 through June 30, 2007 the borrower receives a principal reduction equal to the amount of the origination fee deducted from the borrower's disbursement proceeds by the originating lender. In addition to the aforementioned programs, the Board has approved a provision to credit a borrower for interest paid on PLUS loans (disbursed between July 1, 1999 and June 30, 2006) during the first 12 months of repayment.

In general, the Borrower Incentive Program is offered by the Board to facilitate timely repayment of loans and is subject to ongoing review and modification by the Board as financial and other circumstances dictate. The Board has and expects to continue certain other forms of Borrower Incentive Programs.]

Composition of the Current Loan Portfolio

The following tables describe the composition of the portfolio of Loans securing all of the Bonds issued under the Indenture. The Board expects that the Eligible Student Loans to be purchased with the proceeds of the Series 2007 Bonds would have characteristics substantially similar to these Loans.

Unless otherwise indicated, the following data is as of August 31, 2007.

Aggregate Outstanding Principal Balance	\$514,870,480
Number of Borrowers	82,884
Average Outstanding Principal Balance per Borrower	\$6,212
Number of Loans	69,856
Average Outstanding Principal Balance per Loan	\$7,370

[All numbers to be updated]

Distribution of Current Portfolio by Loan Type

Loan Type	Number of Loans	Principal Balance	% of Total Principal Balance
Subsidized Stafford Loans	26,213	\$46,956,651	9.1%
Unsubsidized Stafford Loans.....	9,529	20,286,118	3.9%
PLUS Loans.....	699	2,347,599	0.5%
Consolidation Loans	33,415	445,280,112	86.5%
Total.....	69,856	\$514,870,480	100.0%

Distribution of Current Portfolio by Borrower Payment Status

Borrower Payment Status ⁽¹⁾	Number of Loans	Aggregate Outstanding Principal Balance	% of Total Principal Balance
In School.....	1,203	\$ 3,088,935	0.6%
Grace	476	1,197,315	0.2%
Repayment.....	51,159	370,919,908	72.0%
Forbearance	4,170	38,385,148	7.5%
Deferment	12,569	99,452,604	19.3%
Claims.....	279	1,826,570	0.4%
Total	69,856	\$514,870,480	100.0%

Distribution of Current Portfolio by Number of Days Delinquent

Number of Days Delinquent	Number of Loans	Aggregate Outstanding Principal Balance	% of Principal Balance of all Loans in Repayment
0-30	51,037	387,636,537	94.3%
31-60	1,372	7,671,624	1.9%
61-90	894	4,504,632	1.1%
91-120	552	2,528,120	0.6%
>120.....	1,753	8,790,713	2.1%
Repayment Loans Total.....	55,608	411,131,626	100.0%
Loans not in Repayment	14,248	103,738,854	
Grand Total	69,856	514,870,480	

* Loans current, not in delinquent status.

⁽¹⁾ Refers to the status of the borrower of each loan as of August 31, 2007. Such borrower may be attending school ("In School"), may be in grace prior to repayment commencing ("Grace"), or may be repaying such loan ("Repayment"), or may have temporarily ceased repaying such loan through a deferral ("Deferment") or a forbearance ("Forbearance") period. See "DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM".

Distribution of Current Portfolio by Remaining Months to Scheduled Maturity

Remaining Months to Scheduled Maturity	Number of Loans	Aggregate Outstanding Principal Balance	% of Total Principal Balance
<24.....	2,614	\$1,161,584	0.2%
24-35	3,119	2,494,707	0.5%
36-47	3,692	4,382,333	0.9%
48-59	3,332	5,365,924	1.0%
60-71	3,526	6,912,292	1.3%
72-83	3,792	8,468,101	1.7%
84-95	5,584	15,532,930	3.0%
96-107	5,217	15,844,348	3.1%
108-119	7,645	26,505,649	5.2%
120-131	4,711	20,015,726	3.9%
132-143	3,085	19,237,535	3.7%
144-155	3,395	24,893,639	4.8%
156-167	2,382	19,647,414	3.8%
168-179	2,465	22,371,903	4.4%
180-239	8,898	117,471,882	22.8%
240-299	3,439	70,576,333	13.7%
>299.....	<u>2,960</u>	<u>133,988,180</u>	<u>26.0%</u>
Total	<u>69,856</u>	<u>\$ 514,870,480</u>	<u>100.0%</u>

Reference is made to the Board's audited financial statements in Exhibit II hereto for additional information regarding the Board's Loan Purchase Program.

[Describe other SL programs of USBR]

Purchasing of Insured Student Loans

Eligible lenders under the Higher Education Act include certain commercial banks, mutual savings associations, savings and loan associations, credit unions, insurance companies, pension funds and educational institutions. Twenty-one eligible lenders in Utah presently originate student loans insured by the State Guarantor. By providing a known source of liquidity, the Board seeks continued lender participation and can be credited with encouraging new lenders to join the program by the Board's presence in the secondary market.

The agreement which the Board enters into with an eligible lender participating in its Loan Purchase Program provides that any loan purchased by the Board must be insured by the Secretary or be insured by an Eligible Guarantor and reinsured by the Secretary, in each case as described herein under the heading "DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM." In its agreement with the Board, the selling lender must represent that, upon endorsement to the Board of the note representing the loan to be sold, the Board will acquire the full right, title and interest to the loan, free and clear of all liens, pledges or encumbrances, that no counterclaim, offset, defense or right of rescission exists with respect to the loan, that the lender has exercised due diligence in making and servicing the loan and that no circumstances exist regarding the loan, the borrower or the borrower's creditworthiness which would cause the loan to become delinquent or adversely affect its value, marketability or insurability under the Higher Education Act. The lender further agrees to repurchase the insured student loan upon the Board's request if any representation or warranty made by the lender regarding the loan proves to be materially incorrect, if a maker or endorser of a note evidencing the loan asserts a defense which raises a reasonable doubt as to such Loan's legal enforcement or if the Secretary refuses to honor a claim with respect to the loan because of circumstances that occurred prior to the Board's purchase of the loan. For any insured student loan purchased by the Board, the lender is required to endorse the note representing the loan to the Board and to furnish related documentation and correspondence.

Loan Servicing[update]

The Board has performed origination and interim servicing functions for its participating lenders since 1995. In 2001 the Board entered into an agreement with the Pennsylvania Higher Education Assistance Agency ("PHEAA") pursuant to which PHEAA has agreed to provide the equipment, software, training and related support necessary to enable the Board to comply with the provisions of the Higher Education Act. The current agreement with PHEAA runs through December 2008. The Board expanded its servicing function in March 2003 to include servicing in repayment loans purchased or originated by the Board. As of the date of this Official Statement, approximately 63% of the Board's portfolio is serviced by the Board.

Nelnet (see "Nelnet, Inc." below) services a portion of the Board's loan portfolio in a full service capacity. The current servicing agreement with Nelnet runs through December 2007. As of the date of this Official Statement, approximately 37% of the Board's portfolio is serviced by Nelnet.

[**Nelnet, Inc.**, a Nebraska corporation (hereafter "Nelnet"), began its education loan servicing operations on January 1, 1978, and provides education loan servicing, time-sharing, administration and other services to lenders, secondary market purchasers and guaranty agencies throughout the United States. Nelnet offers student loan servicing to lending institutions and secondary markets. Nelnet has offices across the country, with primary servicing operations in Aurora, Colorado, Lincoln, Nebraska, Jacksonville, Florida, and Indianapolis, Indiana and, as of April 30, 2006, employed a total of 3,537 employees. As of April 30, 2006, Nelnet serviced more than \$25.9 billion in student loans in the United States.

Nelnet has been designated as an Exceptional Performer by the Department of Education. This designation currently results in a 100% insurance rate (statutory rate is 98%) on all claims submitted by Nelnet, on the Board's behalf through and including June 30, 2006. The designation remains in place until the Department of Education notifies Nelnet otherwise; however, beginning July 1, 2006, a designation as an Exceptional Performer by the Department of Education will result in a 99% insurance rate (statutory rate will be 97%).] TO BE UPDATED BY NELNET

DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM [TO BE UPDATED]

The Higher Education Act provides for several different educational loan programs (collectively, "Federal Family Education Loans" or "FFELP Loans" and, the program with respect thereto, the "Federal Family Education Loan Program"). Under these programs, state agencies or private nonprofit corporations administering student loan insurance programs ("Guarantee Agencies" or "Guarantors") are reimbursed for portions of losses sustained in connection with FFELP Loans, and holders of certain loans made under such programs are paid subsidies for owning such loans. Certain provisions of the Federal Family Education Loan Program are summarized below.

The Higher Education Act has been subject to frequent amendments, including several amendments that have changed the terms of and eligibility requirements for the FFELP Loans. In February 2006 the President signed the Higher Education Reconciliation Act of 2005, many of the changes in which are scheduled to take effect July 1, 2006 (the "2005 HERA Amendments"). The Higher Education Act will likely be the subject of further legislation during the time the 2006 Bonds are Outstanding. There can be no assurance that the changes made by the 2005 HERA Amendments will not, or that the Higher Education Act, or other relevant federal or State laws, rules and regulations will not be changed in the future in a manner that will, adversely impact the programs described below and the student loans made thereunder. Generally, this Official Statement describes only the provisions of the Federal Family Education Loan Program that currently apply to loans made on or after July 1, 1998. The following summary of the Federal Family Education Loan Program as established by the Higher Education Act does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the text of the Higher Education Act and the regulations thereunder.

Federal Family Education Loans

Several types of loans are currently authorized as Federal Family Education Loans pursuant to the Federal Family Education Loan Program. These include: (i) loans to students meeting certain financial needs tests with respect to which the federal government makes interest payments available to reduce student interest cost during periods of enrollment ("Subsidized Stafford Loans"); (ii) loans to students made without regard to financial need with respect to which the federal government does not make such interest payments ("Unsubsidized Stafford Loans" and, collectively with Subsidized Stafford Loans, "Stafford Loans"); (iii) loans to graduate students and parents of dependent students ("PLUS Loans"); and (iv) loans available to borrowers with certain existing federal educational loans to consolidate repayment of such loans ("Consolidation Loans").

Generally, a loan may be made only to a United States citizen or national or otherwise eligible individual under federal regulations who (i) has been accepted for enrollment or is enrolled and is maintaining satisfactory progress at an eligible institution, (ii) is carrying at least one-half of the normal full-time academic workload for the course of study the student is pursuing, as determined by such institution, (iii) has agreed to notify promptly the holder of the loan of any address change, and (iv) meets the applicable “need” requirements. Eligible institutions include higher educational institutions and vocational schools that comply with certain federal regulations. With certain exceptions, an institution with a cohort (composite) default rate that is higher than certain specified thresholds in the Higher Education Act is not an eligible institution.

Subsidized Stafford Loans

The Higher Education Act provides for federal (i) insurance or reinsurance of eligible Subsidized Stafford Loans, (ii) interest subsidy payments to eligible lenders with respect to certain eligible Subsidized Stafford Loans, and (iii) special allowance payments representing an additional subsidy paid by the Secretary of the U.S. Department of Education (the “Secretary”) to such holders of eligible Subsidized Stafford Loans.

Subsidized Stafford Loans are eligible for reinsurance under the Higher Education Act if the eligible student to whom the loan is made has been accepted or is enrolled in good standing at an eligible institution of higher education or vocational school and is carrying at least one-half the normal full-time workload at that institution. In connection with eligible Subsidized Stafford Loans there are limits as to the maximum amount which may be borrowed for an academic year and in the aggregate for both undergraduate and graduate/professional study. The Secretary has discretion to raise these limits to accommodate students undertaking specialized training requiring exceptionally high costs of education.

Subject to these limits, Subsidized Stafford Loans are available to borrowers in amounts not exceeding their unmet need for financing as provided in the Higher Education Act. Provisions addressing the implementation of need analysis and the relationship between unmet need for financing and the availability of Subsidized Stafford Loan Program funding have been the subject of frequent and extensive amendment in recent years. There can be no assurance that further amendment to such provisions will not materially affect the availability of Subsidized Stafford Loan funding to borrowers or the availability of Subsidized Stafford Loans for secondary market acquisition.

Unsubsidized Stafford Loans

Unsubsidized Stafford Loans are available for students (i) who do not qualify for Subsidized Stafford Loans due to parental and/or student income or assets in excess of permitted amounts or (ii) who do qualify for Subsidized Stafford Loans, but not in an amount sufficient to cover amounts needed. In other respects, the general requirements for Unsubsidized Stafford Loans are essentially the same as those for Subsidized Stafford Loans. The interest rate, the annual loan limits, the loan fee requirements and the special allowance payment provisions of the Unsubsidized Stafford Loans are the same as the Subsidized Stafford Loans. However, the terms of the Unsubsidized Stafford Loans differ materially from Subsidized Stafford Loans in that the Secretary does not make interest subsidy payments and the loan limitations are determined without respect to the expected family contribution. The borrower is required to pay interest from the time such loan is disbursed or capitalize the interest until repayment begins.

PLUS Loan Program

The Higher Education Act authorizes PLUS Loans to be made to graduate students and parents of eligible dependent students. Only parents who do not have an adverse credit history are eligible for PLUS Loans. Graduate students who apply for a PLUS loan may use an endorser if they have adverse credit history. The basic provisions applicable to PLUS Loans are similar to those of Stafford Loans with respect to the involvement of Guarantee Agencies and the Secretary in providing federal reinsurance on the loans. However, PLUS Loans differ significantly from Subsidized Stafford Loans, particularly because federal interest subsidy payments are not available under the PLUS Program and special allowance payments are more restricted. The 2005 HERA Amendments authorized PLUS Loans for graduate and professional students.

The Consolidation Loan Program

The Higher Education Act authorizes a program under which certain borrowers may consolidate their various student loans into a single loan insured and reinsured on a basis similar to Subsidized Stafford Loans. Consolidation Loans may be made in an amount sufficient to pay outstanding principal, unpaid interest and late charges on certain federally insured or reinsured student loans incurred under and pursuant to the Federal Family Education Loan Program (other than PLUS Loans made to “parent borrowers”) selected by the borrower, as well as loans made pursuant to the Perkins (formally “National Direct Student Loan”) Loan Program, the Health Professional Student Loan Programs and the William D. Ford Federal Direct Loan Program (the “Direct Loan Program”). The borrowers may be either in repayment status or in a grace period preceding repayment.

Delinquent or defaulted borrowers are eligible to obtain Consolidation Loans if they agree to re-enter repayment through loan consolidation. Borrowers may add additional loans to a Consolidation Loan during the 180-day period following origination of the Consolidation Loan. A Consolidation Loan will be federally insured or reinsured only if such loan is made in compliance with requirements of the Higher Education Act. Commencing July 1, 2006 borrowers who do not also have a Direct Loan may apply for a Direct Consolidation Loan only if a FFELP Loan consolidation lender denies the borrower's FFELP Consolidation Loan application or denies an application for a consolidation loan requesting income-sensitive repayment terms, or if the borrower has defaulted and the consolidation loan will resolve the default.

In the event that a borrower is unable to obtain a Consolidation Loan with income sensitive repayment terms acceptable to the borrower from the holders of the borrower's outstanding loans (that are selected for consolidation), or from any other eligible lender, the Higher Education Act authorizes the Secretary to offer the borrower a Direct Consolidation Loan with income contingent terms under the Direct Loan Program. Such direct Consolidation Loans shall be repaid either pursuant to income contingent repayment or any other repayment provision under the authorizing section of the Higher Education Act.

Interest Rates

Prior to July 1, 2006, Subsidized and Unsubsidized Stafford Loans disbursed on or after October 1, 1998 and prior to July 1, 2006 which are in in-school, grace and deferment periods bear interest at a rate equivalent to the 91-day T-Bill rate plus 1.7%, with a maximum rate of 8.25%. Subsidized Stafford Loans and Unsubsidized Stafford Loans in all other periods bear interest at a rate equivalent to the 91-day T-Bill rate plus 2.3%, with a maximum rate of 8.25%. The rate is adjusted annually on July 1. PLUS Loans bear interest at a rate equivalent to the 91-day T-Bill rate plus 3.1%, with a maximum rate of 9%. Consolidation Loans for which the application was received by an eligible lender on or after October 1, 1998, bear interest at a rate equal to the weighted average of the interest rates on the loans consolidated, rounded upward to the nearest one-eighth of one percent, with a maximum rate of 8.25%.

Commencing July 1, 2006, the Higher Education Act provides that for Subsidized and Unsubsidized Stafford Loans made on or after July 1, 2006, the interest rate will be equal to 6.8% per annum and for PLUS Loans made on or after July 1, 2006, the interest rate will be equal to 8.5% per annum. Consolidation Loans for which the application was received by an eligible lender on or after July 1, 2006, will bear interest at a rate equal to the weighted average of the loans consolidated, rounded to the nearest higher one-eighth of one percent, with a maximum rate of 8.25%.

Loan Limits

The Higher Education Act requires that Subsidized and Unsubsidized Stafford Loans made to cover multiple enrollment periods, such as a semester, trimester or quarter be disbursed by eligible lenders in at least two separate disbursements. A Stafford Loan borrower may receive a subsidized loan, an unsubsidized loan, or a combination of both for an academic period. Generally, the maximum amount of a Stafford Loan for an academic year cannot exceed \$2,625 (\$3,500 commencing July 1, 2007) for the first year of undergraduate study, \$3,500 (\$4,500 commencing July 1, 2007) for the second year of undergraduate study and \$5,500 for the remainder of undergraduate study. The aggregate limit for undergraduate study is \$23,000 (excluding PLUS Loans). Independent undergraduate students may receive an additional Unsubsidized Stafford Loan of up to \$4,000 for the first and second years of study, and up to \$5,000 for the third, fourth and fifth years of study, with an aggregate maximum of \$46,000, with Subsidized Stafford Loans comprising no more than \$23,000 of the total limit. The maximum amount of the loans for an academic year for graduate students is \$8,500, and independent students may borrow an additional Unsubsidized Stafford Loan up to \$10,000 (\$12,000 commencing July 1, 2007) per academic year. The aggregate unpaid principal amount of such loans of the borrower may not exceed \$138,500 with Subsidized Stafford Loans comprising no more than \$65,500 of the total limit. The Secretary has discretion to raise these limits by regulation to accommodate highly specialized or exceptionally expensive courses of study.

The total amount of all PLUS Loans that (i) graduate students or parents may borrow on behalf of each dependent student or (ii) graduate or professional students may borrow for any academic year may not exceed the student's cost of attendance minus other estimated financial assistance for that student or graduate borrower.

Repayment

Repayment of principal on a Stafford Loan does not commence while a student remains a qualified student, but generally begins not more than six months after the borrower ceases to pursue at least a half-time course of study (the six month period is the "Grace Period"). Grace Periods may be waived by borrowers. Repayment of interest on an Unsubsidized Stafford Loan begins immediately upon disbursement of the loan, however the lender may capitalize the interest until repayment of principal is scheduled to begin. Except for certain borrowers as described below, each loan generally must be scheduled for repayment over a period of not more than ten years after the commencement of repayment. The Higher Education Act currently

requires minimum annual payments of \$600, including principal and interest, unless the borrower and the lender agree to lesser payments; in instances in which a borrower and spouse both have such loans outstanding, the total combined payments for such a couple may not be less than \$600 per year. Regulations of the Secretary require lenders to offer standard, graduated or income-sensitive repayment schedules to borrowers. Use of income sensitive repayment plans may extend the ten-year maximum term for up to five years.

PLUS Loans enter repayment on the date the last disbursement is made on the loan. Interest accrues and is due and payable from the date of the first disbursement of the loan. The first payment is due within 60 days after the loan is fully disbursed. Repayment plans are the same as in the Subsidized and Unsubsidized Stafford Loan Program.

Consolidation Loans enter repayment on the date the loan is disbursed. The first payment is due within 60 days after that date. Consolidation Loans must be repaid during a period agreed to by the borrower and lender, subject to maximum repayment periods which vary depending upon the principal amount of the borrower's outstanding student loans (but no longer than 30 years).

FFEL Program borrowers who accumulate outstanding FFELP Loans totaling more than \$30,000 may receive an extended repayment plan, with a fixed or graduated payment amount paid over a longer period of time, not to exceed 25 years. A borrower may accelerate principal payments at any time without penalty. Once a repayment plan is established, the borrower may annually change the selection of the plan.

Deferment and Forbearance Periods. No principal repayments need to be made during certain periods prescribed by the Higher Education Act ("Deferment Periods") but interest continues to accrue. Generally, Deferment Periods include periods (a) when the borrower has returned to an eligible educational institution on at least a half-time basis or is pursuing studies pursuant to an approved graduate fellowship or rehabilitation training program, (b) not exceeding three years while the borrower is seeking and unable to find full-time employment, and (c) not in excess of three years for any reason which the lender determines, in accordance with regulations, has caused or will cause the borrower economic hardship. Deferment periods extend the maximum repayment periods. Under certain circumstances, a lender may also allow periods of forbearance ("Forbearance") during which the borrower may defer payments because of temporary financial hardship. The Higher Education Act specifies certain periods during which forbearance is mandatory. Mandatory forbearance periods exist when the borrower is impacted by a national emergency, military mobilization, or when the geographical area in which the borrower resides or works is declared a disaster area by certain officials. Other mandatory periods include periods during which the borrower is (a) participating in a medical or dental residency and is not eligible for deferment; (b) serving in a qualified medical or dental internship program or certain national service programs; or (c) determined to have a debt burden of certain federal loans equal to or exceeding 20% of the borrower's gross income. In other circumstances, forbearance may be granted at the lender's option. Forbearance also extends the maximum repayment periods.

Interest Subsidy Payments

The Secretary is to pay interest on Subsidized Stafford Loans while the student is a qualified student, during a Grace Period or during certain Deferment Periods. In addition, those portions of Consolidation Loans that repay Subsidized Stafford Loans or similar subsidized loans made under the Direct Loan Program are eligible for Interest Subsidy Payments. The Secretary is required to make interest subsidy payments to the holder of Subsidized Stafford Loans in the amount of interest accruing on the unpaid balance thereof prior to the commencement of repayment or during any Deferment Period. The Higher Education Act provides that the holder of an eligible Subsidized Stafford Loan, or the eligible portions of Consolidation Loans, shall be deemed to have a contractual right against the United States to receive interest subsidy payments in accordance with its provisions.

Special Allowance Payments

The Higher Education Act provides for Special Allowance Payments to be made by the Secretary to eligible lenders. The rates for Special Allowance Payments are based on formulae that differ according to the type of loan, the date the loan was first disbursed, the interest rate and the type of funds used to finance such loan (tax-exempt or taxable). Loans made or purchased with funds obtained by the holder from the issuance of tax-exempt obligations originally issued prior to October 1, 1993, including tax-exempt refunding issues, have an effective minimum rate of return of 9.5%. Any such Loans refinanced with the proceeds of a taxable obligation remain subject to the pre-October 1, 1993 special allowance provisions if the issuer retains legal interest in the Loan as long as the original tax-exempt obligation has not been retired or defeased. Once the original tax-exempt obligation is retired or defeased, special allowance is paid based on the rules applicable to the current funding source. The Special Allowance Payments payable with respect to eligible loans acquired or funded with the proceeds of tax-exempt obligations originally issued after September 30, 1993 are equal to those paid to other lenders. The 2005 HERA Amendment permanently eliminates recycling of 9.5% floor loans.

Subject to the foregoing, the formulae for Special Allowance Payment rates for Stafford and Unsubsidized Stafford Loans are summarized in the following chart. The term “T-Bill” as used in this table and the following table, means the average 91-day Treasury bill rate calculated as a “bond equivalent rate” in the manner applied by the Secretary as referred to in Section 438 of the Higher Education Act. The term “3 Month Commercial Paper Rate” means the 90-day commercial paper index calculated quarterly and based on an average of the daily 90-day commercial paper rates reported in the Federal Reserve’s Statistical Release H-15.

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.1%
On or after July 1, 1995	T-Bill Rate less Applicable Interest Rate + 3.1%(1)
On or after July 1, 1998	T-Bill Rate less Applicable Interest Rate + 2.8%(2)
On or after January 1, 2000	3 Month Commercial Paper Rate less Applicable Interest Rate + 2.34%(3)
On or after July 1, 2006	3 Month Commercial Paper Rate less Applicable Interest Rate + 2.34%(3)(4)

-
- (1) Substitute 2.5% in this formula while such loans are in the in-school or grace period.
- (2) Substitute 2.2% in this formula while such loans are in the in-school or grace period.
- (3) Substitute 1.74% in this formula while such loans are in the in-school or grace period.
- (4) If the applicable interest rate is less than 3 Month Commercial Paper Rate + 2.34%, the lender must refund the difference to the U.S. Department of Education.

The formula for Special Allowance Payment rates for PLUS and Consolidation Loans are as follows:

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.1%
On or after January 1, 2000	3 Month Commercial Paper Rate less Applicable Interest Rate + 2.64%(1)
On or after July 1, 2006	3 Month Commercial Paper Rate less Applicable Interest Rate + 2.64%(2)

-
- (1) For PLUS loans disbursed on or after January 1, 2000 but prior to July 1, 2006, Special Allowance will not be paid unless the calculated interest rate exceeds the 9% cap.
- (2) If the applicable interest rate is less than 3 Month Commercial Paper Rate + 2.64%, the lender must refund the difference to the U.S. Department of Education.

Special Allowance Payments are generally payable, with respect to variable rate FFELP Loans to which a maximum borrower interest rate applies, only when the maximum borrower interest rate is in effect. The Secretary offsets Interest Subsidy Payments and Special Allowance Payments by the amount of Origination Fees and Lender Loan Fees described in the following section.

Under the 2005 HERA Amendments, for certain loans first disbursed on or after April 1, 2006, if the interest on such loan at the stated interest rate is higher than the rate applicable to such loan including Special Allowance Payments, the holder of the loan is to credit the difference to the United States Government at least annually.

The Higher Education Act provides that a holder of a qualifying loan who is entitled to receive Special Allowance Payments has a contractual right against the United States to receive those payments during the life of the loan. Receipt of Special Allowance Payments, however, is conditioned on the eligibility of the loan for federal insurance or reinsurance benefits. Such eligibility may be lost due to violations of federal regulations or Guarantee Agency requirements.

Loan Fees

Insurance Premium/Federal Default Fee. Prior to July 1, 2006, a Guarantee Agency is authorized to charge a premium, or guarantee fee, of up to 1% of the principal amount of the loan, which may be deducted proportionately from each installment of the loan. Effective for loans for which the date of guarantee of principal is on or after July 1, 2006, the optional 1% fee is eliminated and a Federal default fee of 1% of the principal amount of the loan must be charged.

Origination Fee. The lender is required to pay to the Secretary an origination fee equal to a certain percentage of the principal amount of each Subsidized and Unsubsidized Stafford and PLUS Loan. The lender may charge these fees to the borrower by deducting them proportionately from each disbursement of the loan proceeds. The origination fee for PLUS Loans is 3% and the origination fee for Subsidized and Unsubsidized Stafford Loans is as follows:

<u>Fee</u>	<u>Loans disbursed on or after and before</u>
3.0%	before July 1, 2006
2.0	July 1, 2006 to July 1, 2007
1.5	July 1, 2007 to July 1, 2008
1.0	July 1, 2008 to July 1, 2009
0.5	July 1, 2009 to July 1, 2010
0.0	on or after July 1, 2010

Lender Loan Fee. The lender of any FFELP Loan is required to pay to the Secretary an additional origination fee equal to 0.5% of the principal amount of the loan.

The Secretary collects from the lender or subsequent holder the maximum origination fee authorized (regardless of whether the lender actually charges the borrower) and the lender loan fee, either through reductions in Interest Subsidy or Special Allowance Payments or directly from the lender or holder.

Rebate Fee on Consolidation Loans. The holder of any Consolidation Loan is required to pay to the Secretary a monthly fee equal to .0875% (1.05% per annum) of the principal amount of, plus accrued interest on the loan.

Insurance and Guarantees

A Federal Family Education Loan is considered to be in default for purposes of the Higher Education Act when the borrower fails to make an installment payment when due, or to comply with other terms of the loan, and if the failure persists for 270 days in the case of a loan repayable in monthly installments or for 330 days in the case of a loan repayable in less frequent installments. If the loan is guaranteed by a guarantor in accordance with the provisions of the Higher Education Act, the guarantor is to pay the holder a percentage of such amount of the loss subject to reduction as described in the following paragraphs within 60 days of such notification of default.

Federal Insurance

The Higher Education Act provides that, subject to compliance with such Act, the full faith and credit of the United States is pledged to the payment of insurance claims and ensures that such reimbursements are not subject to reduction. In addition, the Higher Education Act provides that if a guarantor is unable to meet its insurance obligations, holders of loans may submit insurance claims directly to the Secretary until such time as the obligations are transferred to a new guarantor capable of meeting such obligations or until a successor guarantor assumes such obligations. Federal reimbursement and insurance payments for defaulted loans are paid from the Student Loan Insurance Fund established under the Higher Education Act. The Secretary is authorized, to the extent provided in advance by appropriations acts, to issue obligations to the Secretary of the Treasury to provide funds to make such federal payments.

Guarantees

If the loan is guaranteed by a guarantor in accordance with the provisions of the Higher Education Act, the eligible lender is reimbursed by the guarantor for a statutorily-set percentage (98% for loans first guaranteed prior to July 1, 2006 and 97% for loans first guaranteed on or after July 1, 2006) of the unpaid principal balance of the loan plus accrued unpaid interest on

any loan defaulted so long as the eligible lender has properly serviced such loan; provided, however, if the servicer which services such loan has been designated as an "Exceptional Performer" by the Secretary, the eligible lender is reimbursed by the guarantor for 100% (reduced to 99% for loans first guaranteed on or after July 1, 2006 by the 2005 HERA Amendment) of the unpaid principal balance of the defaulted loan plus accrued unpaid interest. Under the Higher Education Act, the Secretary enters into a guarantee agreement and a reinsurance agreement (the "Guarantee Agreements") with each guarantor which provides for federal reimbursement for amounts paid to eligible lenders by the guarantor with respect to defaulted loans.

Guarantee Agreements. Pursuant to the Guarantee Agreements, the Secretary is to reimburse a guarantor for the amounts expended in connection with a claim resulting from the death, bankruptcy or total and permanent disability of a borrower, the death of a student whose parent is the borrower of a PLUS Loan, certain claims by borrowers who are unable to complete the programs in which they are enrolled due to school closure, borrowers whose borrowing eligibility was falsely certified by the eligible institution, or the amount of an unpaid refund due from the school to the lender in the event the school fails to make a required refund. Such claims are not included in calculating a guarantor's claims rate experience for federal reimbursement purposes. Generally, educational loans are non-dischargeable in bankruptcy unless the bankruptcy court determines that the debt will impose an undue hardship on the borrower and the borrower's dependents. Further, the Secretary is to reimburse a guarantor for any amounts paid to satisfy claims not resulting from death, bankruptcy, or disability subject to reduction as described below.

The Secretary may terminate Guarantee Agreements if the Secretary determines that termination is necessary to protect the federal financial interest or to ensure the continued availability of loans to student or parent borrowers. Upon termination of such agreements, the Secretary is authorized to provide the guarantor with additional advance funds with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to meet the immediate cash needs of the guarantor, ensure the uninterrupted payment of claims, or ensure that the guarantor will make loans as the lender-of-last-resort.

If the Secretary has terminated or is seeking to terminate Guarantee Agreements, or has assumed a guarantor's functions, notwithstanding any other provision of law: (i) no state court may issue an order affecting the Secretary's actions with respect to that guarantor; (ii) any contract entered into by the guarantor with respect to the administration of the guarantor's reserve funds or assets acquired with reserve funds shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of funds or assets or is inconsistent with the terms or purposes of the Higher Education Act; and (iii) no provision of state law shall apply to the actions of the Secretary in terminating the operations of the guarantor. Finally, notwithstanding any other provision of law, the Secretary's liability for any outstanding liabilities of a guarantor (other than outstanding student loan guarantees under the Higher Education Act), the functions of which the Secretary has assumed, shall not exceed the fair market value of the reserves of the guarantor, minus any necessary liquidation or other administrative costs.

Reimbursement. The amount of a reimbursement payment on defaulted loans made by the Secretary to a guarantor is subject to reduction based upon the annual claims rate of the guarantor calculated to equal the amount of federal reimbursement as a percentage of the original principal amount of originated or guaranteed loans in repayment on the last day of the prior fiscal year. The claims experience is not accumulated from year to year, but is determined solely on the basis of claims in any one federal fiscal year compared with the original principal amount of loans in repayment at the beginning of that year. The formula for reimbursement amounts is summarized below:

CLAIMS RATE	GUARANTOR REINSURANCE RATE FOR LOANS MADE PRIOR TO OCTOBER 1, 1993	GUARANTOR REINSURANCE RATE FOR LOANS MADE BETWEEN OCTOBER 1, 1993 AND SEPTEMBER 30, 1998*	GUARANTOR REINSURANCE RATE FOR LOANS MADE ON OR AFTER OCTOBER 1, 1998*
0% up to 5%	100%	98%	95%
5% up to 9%	100% of claims up to 5%; and 90% of claims 5% and over	98% of claims up to 5%; and 88% of claims 5% and over	95% of claims up to 5% and 85% of claims 5% and over

* Other than student loans made pursuant to the lender-of-last resort program or student loans transferred by an insolvent guarantor as to which the amount of reinsurance is equal to 100%.

9% and over	100% of claims up to 5%; 90% of claims 5% up to 9%; 80% of claims 9% and over	98% of claims up to 5%; 88% of claims 5% up to 9%; 78% of claims 9% and over	95% of claims up to 5%, 85% of claims 5% up to 9%; 75% of claims 9% and over
-------------	---	--	--

The original principal amount of loans guaranteed by a guarantor which are in repayment for purposes of computing reimbursement payments to a guarantor means the original principal amount of all loans guaranteed by a guarantor less: (i) guarantee payments on such loans, (ii) the original principal amount of such loans that have been fully repaid and (iii) the original amount of such loans for which the first principal installment payment has not become due.

In addition, the Secretary may withhold reimbursement payments if a guarantor makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary or applicable federal law. A supplemental guarantee agreement is subject to annual renegotiation and to termination for cause by the Secretary.

Under the Guarantee Agreements, if a payment on a Federal Family Education Loan guaranteed by a guarantor is received after reimbursement by the Secretary, the Secretary is entitled to receive an equitable share of the payment. Guarantor retentions remaining after payment of the Secretary's equitable share on such collections on consolidations of defaulted loans were reduced to 18.5% from 27% effective July 1, 1997 and for other loans were reduced from 27% to 24% (23% effective October 1, 2003). The Higher Education Act provides that on or after October 1, 2006 a guarantor may not charge a borrower collection costs in an amount in excess of 18.5% of the outstanding principal and interest of a defaulted loan that is paid off through consolidation by the borrower, provided that the guarantor must remit to the Secretary a portion of the collection charge equal to 8.5% of the outstanding principal and interest of the defaulted loan. In addition, on or after October 1, 2009 a guarantor must remit to the Secretary any collection fees on defaulted loans paid off through consolidation by the borrower in excess of 45% of the guarantor's total collections on default loans in any one federal fiscal year.

Lender Agreements. Pursuant to most typical agreements for guarantee between a guarantor and the originator of the loan, any eligible holder of a loan insured by such a guarantor is entitled to reimbursement from such guarantor of any proven loss incurred by the holder of the loan resulting from default, death, permanent and total disability or bankruptcy of the student borrower at the rate of 100% of such loss, subject to certain limitations and exceptions, (98% for loans in default made on or after October 1, 1993 but prior to July 1, 2006 or 97% for loans in default made on or after July 1, 2006). Guarantors generally deem default to mean a student borrower's failure to make an installment payment when due or to comply with other terms of a note or agreement under circumstances in which the holder of the loan may reasonably conclude that the student borrower no longer intends to honor the repayment obligation and for which the failure persists for 270 days in the case of a loan payable in monthly installments or for 330 days in the case of a loan payable in less frequent installments. When a loan becomes at least 60 days past due, the holder is required to request default aversion assistance from the applicable guarantor in order to attempt to cure the delinquency. When a loan becomes 240 days past due, the holder is required to make a final demand for payment of the loan by the borrower. The holder is required to continue collection efforts until the loan is 270 days past due. At the time of payment of insurance benefits, the holder must assign to the applicable guarantor all rights accruing to the holder under the note evidencing the loan. The Higher Education Act prohibits a guarantor from filing a claim for reimbursement with respect to losses prior to 270 days after the loan becomes delinquent with respect to any installment thereon.

Any holder of a loan is required to exercise due care and diligence in the servicing of the loan and to utilize practices which are at least as extensive and forceful as those utilized by financial institutions in the collection of other consumer loans. If a guarantor has probable cause to believe that the holder has made misrepresentations or failed to comply with the terms of its agreement for guarantee, the guarantor may take reasonable action including withholding payments or requiring reimbursement of funds. The guarantor may also terminate the agreement for cause upon notice and hearing.

Guarantor Reserves

Each guarantor is required to establish a Federal Student Loan Reserve Fund (the "Federal Fund") which, together with any earnings thereon, are deemed to be property of the United States. Each guarantor is required to deposit into the Federal Fund any reserve funds plus reinsurance payments received from the Secretary, default collections, insurance premiums, 70% of payments received as administrative cost allowance and other receipts as specified in regulations. A guarantor is authorized to transfer up to 180 days' cash expenses for normal operating expenses (other than claim payments) from the Federal Fund to the Operating Fund (described below) at any time during the first three years after establishment of the fund. The Federal Fund may be used to pay lender claims and to pay default aversion fees into the Operating Fund. A guarantor is also required to establish an operating fund (the "Operating Fund") which, except for funds transferred from the Federal Fund to meet operating expenses during the first three years after fund establishment, is the property of the guarantor. A guarantor may deposit into the Operating Fund loan processing and issuance fees equal to 0.40% of the total principal amount of loans insured during the fiscal year, 30%

of payments received after October 7, 1998 for the administrative cost allowance for loans insured prior to that date and the 23% retention of collections on defaulted loans and other receipts as specified in regulations. An Operating Fund must be used for application processing, loan disbursement, enrollment and repayment status management, default aversion, collection activities, compliance monitoring, and other student financial aid related activities. For Subsidized and Unsubsidized Stafford Loans disbursed after July 1, 2006, guarantors must collect and deposit a federal default fee to the Federal Fund equal to 1% of principal of the loan.

The Higher Education Act provides for an additional recall of reserves from each Federal Fund, but also provides for certain minimum reserve levels which are protected from recall. The Secretary is authorized to enter into voluntary, flexible agreements with guarantors under which various statutory and regulatory provisions can be waived. In addition, under the Higher Education Act, the Secretary is prohibited from requiring the return of all of a guarantor's reserve funds unless the Secretary determines that the return of these funds is in the best interest of the operation of the FFEL Program, or to ensure the proper maintenance of such guarantor's funds or assets or the orderly termination of the guarantor's operations and the liquidation of its assets. The Higher Education Act also authorizes the Secretary to direct a guarantor to: (i) return to the Secretary all or a portion of its reserve fund that the Secretary determines is not needed to pay for the guarantor's program expenses and contingent liabilities; and (ii) cease any activities involving the expenditure, use or transfer of the guarantor's reserve funds or assets which the Secretary determines is a misapplication, misuse or improper expenditure. Under current law, the Secretary is also authorized to direct a guarantor to return to the Secretary all or a portion of its reserve fund which the Secretary determines is not needed to pay for the guarantor's program expenses and contingent liabilities.

GUARANTORS

Lack of Liability of Eligible Guarantors

Neither the guarantee funds nor any other assets or revenues of the Eligible Guarantors, including amounts payable to the Eligible Guarantors by the Secretary, as described above, are pledged as security for the Bonds or are available for payment of the Bonds. However, amounts paid from such assets and revenues by the Eligible Guarantors to the Board in fulfillment of the Eligible Guarantors' insurance obligations with respect to Loans are so pledged.

The State Guarantor

The Board, as the Utah Higher Education Assistance Authority, acts as the State Guarantor pursuant to the Assistance Authority Act, and is the principal guarantor of student loans in the State. The State Guarantor may insure qualifying student loans in accordance with Utah law, the Higher Education Act and the State Guarantor's agreements with the Secretary. Pursuant to applicable regulations of the State Guarantor, which are subject to change by the State Guarantor, the borrowing students must borrow from lenders headquartered or located in the State of Utah, and the loans must be reinsured by the Secretary as described herein.

As of August 31, 2007 guarantees by the State Guarantor were outstanding on student loans in the approximate original principal amount of \$2,351,000,000. Of such student loans, approximately 78% by dollar amount were made to students who attended 4-year colleges, 17% were made to students who attended 2-year colleges, and 5% were made to students who attended vocational-technical or trade schools. Of the aggregate total, approximately \$398,000,000 of student loans were guaranteed by the State Guarantor between September 1, 2006 and August 31, 2007. Of this new volume, approximately 70% by dollar amount were made to students who attended 4-year colleges, 24% were made to students who attended 2-year colleges, and 6% were made to students who attended vocational-technical or trade schools.

Pursuant to the Higher Education Act, the State Guarantor and the Secretary entered into certain agreements (the “Guaranty Agreements”) pertaining to the Secretary’s reimbursement to the State Guarantor for at least 80% of the amounts expended by the State Guarantor in the discharge of its guarantee obligations with respect to losses resulting from defaults by student borrowers in the payment of principal of or interest on loans guaranteed by the State Guarantor. Pursuant to a supplemental guaranty agreement entered into between the State Guarantor and the Secretary, the Secretary is obligated to reimburse the State Guarantor for between 75% and 98% of the amount expended by the State Guarantor in discharging its obligations, depending on the claims rate of the State Guarantor’s program, unless the Secretary otherwise determines that the State Guarantor has not complied with due diligence guidelines promulgated by the Secretary. The claims rates for the State Guarantor for the past five federal fiscal years and an estimate for the most recent federal fiscal year are as follows:

<u>Year</u>	<u>Rate</u>
2006	1.30% estimate
2005	1.40
2004	1.12
2003	0.76
2002	1.08
2001	0.91

Reimbursement

The original principal amount of loans guaranteed by a guaranty agency which are in repayment for purposes of computing reimbursement payments to a guaranty agency means the original principal amount of all loans guaranteed by a guaranty agency less: (1) guarantee payments on such loans, (2) the original principal amount of such loans that have been fully repaid, and (3) the original amount of such loans for which the first principal installment payment has not become due.

In addition, the Secretary may withhold reimbursement payments if a guaranty agency makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary or applicable federal law. A supplemental Guaranty Agreement is subject to annual renegotiation and to termination for cause by the Secretary. The Board has no knowledge that any aforementioned supplemental Guaranty Agreement will not be renegotiated on the same terms as are currently in effect.

Under the Guaranty Agreements and the supplemental guaranty agreements, if a payment on an Eligible Loan guaranteed by a guaranty agency is received after reimbursement by the Secretary, the guaranty agency is entitled to receive an equitable share of the payment.

Any originator of any student loan guaranteed by a guaranty agency is required to discount from the proceeds of the loan at the time of disbursement, and pay to the guaranty agency, an insurance premium which may not exceed that permitted under the Higher Education Act and, with respect to the State Guarantor, the Guaranty Act.

The Board (or any other holder of a Loan) is required to exercise due care and diligence in the servicing of the Loan and to utilize practices which are at least as extensive and forceful as those utilized by financial institutions in the collection of other consumer loans. If a guaranty agency has probable cause to believe that the holder has made misrepresentations or failed to comply with the terms of its agreement for guarantee, the guaranty agency may take reasonable action including withholding payments or requiring reimbursement of funds. The guaranty agency may also terminate the agreement for cause upon notice and hearing.

The Guarantee Fund

Pursuant to the Assistance Authority Act, the State Guarantor maintains the Guarantee Fund, which is a loan guarantee reserve fund consisting of premiums, gifts, grants and bequests from federal, private or other sources and held by the State Guarantor separate from the general fund of the State. The Assistance Authority Act authorizes the Utah legislature to appropriate money to the Guarantee Fund, and \$100,000 of a \$150,000 State appropriation to the Board was deposited to the Guarantee Fund in 1978. As authorized by the Assistance Authority Act the State Guarantor has by resolution provided that it may not guarantee a loan if the assets in the Guarantee Fund are less than the greater of (i) one percent (1%) of the unpaid principal amount outstanding of all loans guaranteed by such Guarantee Fund, or, (ii) such higher amount as the State Guarantor shall determine. The Assistance Authority Act also provides:

“[if] the assets in the Guarantee Fund are less than 1%, or a greater amount as determined by the [State Guarantor]...., the chairman of the [State Guarantor] shall annually, before the second day of December, certify to the governor and the [State] Director of Finance the amounts required to restore the [Guarantee Fund] to the required amount. The governor may request an appropriation of the certified amount from the Legislature in order to restore the required amount to the [Guarantee Fund].”

In the opinion of bond counsel, such provision does not give rise to a legal obligation of the State. However, the Governor is legally authorized, but not legally obligated, to make such request and the Legislature is legally authorized, but not legally obligated, to appropriate the amount requested.

As of June 30, 2007, the total assets credited to the Federal Student Loan Reserve Fund were approximately \$40.0 million or 1.86% of the principal and interest amount of outstanding student loans guaranteed by the State Guarantor. Such total assets included \$31.2 million of cash and cash equivalents and \$31.2 million of receivables.

LEGALITY FOR INVESTMENT IN UTAH

The 2007 Series Bonds of the Board are securities in which public officers and bodies of the State, municipalities and municipal subdivisions, insurance companies and associations, persons carrying on an insurance business, banks, trust companies, savings banks and savings associations, savings and loan associates, investment companies, administrators,

guardians, executors, trustees, other fiduciaries, and all other persons who are authorized to invest in bonds or other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them.

TAX STATUS

In the opinion of Bond Counsel, based on an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the 2007 Series Bonds is excludable from gross income for federal income tax purposes. Bond Counsel is also of the opinion based on the laws of the State of Utah as enacted and construed on the date hereof that interest on the 2007 Series Bonds is exempt from Utah individual income taxes.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2007 Series Bonds. The Board has covenanted to comply with certain restrictions designed to assure that interest on the 2007 Series Bonds will not be included in gross income for federal income tax purposes. Failure to comply with these covenants may result in interest on the 2007 Series Bonds being included in gross income for federal income tax purposes possibly from the date of issuance of the 2007 Series Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2007 Series Bonds may adversely affect the tax status of interest on the 2007 Series Bonds.

Although Bond Counsel has rendered an opinion that interest on the 2007 Series Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the 2007 Series Bonds may otherwise affect a Bondholder's tax liability. The nature and extent of these other tax consequences will depend upon the Bondholder's particular tax status and the Bondholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2007 Series Bonds.

A description of the proposed opinion of Bond Counsel is set forth in Exhibit III hereto and such opinion is to be delivered with the 2007 Series Bonds.

ABSENCE OF LITIGATION

There is no controversy or litigation of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the 2007 Series Bonds, or in any way contesting or affecting the validity of the Bonds, including the 2007 Series Bonds, any proceedings of the Board taken with respect to the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds or the due existence or powers of the Board.

APPROVAL OF LEGALITY

The legality of the authorization, issuance and sale of the 2007 Series Bonds is subject to the approving legal opinion of Ballard Spahr Andrews & Ingersoll, LLP, Salt Lake City, Utah, Bond Counsel to the Board. The opinion of Bond Counsel to the Board is to be delivered substantially in the form attached to this Official Statement as Exhibit III. Certain other legal matters are to be passed upon for the Board by the Attorney General of the State of Utah. Certain legal matters are to be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

UNDERWRITING

The Underwriters have jointly and severally agreed to purchase the 2007 Series Bonds at an aggregate price of par (the Underwriters are to be paid a fee in the amount of \$_____). The purchase contract provides that the Underwriters will not be obligated to purchase any 2007 Series Bonds on their date of issuance unless all such 2007 Series Bonds are purchased. The initial public offering price or yield set forth on the cover page hereof may be changed by UBS Securities LLC Inc. and the Underwriters from time to time without notice. The 2007 Series Bonds may be offered and sold to certain dealers (including UBS Securities LLC Inc. and the Underwriters and other dealers depositing such 2007 Series Bonds into investment trusts) at prices or yields lower than the public offering prices or yields shown on the cover. Although there can be no assurance that any market will commence or be maintained, certain of the Underwriters expect to make a market in the 2007 Series Bonds after the initial public offering. It is likely that any market that develops will be at prices different from the initial offering price or yield.

CONTINUING DISCLOSURE

Although the Board is not required to provide continuing disclosure with respect to the 2007 Series Bonds to the Underwriters in order to comply with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Board advises potential purchasers of the 2007 Series Bonds that the Board is presently required under existing agreements to provide such continuing disclosure with respect to other Bonds on an annual basis and with respect to certain material events. Such annual and event notices are to be furnished to the Municipal Securities Rulemaking Board and each Nationally Recognized Municipal Securities Information Repository, as appropriate. The Board is not hereby accepting or acquiring any obligation to provide continuing disclosure with respect to the 2007 Series Bonds other than as may be required under the existing agreements.

INDEPENDENT AUDITED FINANCIAL STATEMENTS

The financial statements of the State Board of Regents of the State of Utah Student Loan Purchase Program as of June 30, 2006/7, and for the year then ended, included in Exhibit II have been audited by the Utah State Auditor as stated in his report appearing herein. The Utah State Auditor has agreed to the inclusion of such report herein.

TRUSTEE

Wells Fargo Bank, National Association, the Trustee, is not responsible for the administration of the Board's Loan Purchase Program, including the servicing of Loans. Wells Fargo Bank, National Association participates in the Board's Loan Purchase Program.

MISCELLANEOUS

All quotations from, and summaries and explanations of, the Act, the Higher Education Act, the Indenture and any other documents or statutes contained herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of the Indenture may be obtained upon request directed to the Board.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or owners of any of the Bonds.

The Indenture provides that all covenants, stipulations, promises, agreements and obligations are of the Board and not of any officer, director or employee of the Board in such person's individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Indenture against any officer or employee of the Board or against any person executing the 2007 Series Bonds.

STATE BOARD OF REGENTS OF
THE STATE OF UTAH

By: /s/ _____
Authorized Officer

EXTRACTS FROM THE GENERAL INDENTURE

The General Indenture contains various covenants and security provisions, certain of which are extracted below. Reference should be made to each of such documents for a full and complete statement of its provisions.

Definitions

“Authorized Officer” means the Chairman or Vice-Chairman of the Board or the Commissioner of Higher Education and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the Board then authorized to perform such act or discharge such duty.

“Board” means the State Board of Regents of the State of Utah or any body, agency or instrumentality which shall hereafter succeed to the powers, duties and functions of the Board.

“Bond” means one of the bonds authenticated and delivered pursuant to the Indenture, including any additional or Refunding Bonds issued pursuant to Article II thereof.

“Bond Counsel’s Opinion” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Board and satisfactory to the Trustee.

“Bond Year” means the twelve month period beginning on November 2, in any year and ending on November 1 of the immediately succeeding year.

“Bondholder” or **“Owner”** or **“owner”** or words of similar import, when used with reference to a Bond means any person who shall be the registered owner of any Outstanding Bond as set forth on the registration books maintained by the Registrar.

“Business Day” means a day of the year, except Saturday or Sunday or days on which banks located in the city in which the principal office of the Trustee is located, in the city in which the principal office of any Paying Agent is located, or in the city in which the principal office of a remarketing agent or tender agent, as appointed by a Supplemental Indenture, is located, are required or authorized to remain closed or on which The New York Stock Exchange is closed.

“Cash Flow Statement” means a Board Certificate acceptable to Ambac (i) setting forth, for the then current and each future Bond Year during which Bonds will be Outstanding, and taking into account (x) any Bonds expected to be issued or redeemed or purchased for cancellation and (y) the interest rate, purchase price, and other terms of any Student Loans expected to be made or purchased by the Board upon or in connection with the filing of such Certificate,

(A) the amount of Revenues expected to be received in each such Bond Year that are reasonably expected to be available to make Debt Service payments and to pay Program Expenses; and

(B) the Aggregate Debt Service for each such Bond Year on all Bonds reasonably expected to be Outstanding, together with the Program Expenses and all other expenses payable under the Indenture reasonably estimated for each such Bond Year;

and (ii) showing that in each such Bond Year to fall due the aggregate of the amounts set forth in clause (i)(A) of this definition exceeds the aggregate of the amounts set forth in clause (i)(B) of this definition and that the Revenues will be available to pay amounts described in Clause (i)(B) when due.

“Costs of Issuance” means all items of expense, directly or indirectly payable or reimbursable by or to the Board and related to the authorization, sale and issuance of Bonds, including, but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees including bond and underwriter counsel fees and charges, fees and disbursements of consultants and professionals, cost of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, and any other cost, charge or fee in connection with original issuance of Bonds.

“Cumulative Sinking Fund Redemption Date” means any date on which Bonds of any Series may be redeemed by cumulative sinking fund redemption.

“Cumulative Sinking Fund Redemption Requirements” means as of a Cumulative Sinking Fund Redemption Date, the maximum principal amount which may become due with respect to the cumulative sinking fund redemption of the Bonds of any Series.

“Debt Service” means, with respect to any particular Bond Year and any particular Series of Bonds, an amount equal to the sum of (i) all interest payable on such Bonds during such Bond Year, plus (ii) any Principal Installments of such Bonds during such Bond Year, plus (iii) any additional applicable premium payable on such Bonds during such Bond Year. **“Aggregate Debt Service”** means, for any period, the Debt Service Payment becoming due and payable on all Debt Service payment dates during such period with respect to the Bonds referred to.

“Debt Service Reserve Account Requirement” means, as of any date of calculation, an amount equal to the aggregate of the amounts specified in each and every Supplemental Indenture authorizing the issuance of a Series of Bonds as the amount required to be deposited in the Debt Service Reserve Account with respect to such Series of Bonds.

“Eligible Student Loan” means any student loan satisfying the requirements of the Higher Education Act and the Indenture which may be made by the Board to an eligible borrower or purchased by the Board from a qualified lender to finance post-secondary education pursuant to the Act and the Student Loan Program; provided, however, that any Supplemental Indenture may prescribe a definition of Eligible Student Loan applicable to the disposition of the proceeds of Bonds issued pursuant to such Supplemental Indenture which may include less than all of the student loans included in this definition.

“Fiscal Year” means a twelve-month period commencing on the first day of July of any year, or such other twelve-month period adopted by the Board as its fiscal year for accounting purposes.

“Governmental Obligations” means Investment Securities described in subclause (1) of the definition thereof.

“Guarantor” means (i) the Utah Higher Education Assistance Authority or any successor thereto approved by Ambac Assurance which acts under the Higher Education Act and agrees with the United States Secretary of Education to provide for reimbursement of amounts expended by the Guarantor in discharge of insurance obligations of Eligible Student Loans, or (ii) any entity approved by the Board and Ambac Assurance which guarantees student loans within the State under the Higher Education Act or other Federal law and has entered into an agreement with the Secretary for reinsurance of its guarantees.

“Higher Education Act” means Title IV, Part B of the Higher Education Act of 1965, as amended, and the regulations thereunder.

“Interest Payment Date” means any date upon which interest on the Bonds is due and payable in accordance with their terms.

“Investment Securities” means:

(1) direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of Treasury of the United States of America;

(2) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association (GNMA), U.S. Department of Housing & Urban Development (PHA's), and Federal Housing Administration;

(3) bonds, notes or other evidences of indebtedness rated “AAA” by Standard & Poor's Corporation and “Aaa” by Moody's Investors Service, Inc. issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(4) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “A-1+” by Standard & Poor's and “P-1” by Moody's and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(5) commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by Standard & Poor's and “P-1” by Moody's Investors Service, Inc. and which matures not more than 270 days after the date of purchase;

Corporation; (6) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by Standard & Poor’s

(7) Pre-refunded municipal obligations defined as follows:

Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on the escrow, in the highest rating category of Standard & Poor’s Corporation and Moody’s Investors Service, Inc. or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (1) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(8) Investment agreements approved in writing by Ambac Assurance (supported by appropriate opinions of counsel); and

(9) Other forms of investments permitted by law and approved in writing by Ambac Assurance.

“**Outstanding**,” when used with reference to the Bonds, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(1) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(2) on or after any purchase date for Bonds subject to tender pursuant to the provisions of any Supplemental Indenture, all Bonds (or portions thereof) which are tendered or deemed to have been tendered for purchase, provided that Available Moneys sufficient for such purchase are on deposit with the Paying Agent;

(3) any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered; and

(4) any Bond deemed to have been paid as described under “Defeasance” hereinafter.

“**Paying Agent**” means any bank or trust company designated as paying agent for the Bonds and its successor or successors hereafter appointed in the manner provided in the Indenture.

“**Principal Installment**” means, as of any date of calculation, (i) the aggregate principal amount of Outstanding Bonds due on a certain future date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the Indenture of Sinking Fund Payments payable before such certain future date, plus (ii) any Sinking Fund Payments due on such certain future date.

“**Principal Payment Date**” means, with reference to any Series or portion of a Series of Bonds, the date upon which the Outstanding principal amount of such Bonds becomes payable.

“**Program Expenses**” means all of the Board’s expenses in carrying out and administering its Student Loan Program under the Indenture and shall include, without limiting the generality of the foregoing, salaries, supplies, acquisition and servicing fees, utilities, mailing, labor, materials, office rent or mortgage payment, maintenance, furnishings, equipment, machinery and apparatus, telephone, insurance premiums, legal, accounting, management, consulting and banking services and expenses, fees and expenses of the Fiduciaries, Costs of Issuance not paid from the proceeds of Bonds, travel, payments for pension, retirement, health and hospitalization and life and disability insurance benefits, rating agency fees, all to the extent properly allocable to the Student Loan Program. Program Expenses may also include amounts for establishing and maintaining a six-month reserve to pay operating costs and a reasonable reserve for losses and expenses estimated to be incurred by the Board and amounts appropriate to reimburse the Board for Program Expenses paid from other sources.

“**Redemption Date**” means the date upon which Bonds are to be called for redemption pursuant to the Indenture.

“Redemption Price” means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof.

“Refunding Bonds” means any Bond authenticated and delivered on original issuance pursuant to the Indenture or thereafter authenticated and delivered in lieu of or in substitution of any such Bond pursuant to the Indenture.

“Registrar” means the agent of the Board at the office of which Bonds may be presented for registration, transfer or exchange.

“Revenues” means all payments, proceeds, charges and other income received by the Board from or on account of any Student Loan (including scheduled, delinquent and advance payments of, and any insurance proceeds with respect to, interest on any Student Loan and any Special Allowance Payment received by the Board with respect to any Student Loan) and all interest earned or gain realized from the investment of amounts in any Account (other than amounts required to be deposited to or on deposit in the Rebate Account or the Operating Account and income and earnings related thereto), but excludes any amount retained by a servicer in connection with the servicing of such Student Loan.

“Series” means all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction, pursuant to the same Supplemental Indenture and designated as a Series in such Supplemental Indenture regardless of variations in maturity, interest rate, Sinking Fund Payments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for (but not to refund) such Bonds as provided in the Indenture.

“Sinking Fund Payment” means, as of any particular date of calculation, the amount required to be paid by the Board on a certain future date for the retirement of Outstanding Bonds which mature after said future date, but does not include any amount payable by the Board by reason of the maturity of a Bond or by call for redemption at the election of the Board.

“Special Allowance Payments” means special interest subsidy payments received by the Board pursuant to the Higher Education Act, in addition to the interest rate on Student Loans.

“State” means the State of Utah.

“Student Loan” means any Eligible Student Loan acquired by the Board by the expenditure of amounts in the Loan Account.

“Student Loan Program” means the Board’s Student Loan Purchase Program for the financing of Eligible Student Loans for post-secondary education established by the Board, as the same may be amended from time to time consistent with the Indenture, but only to the extent that such program is financed through the issuance of Bonds or obligations to be refunded thereby or from amounts otherwise available out of the moneys and assets held or pledged pursuant to the Indenture.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture, executed by the Board and the Trustee and effective in accordance with the Indenture.

“Trustee” means Wells Fargo Bank, National Association, and its successor or successors and any other person at any time substituted in its place pursuant to the Indenture.

Indenture to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of the Indenture shall be a part of the contract of the Board with the Owners of the Bonds and shall be deemed to be and shall constitute a contract among the Board, the Trustee and the Owners from time to time of the Bonds. The pledges and assignments therein set forth to be performed by or on behalf of the Board shall be for the equal benefit, protection and security of the Owners of any and all of such Bonds, each of which, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Indenture.

Interchangeability of Bonds. Bonds, upon surrender thereof at the principal or corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, and upon payment by such registered owner of any charges which the Authenticating Agent may make as provided in the Indenture, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity bearing the same rate of interest and having the same terms of any of the authorized denominations; provided, however, that the exchange of Bonds may be restricted by the Supplemental Indenture pursuant to which such Bonds are issued.

Negotiability, Transfer and Registry. All the Bonds issued under the Indenture shall be negotiable, subject to the provisions for registration, transfer and exchange contained in the Indenture and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Board shall maintain and keep, at the principal corporate trust office of a Registrar, which may be one or more banks or trust companies or national banking associations appointed by the Board, books for the registration, transfer and exchange of Bonds. Upon presentation thereof for such purpose at said office, the Board shall register or cause to be registered in such books, and permit to be transferred thereon, any Bonds pursuant to such reasonable regulations as it or the Registrar may prescribe. So long as any of the Bonds remain Outstanding, the Board shall make all necessary provisions to permit the exchange of Bonds at the principal corporate trust office of the Registrar.

Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Board shall execute and the Authenticating Agent shall authenticate a new Bond of like Series, interest rate, maturity, principal amount and other terms as the Bond so mutilated, destroyed, stolen or lost. In the case of a mutilated Bond, such new Bond shall be delivered only upon surrender and cancellation of such mutilated Bond. In the case of Bonds issued in lieu of and substitution for a Bond which has been destroyed, stolen or lost, such new Bond shall be delivered only upon filing with the Trustee of evidence satisfactory to establish to the Board and the Trustee that such Bond has been destroyed, stolen or lost and to prove the ownership thereof and upon furnishing the Board and the Trustee with indemnity satisfactory to them. The person requesting the authentication and delivery of a new Bond shall comply with such other reasonable regulations as the Board and the Trustee may prescribe and pay such expenses as the Board and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it. Evidence of such cancellation shall be given to the Board.

Pledge Effected by the Indenture. The Revenues and all amounts held in any Account established by the Indenture, other than the Rebate Account or Operating Account, including investments thereof, are thereby pledged to secure the payment of the Bonds (including any payable Sinking Fund Payments for the retirement thereof) in accordance with their terms and the provisions of the Indenture, subject only to the provisions of the Indenture permitting the application or exercise thereof for or to the purposes and on the terms and conditions herein set forth. In addition, subject to the provisions of the Indenture, the Board thereby pledged to the Trustee for the benefit of the Bondowners, to secure the payment of the Bonds, all right, title and interest of the Board in and to the Student Loans, including all extensions or renewals thereof during the term of the Indenture.

Accounts. The Board has in the Indenture established and created the following special trust accounts:

- (1) Loan Account;
- (2) Revenue Account;
- (3) Debt Service Reserve Account;
- (4) Rebate Account; and
- (5) Operating Account.

All such Accounts shall be held and maintained by the Trustee, other than the Operating Account which may be held by such Depositary as the Board may direct, and shall be identified by the Board and the Trustee according to the designations provided in the Indenture in such manner as to distinguish such Accounts from the accounts established by the Board for any other of its obligations.

Loan Account. Amounts in the Loan Account shall be expended only (i) to finance Eligible Student Loans (including accrued interest, premium and reasonable transfer fees); (ii) to pay Costs of Issuance; (iii) to make deposits in the Revenue Account for the purpose of paying principal of or interest on Bonds; (iv) to redeem Bonds; (v) to provide amounts for the purchase or redemption of Bonds; and (vi) to provide amounts for deposit in the Operating Account. All Eligible Student Loans financed by application of amounts in the Loan Account shall be credited to the Loan Account.

Revenue Account. The Board shall cause all Revenues to be deposited promptly with the Trustee and such amounts shall be deposited in the Revenue Account. There shall also be deposited in the Revenue Account any other amounts required to be deposited therein pursuant to the Indenture.

The Trustee shall pay out of the Revenue Account all moneys then deposited therein, as follows and in the following order of priority:

FIRST: Fees, if any, of Ambac and any credit or liquidity provider;

SECOND: On each Interest Payment Date, to the Paying Agent, the amounts required for the payment of the interest due on the Outstanding Bonds on such Interest Payment Date;

THIRD: On each Principal Payment Date, to the Paying Agent, the amount, if any, required to pay Principal Installments due on such Principal Payment Date and not otherwise provided for;

FOURTH: On any Redemption Date, Principal Payment Date or date of purchase, to the Paying Agent, the amounts required for the payment of the applicable Redemption Price plus accrued interest or principal or purchase price and accrued interest on Outstanding Bonds purchased for retirement;

FIFTH: On each Interest Payment Date, into the Debt Service Reserve Account, from the amount so available, the amount, if any, by which the amount on deposit in the Debt Service Reserve Account is less than the Debt Service Reserve Account Requirement;¹

SIXTH: On the first Business Day after each Semiannual Bond Payment Date, into the Operating Account, to the extent available, the amount, if any, necessary to pay estimated Program Expenses during the next annual period;

SEVENTH: On the first Business Day after each Semiannual Bond Payment Date, unless otherwise determined by the Board, from the amount, if any, available after any transfers provided for in paragraphs *FIRST* through *SIXTH* above and *EIGHTH* below and as described below under “Application of Revenues for Cumulative Sinking Fund Redemption,” the entire amount so available shall be transferred to the Loan Account. In addition, at any time other than the first Business Day after each Semiannual Bond Payment Date that an Authorized Officer so requests in writing, up to the total amount in the Revenue Account as of the date of such request, less the amount necessary to fund the next succeeding funding requirement for each of paragraphs *FIRST* through *SIXTH* above and as described below under “Application of Revenues for Cumulative Sinking Fund Redemption,” shall be transferred to the Loan Account; and

EIGHTH: On the first Business Day after each Semiannual Bond Payment Date when the amounts on deposit in the Accounts (other than the Rebate Account and the Operating Account) exceed 102% of the principal amount of the Outstanding Bonds, then the amounts above such 102% may be transferred to the Board free and clear of the lien of the Indenture.

Amounts transferred to the Board as contemplated by paragraph *EIGHTH* above are subject to the delivery by the Board to Ambac of a Cash Flow Statement reasonably acceptable to Ambac; provided that such Cash Flow Statement shows that, after such transfer, amounts on deposit in the Accounts established under the Indenture, other than the Rebate Account or the Operating Account, exceed 102% of the principal amount of the Outstanding Bonds for the then current and each future Bond Year during which Bonds will be Outstanding.

Application of Revenues for Cumulative Sinking Fund Redemption. Notwithstanding the provisions described above under “Revenue Account” to the contrary, (i) Cumulative Sinking Fund Redemption Requirements shall not be considered Principal Installments for purposes of subparagraph *THIRD* under “Revenue Account,” as described above, or as Redemption Price due for purposes of Subparagraph *FOURTH* under “Revenue Account,” as described above, and (ii) to the extent not less than forty-five days prior to a Cumulative Sinking Fund Redemption Date there will be monies remaining on deposit in the Revenue Account on such Cumulative Sinking Fund Redemption Date, as determined by the Board following the application of amounts on deposit in the Revenue Account pursuant to subparagraphs *FIRST* through *SEVENTH* under “Revenue Account,” as described above, such remaining Revenues shall be applied for the cumulative sinking fund redemption (or purchase in lieu of redemption), of any Series of Bonds to which Cumulative Sinking Fund Installments apply, to the extent notice of such redemption has been given by the Trustee prior to application of the Revenues as provided in subparagraph *EIGHTH* under “Revenue Account,” as described above.

Not less than forty-five days prior to any Cumulative Sinking Fund Redemption Date the Board shall determine the amount of Revenues which it reasonably believes will remain on deposit in the Revenue Account following the application of amounts on deposit in the Revenue Account pursuant to subparagraphs *FIRST* through *SEVENTH* under “Revenue Account,” as described above, and shall notify the Trustee of its determinations. To the extent that the Board determines and notifies the Trustee that amounts will be so available, as described in the preceding sentence, for the cumulative sinking fund redemption of Bonds the Trustee shall proceed to select from the Bonds subject to cumulative sinking fund redemption an amount of Bonds, in Authorized Denominations and not to exceed the then applicable Cumulative Sinking Fund

¹ The amendments contemplated to permit the replacement of amounts on deposit in the Debt Service Reserve Account with a surety bond of Ambac are expected to provide that, in addition to the use of Revenues to replace amounts to be on deposit therein, Revenues may also be used under “*FIFTH*” above to reimburse Ambac as the surety provider for amounts drawn thereunder.

Redemption Requirement, approximately equal to (but not to exceed) the amount to be so available and to notify the Owners of such Bonds of such redemption, as otherwise provided in the General Indenture.

Debt Service Reserve Account. If on any Interest Payment Date or Redemption Date, the amounts on deposit in the Revenue Account shall be less than the amount required for the payment of the interest and Principal Installments due on the Outstanding Bonds on such date, the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to fund the deficiency. If, concurrently with any allocation from the Revenue Account pursuant to this Section, the amount on deposit in the Debt Service Reserve Account, shall be in excess of the Debt Service Reserve Account Requirement, the Trustee shall immediately transfer the amount of such excess to the Revenue Account.²

Operating and Rebate Accounts. Amounts on deposit in the Operating Account shall be used to pay reasonable and necessary Program Expenses. Amounts on deposit in the Rebate Account shall be used to make payments to the federal government as required by the Internal Revenue Code of 1986, as amended.

Student Loan Program Covenants. The Board shall from time to time, with all practicable dispatch and in a sound and economical manner consistent in all respects with the provisions of the Indenture and sound banking practices and principles, (i) use and apply the proceeds of the Bonds, to the extent not reasonably or otherwise required for other purposes of the Student Loan Program, to finance Eligible Student Loans pursuant to the Indenture or to pay other obligations of the Board required to be paid under the Indenture, (ii) do all such acts and things as shall be necessary to receive and collect Revenues and Special Allowance Payments sufficient to pay the Bonds and the expenses of the Student Loan Program, and (iii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Board to protect its rights with respect to, to maintain any insurance on and to enforce all terms, covenants and conditions of Student Loans.

No amount in the Loan Account shall be expended or applied for the purpose of financing an Eligible Student Loan, and no Eligible Student Loan shall be financed, unless (except to the extent that a variance from such requirements is required by an agency or instrumentality of the United States of America insuring or guaranteeing the payment of an Eligible Student Loan) the Board, upon independent verification and certification by the Trustee, has determined that:

(i) (1) the payment of the principal of and interest of the Eligible Student Loan is either (i) fully insured by the United States Secretary of Education as evidenced by a certificate of insurance issued under the provisions of the Higher Education Act, or (ii) fully guaranteed by a Guarantor and the United States Secretary of Education is required at the time of financing by the Higher Education Act to reimburse such Guarantor in accordance with the Higher Education Act for amounts expended by such Guarantor in discharge of its insurance obligation on such Eligible Student Loan;

(2) the interest borne by and payable on the Eligible Student Loan at the time of acquisition is not less than the maximum rate of interest amount permitted under the Higher Education Act at the time such loan was made; and

(3) the Eligible Student Loan is subject to being repurchased by the seller if such Eligible Student Loan does not comply with the provisions of the Program Documentation;

or (ii) the Board is authorized, with the consent of Ambac, to finance the Eligible Student Loan through the operation of any change in federal or state law subsequent to the date of the Indenture.³

The Board may at any time sell, assign, transfer or otherwise dispose of a Student Loan at a price (i) at least equal to the principal amount thereof (plus accrued interest and Special Allowance Payments) (a) when the amounts on deposit in the Accounts, excluding the Operating Account and the Rebate Account, at least equal the principal amount of the Outstanding Bonds or (b) to pay current debt service on the Bonds; or (ii) lower than the principal amount thereof (plus accrued interest and Special Allowance Payments) when the Board delivers to the Trustee a Cash Flow Statement showing that either (a) the Revenues expected to be received assuming such sale, assignment, transfer or other disposition of such Student Loan would be at least equal to the Revenues expected to be received assuming no such sale, assignment, transfer or other disposition of such Student Loan or (b) assuming such sale, assignment, transfer or other disposition (1) the Board shall remain able to pay Debt Service on the Bonds on a timely basis whereas it would not have been able to if it had not sold the Student Loans at a discount

² The amendments contemplated to permit the replacement of amounts on deposit in the Debt Service Reserve Account with a surety bond of Ambac are expected to (i) provide that for purposes of determining whether the Debt Service Reserve Account Requirement is on deposit therein, amounts available under a surety bond shall be counted and (ii) provide that amounts on deposit in the Debt Service Reserve Account represented by cash or investments be used prior to drawing on the surety bond and that a surety be reimbursed prior to replenishing the amounts on deposit in the Debt Service Reserve Account.

³ Ambac has consented to the financing of Eligible Student Loans insured and guaranteed for 98% of unpaid principal and accrued interest pursuant to the 1992 Amendments to the Higher Education Act.

or (2) the amount on deposit in the Revenue Account and the Loan Account will be at least equal to 102% of the principal amount of the Outstanding Bonds. Accrued interest and Special Allowance Payments are to be taken into account on both the asset and liability side of such statement. The Board shall sell Student Loans if necessary to prevent the occurrence of an Event of Default and any such sale must be to the highest bidder.

Issuance of Additional Obligations. The Board shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by a superior or equal charge and lien on the revenues and assets pledged under the Indenture, except that additional Series of Bonds may be issued from time to time, subject to Ambac Assurance approval, subsequent to the issuance of the initial Series of Bonds under the Indenture on a parity with the Bonds of such initial Series or Series of Bonds and secured by an equal charge and lien on the revenues and assets pledged thereunder and payable equally therefrom for one or more of the purposes set forth in the indenture.

Events of Default. Each of the following events is declared an "Event of Default" under the Indenture:

(1) payment of the principal of or Redemption Price, if any, on any Bond when and as the same shall become due, whether at maturity or upon call for redemption or otherwise shall not be made when and as the same becomes due; or

(2) payment of any installment of interest on any of the Bonds shall not be made when and as the same shall become due; or

(3) the Board shall fail or refuse to comply with the provisions of the Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained in the General Indenture or in any Supplemental Indenture or the Bonds, and such failure, refusal or default shall continue for a period of forty-five days after written notice thereof by the Trustee or the Owners of not less than 5% in principal amount of the Outstanding Bonds or Ambac; or

(4) with respect to any Series of Bonds, the occurrence of any Event of Default pursuant to the Supplemental Indenture authorizing such Series.

Remedies. Upon the happening and continuance of any Event of Default specified in paragraphs (1) and (2) above, the Trustee shall immediately notify the Board and each other Fiduciary of such Event of Default and shall proceed, or upon the happening and continuance of any Event of Default specified in paragraph (3) and (4) above, the Trustee shall immediately notify the Board and each other Fiduciary and may proceed and, upon the written request of Ambac or the Owners of not less than twenty five percent (25%) in principal amount of the Outstanding Bonds and with the written consent of Ambac, shall proceed, in its own name to protect and enforce the rights of the Bondowners by such of the remedies, specified in the Indenture, including, in certain circumstances, acceleration as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. For so long as the Bonds are insured under the Insurance Policy, Ambac may control the exercise of remedies under the Indenture.

Priority of Payments After Default. In the event that upon the happening and continuance of any Event of Default the funds held by the Trustee and Paying Agents shall be insufficient for the payment of principal or Redemption Price and interest then due on the Bonds, such funds (other than funds held for the payment of particular Bonds which have theretofore become due at maturity) and any other amounts received or collected by the Trustee acting pursuant to the Indenture, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interest of the Owners of the Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under the Indenture, shall be applied, subject to the Indenture, as follows:

(1) Unless the principal of all of the Bonds shall have become or have been declared due and payable:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due and, if the amounts available shall not be sufficient to pay in full all the Bonds due, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

(2) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference of priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

Limitation on Rights of Bondholders. No Owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law under the Indenture, or for the protection or enforcement of any right under the Indenture unless such Owner shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Owners of not less than twenty five percent (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee, after the right to exercise such powers of right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Indenture or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under the Indenture or for any other remedy under the Indenture or by law. It is understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatever by such Owner or Owner's action to affect, disturb or prejudice the security of the Indenture, or to enforce any right under law with respect to the Bonds or the Indenture, except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the benefit of all Owners of the Outstanding Bonds. Nothing contained in Article XII of the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on the Bonds or the obligation of the board to pay the principal of and interest on each Bond issued thereunder to the Owner thereof at the time and place expressed in said Bond.

Defeasance. If the Board shall pay or cause to be paid to the Owners of the Bonds, the principal and interest to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of the Indenture, including any Revenues and other moneys, securities, funds and property pledged by the Indenture and all other rights granted under the Indenture shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Board, execute and deliver to the Board all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Board all moneys or securities held by them pursuant to the Indenture which are not required for the payment of Bonds not therefore surrendered for such payment. If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds or a particular Series the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under the Indenture and all covenants, agreements and obligations of the Board to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Principal or interest installments for the payment of which moneys shall have been set aside and shall be held in trust by the Fiduciaries (through deposit by the Board of funds for such payment) and the sufficiency of which shall have been verified by a nationally recognized accounting firm shall, at the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed above. However, such verification shall not be required in the event of a full cash defeasance or a current refunding with less than 90 days to the maturity or Redemption Date of the Bonds to be refunded. All Bonds shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed above if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Board shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Governmental Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty days, the Board shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Bonds that the deposits required by (ii) above have been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this paragraph and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, on said Bonds. Neither Governmental Obligations or moneys deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any such Governmental Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of or Redemption Price, if any, and interest on said Bonds; but any cash received from such principal or interest payments on such Governmental Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Governmental Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, and interest to become due on said Bonds on and prior to such maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Board, as received by the Trustee, free and clear of any trust, lien or pledge.

No Recourse Under Indenture or on Bonds. All covenants, stipulations, promises, agreements and obligations of the Board contained in the Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Board and not of any officer or employee obligations of the Board in such person's individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Indenture against any officer or employee of the Board or against any natural person executing the Bonds.

EXHIBIT II

**AUDITED FINANCIAL STATEMENTS OF THE BOARD'S STUDENT LOAN
PURCHASE PROGRAM FOR THE FISCAL YEAR ENDED JUNE 30, 200[6/7]**

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

We have acted as bond counsel to the State Board of Regents of the State of Utah (the "Board") in connection with the issuance by the Board of its Student Loan Revenue Bonds, 2007 Series Y in the aggregate principal amount of \$00,000,000 (the "2007 Series Y Bonds"). The 2007 Series Y Bonds are authorized to be issued under the General Indenture dated as of July 15, 1988 (the "General Indenture") as previously amended and supplemented by the First through Twelfth Supplemental Indentures and as further amended and supplemented by the Thirteenth Supplemental Indenture dated as of November 1, 2007 (the "Twelfth Supplemental Indenture," and together with the General Indenture and the First through Twelfth Supplemental Indentures, the "Indenture"), each by and between the Board and Wells Fargo Bank, National Association, as trustee (the "Trustee"). Under the General Indenture, the Board has previously issued various series of Student Loan Revenue Bonds (collectively with the 2007 Series Y Bonds, the "Bonds"). Capitalized terms not otherwise defined herein shall have the meanings specified in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate with respect to the 2007 Series Y Bonds dated the date hereof (the "Tax Certificate"), an opinion of counsel to the Board, certificates of the Board, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the Board. We have not undertaken to verify independently, and have assumed, accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the immediately preceding paragraph hereof. Furthermore, we have assumed compliance with the covenants and agreements contained in the Indenture and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the 2007 Series Y Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, choice of laws, choice of forum or waiver provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the 2007 Series Y Bonds and express no opinion with respect thereto.

Based upon and subject to the foregoing and in reliance thereon, as of the date hereof, it is our opinion that:

1. The Board is a body politic duly organized and validly existing under the laws of the State of Utah and has authority to issue the 2007 Series Y Bonds.
2. The 2007 Series Y Bonds constitute valid and binding special limited obligations of the Board and do not constitute a debt or liability of the State of Utah or any political subdivision thereof.
3. The Indenture has been duly executed and delivered by the Board and is a valid and legally binding obligation of the Board. The Indenture creates a valid pledge to secure payment of the principal of and interest on the Bonds, subject to the uses specified in the Indenture of (a) the proceeds of the sale of the 2007 Series Y Bonds, (b) the Revenues, (c) moneys in the Accounts established by the Indenture (other than the Operating Account and the Rebate Account), including investments, if any, thereof and the earnings, if any, thereon (other than investments of and earnings on deposit in the Rebate Account and the Operating Account), and (d) the rights and interests of the Board in and to the Student Loans and the proceeds and collections of the Board therefrom consisting of the Revenues.
4. Based on an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the 2007 Series Y Bonds is excludable from gross income for federal income tax purposes. Interest on the 2007 Series Y Bonds is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes.
5. Under the laws of the State of Utah as enacted and construed on the date hereof, interest on 2007 Series Y Bonds is exempt from Utah individual income taxes.

Although we have rendered an opinion that interest on the 2007 Series Y Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the 2007 Series Y Bonds may otherwise affect a Bondholder's tax liability. The nature and extent of these other tax consequences will depend upon the Bondholder's particular tax status and the Bondholder's other items of income or deduction. We express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2007 Series Y Bonds.

AMBAC ASSURANCE CORPORATION
[TO BE UPDATED]

Ambac Assurance Corporation (“Ambac Assurance”) is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately \$8,069,000,000 (unaudited) and statutory capital of approximately \$5,015,000,000 (unaudited) as of September 30, 2004. Statutory capital consists of Ambac Assurance’s policyholders’ surplus and statutory contingency reserve. Standard & Poor’s Credit Markets Services, a Division of The McGraw-Hill Companies, Moody’s Investors Service and Fitch Ratings have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its financial guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the issuer of the 2007 Series Bonds.

Ambac Assurance makes no representation regarding the 2007 Series Bonds or the advisability of investing in the 2007 Series Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading “INSURANCE ON THE 2007 Series Bonds”, in this Exhibit and Exhibit V.

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the “Company”), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”). These reports, proxy statements and other information can be read and copied at the SEC’s public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the “NYSE”), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance’s financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance’s administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Official Statement:

1. The Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed on March 15, 2004;
2. The Company’s Current Report on Form 8-K dated April 21, 2004 and filed on April 22, 2004;
3. The Company’s Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2004 and filed on May 10, 2004;
4. The Company’s Current Report on Form 8-K dated July 21, 2004 and filed on July 22, 2004;
5. The Company’s Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2004 and filed on August 9, 2004;
6. The Company’s Current Report on Form 8-K dated August 19, 2004 and filed on August 20, 2004;
7. The Company’s Current Report on Form 8-K dated October 20, 2004 and filed on October 20, 2004;

8. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended September 30, 2004 and filed on November 9, 2004;
9. The Company's Current Report on Form 8-K dated November 12, 2004 and filed on November 12, 2004; and
10. The Company's Current Report on Form 8-K dated January 26, 2005 and filed on January 26, 2005.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "Available Information".

FORM OF FINANCIAL GUARANTY INSURANCE POLICY

BOND PURCHASE AGREEMENT

relating to

\$98,790,000

**STATE BOARD OF REGENTS OF
THE STATE OF UTAH**

**STUDENT LOAN REVENUE BONDS
2007 SERIES Y (AMT)
(Variable Rate Tender Bonds)**

November __, 2007

State Board of Regents of
the State of Utah
Utah Student Loan Program
Board of Regents Building
The Gateway
60 South 400 West
Salt Lake City, Utah 84101-1284

Ladies and Gentlemen:

The undersigned, acting on behalf of themselves, as representative (the "Representative") of the managers named in Schedule 1 hereto (collectively, the "Managers"), offer to enter into this Bond Purchase Agreement (the "Agreement") with you, which, upon your acceptance, will be binding upon you and upon the Managers. The offer made hereby is subject to your acceptance by 5:00 p.m., Eastern Time, on the date hereof or such other date as we may agree upon. You have heretofore delivered to us, as Managers, the Official Statement dated November 1, 2007 ("Official Statement") of the State Board of Regents of the State of Utah (the "Board"). Capitalized terms used herein and not otherwise defined shall have the meaning assigned to them in the Indenture (hereinafter defined).

1. On the basis of the representations, warranties and covenants and upon the terms and conditions set forth in this Agreement, the Managers hereby offer to purchase and you hereby agree to sell \$98,790,000 aggregate principal amount of your Student Loan Revenue Bonds, 2007 Series Y (AMT) maturing November 1, 20__; (the "Bonds") bearing interest and having the various redemption provisions, set forth in the Indenture and described in the Official

Statement. The purchase price for the Bonds, to be paid in immediately available funds at the Closing (hereinafter defined), shall be \$98,790,000. The underwriting fee to be paid to the Representative by the Board for the Bonds shall be \$_____ to be paid in immediately available funds at the Closing.

2. The Bonds shall be as described in the Official Statement and as provided in, and shall be issued and secured under the provisions of, the General Student Loan Program Indenture, dated as of July 15, 1988, as supplemented and amended included by the Thirteenth Supplemental Indenture dated as of November 1, 2007 (collectively, the "Indenture") and pursuant to which Wells Fargo Bank, National Association, has been appointed as trustee as successor to Wells Fargo Bank Northwest, N.A. (the "Trustee"). The Indenture shall be substantially in the form delivered to the Managers concurrently with the execution hereof with only such subsequent changes as may be agreed upon by the Board and the Managers. The Bonds shall be issued and secured as described in the Official Statement and in accordance with the provisions of the Indenture.

3. It shall be a condition to (i) the obligation of the Board to sell and deliver the Bonds to the Managers, and (ii) the obligation of the Managers to purchase, to accept delivery of and to pay for the Bonds, that all (but not less than all) of the Bonds to be sold pursuant to Paragraph 1 hereof shall be sold and delivered by the Board and purchased, accepted and paid for by the Managers at the Closing. The Managers agree to make a bona fide public offering of all of the Bonds at not in excess of the initial public offering yields or prices set forth on the cover page of the Official Statement, reserving, however, the right to change such yields or prices as the Managers shall deem necessary in connection with the offering of the Bonds.

4. (a) As soon as may be reasonably possible after the execution of this Agreement, you will deliver or cause to be delivered to the Managers two copies of the Official Statement executed by an Authorized Officer of the Board (as defined in the Indenture).

(b) The Board agrees, pursuant to Rule 15c2-12 promulgated by the SEC pursuant to the Exchange Act ("Rule 15c2-12"), to provide for the Managers to be furnished with reasonable quantities of copies of the Official Statement within seven business days after the date hereof and in any event in time to accompany any confirmation that requires payment from any customer, at the sole cost and expense of the Board. The Board confirms that the final Official Statement is the "final official statement" within the meaning of Rule 15c2-12.

(c) The Board authorizes the use by the Managers of the Official Statement and the information contained therein and in the Indenture in connection with the public offering and sale of the Bonds by the Managers and agrees not to supplement or amend or cause to be supplemented or amended the Indenture or the Official Statement at any time prior to the Closing without the prior written consent of the Managers. The Board ratifies and confirms the use by the Managers, prior to the date hereof, of the Official Statement in connection with the public offering of the Bonds.

(d) The Managers agree to provide the Official Statement and any amendments or supplements thereto furnished by the Board to at least one "nationally recognized municipal

securities information repository” (within the meaning of Rule 15c2-12) upon receipt of the Official Statement and any such amendments or supplements thereto from the Board.

(e) If, after the Closing and during the period ending on the date which is 25 days following the “end of the underwriting period”, as such term is used in Rule 15c2-12 (the “End of the Underwriting Period”, which End of the Underwriting Period shall be deemed to be the Closing unless the Board is informed at or before the Closing by the Representative in writing that not all of the Bonds have been sold and which Managers have not sold Bonds allotted to them), any event affecting the Board or the Bonds shall occur of which the Board has actual knowledge and which would cause the Official Statement to contain an untrue statement of a material fact or to be misleading in the light of the circumstances existing at the time, the Board will notify the Representative and, at the written request of the Representative, will forthwith prepare and furnish to the Managers, at the expense of the Board, a reasonable number of copies of an amendment of or supplement to the Official Statement which will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time, not misleading.

5. The Board represents and warrants to and agrees with each of the Managers that:

(a) The Board is a body politic of the State of Utah (the “State”) established pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended, and is authorized to act as the Utah Higher Education Assistance Authority pursuant to the Utah Higher Education Assistance Authority Act, Chapter 12, Title 53B, Utah Code Annotated, 1953, as amended, (the “Act”), and is in compliance with the provisions of the Higher Education Act of 1965, as amended and supplemented to the date hereof, and has, and at the date of Closing will have, full legal right, power and authority (i) to enter into this Agreement and the Indenture, (ii) to issue, sell and deliver the Bonds to the Managers pursuant to the Indenture as provided herein, and (iii) to carry out and consummate the transactions contemplated by this Agreement, the Indenture and the Official Statement;

(b) The Board has complied with, and will, in all respects at the Closing, be in compliance with, the Indenture and the Act;

(c) The Board, concurrently with the acceptance hereof, has duly authorized and approved the Indenture, has duly authorized and approved the Official Statement and the use and distribution thereof by the Managers, and the Board has duly authorized and approved the execution and delivery of this Agreement (and the Indenture, the performance of its obligations contained in the Bonds) and the consummation by it of all other transactions contemplated by the Official Statement;

(d) The Board is not in breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Board is a party or is otherwise subject; and the execution and delivery of this Agreement, the Indenture and the

execution and the issuance of the Bonds and compliance with the provisions of each thereof will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, certificate, agreement, or other instrument to which the Board is a party or is otherwise subject;

(e) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Board of its obligations hereunder and under the Indenture and the Bonds have been, or prior to each Closing will have been, obtained;

(f) The Bonds and the Indenture conform to the descriptions thereof contained in the Official Statement, and the Bonds, when validly issued, authenticated and delivered in accordance with the Indenture and sold to the Managers as provided herein, will be validly issued and outstanding limited obligations of the Board entitled to the benefits of the Indenture;

(g) At the time of the Board's acceptance hereof, the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Official Statement may omit particular terms of the Bonds or may indicate those which are subject to change;

(h) At the time of the Board's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to subparagraph (e) of Paragraph 4) at all times subsequent thereto up to and including the date of Closing, the Official Statement (including the financial and statistical data included therein) did not and will not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading excluding information concerning the Depository Trust Company, _____, (the "Bank") or Ambac Assurance Corporation (the "Insurer");

(i) If the Official Statement is amended or supplemented pursuant to subparagraph (e) of Paragraph 4, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including the date of Closing, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading excluding information concerning the Depository Trust Company;

(j) The Board has, in conjunction with the Managers and others, reviewed the Official Statement. Further, as of the date of this Agreement, the Board has not, and between the date of this Agreement and the Closing, the Board will not, without the prior written consent of the Managers, issue any student loan revenue bonds, notes or other obligations for borrowed money other than those with respect to which information is given in the Official Statement and, subsequent to the respective dates as of which information is given in the Official Statement up to and including the date of the Closing, the Board has not incurred and will not incur any material liabilities, direct or contingent other than the temporary borrowing incurred in the ordinary course of business or as is described in the Official Statement;

(k) No litigation is pending or, to the knowledge of the Board, threatened in any court in any way affecting the existence of the Board or the title of the members of the Board to their respective offices or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection or pledge of revenues or assets of the Board pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture or this Agreement or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Board or its authority with respect to the Bonds, the Indenture or this Agreement, other than that which may be disclosed under the heading “Absence of Litigation” in the Official Statement;

(l) The Board will, to the extent permitted by law, furnish such information, execute such instruments and take such other action in cooperation with the Managers as the Managers may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Managers may designate except that in so doing, the Board shall not be required (i) to consent to service of process nor (ii) to register as a broker-dealer nor (iii) to qualify to do business as a foreign corporation in any jurisdiction; and

(m) The Board will apply the proceeds of the Bonds in accordance with the applicable terms of the Indenture.

6. At 11:00 a.m., Eastern Time, on November __, 2007 (the “Closing”), or on such other dates as may be mutually agreeable to the Managers and the Board, the Board will have delivered or have caused to be delivered at the offices of Orrick, Herrington & Sutcliffe LLP in New York, New York, the Bonds to or upon the order of the Managers, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Managers will accept such delivery and pay the respective purchase price for the Bonds, as set forth in Paragraph 1, in immediately available funds. The Bonds shall be printed or lithographed or typewritten, shall be prepared and delivered as one registered bond for each maturity, shall bear proper CUSIP numbers and shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds.

7. The Managers have entered into this Agreement on behalf of themselves in reliance upon the representations and warranties of the Board contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Board of its obligations hereunder at or prior to the date of the Closing. Accordingly, the Managers’ obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject to the performance by the Board of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(a) The representations and warranties of the Board contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing with the same effect as if made on the date of the Closing;

(b) At the time of the Closing, the Indenture shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to by the Managers;

(c) At the time of the Closing, all necessary action of the Board relating to the Indenture shall have been taken, shall be in full force and effect and shall not have been amended, modified or supplemented;

(d) The Managers shall have the right to terminate their obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Board of their election to do so if, after the execution hereof and prior to the Closing;

(i) Except as may be disclosed in the Official Statement, a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States of America, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or be recommended to the Congress of the United States of America for passage by the President of the United States of America, or be enacted by the Congress of the United States of America, or a decision by a court established under Article III of the Constitution of the United States of America, or the Tax Court of the United States of America, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation, upon the Bonds, or interest received on obligations of the general character of the Bonds, which, in the reasonable opinion of the Managers, materially and adversely affects the market price of the Bonds;

(ii) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State, or a decision by a court within the State shall be rendered which, in the reasonable opinion of the Managers, materially and adversely affects the market price of the Bonds;

(iii) A stop order, ruling or regulation by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, the Securities Act of 1933, as amended and then in effect, the registration provisions of the Securities Exchange Act of 1934 (other than a violation occasioned by the nature of the offeror), as amended and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and then in effect;

(iv) Legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that the Bonds or obligations of the general character of the Bonds, including all the underlying obligations, are not exempt from registration under the Securities Act of 1933, as amended and

then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture, as then amended, is not exempt from qualifications under the Trust Indenture Act of 1939, as amended and as then in effect;

(v) Any event described in subparagraph (e) of Paragraph 4 hereby shall have occurred which, in the opinion of the Managers, requires an amendment or supplement to the Official Statement and which, in the reasonable judgment of the Managers, materially and adversely affects the marketability of the Bonds or the market price thereof;

(vi) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which, in the reasonable judgment of the Managers, materially and adversely affects the marketability of the Bonds or the market price thereof;

(vii) The New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Managers;

(viii) A general banking moratorium shall have been established by federal, New York State or State authorities or;

(ix) A war involving the United States shall have been declared, or any conflict involving the armed forces of the United States shall have commenced or escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the reasonable opinion of the Managers, materially and adversely affects the market price of the Bonds.

(e) At or prior to the Closing, the Managers shall have received each of the following documents:

(i) two copies of the Official Statement of the Board executed on behalf of the Board by any Authorized Officer of the Board;

(ii) the General Student Loan Program Indenture dated as of July 15, 1988, as amended and supplemented, and the Thirteenth Supplemental Indenture of the Board dated as of November 1, 2007, duly executed and delivered by any Authorized Officer of the Board, with such amendments, modifications or supplements as may have been agreed to by the Managers;

(iii) An approving opinion, dated the date of the Closing and addressed to the Board and to the Managers, of Ballard Spahr Andrews & Ingersoll, LLP, Bond Counsel, in substantially the form attached to the Official Statement as Exhibit III;

(iv) An opinion, dated the date of the Closing and addressed to the Managers, of Ballard Spahr Andrews & Ingersoll, LLP, Bond Counsel, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(ii) the statements contained in the Official Statement under the captions “Introduction,” “The 2007 Series Bonds (except under the subheadings “- Liquidity Facility for the 2007 Series Bonds,” “ - Standby Bond Purchase Agreement,” and “-_____”),” “Tax Status” and in Exhibit I thereto entitled “Extracts from the General Indenture” insofar as such statements contained under such captions purport to summarize or extract certain provisions of the Indenture, present a fair summary or extract of such provisions; and (iii) based upon their participation in the preparation of the Official Statement as Bond Counsel and without having been called upon to examine and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, during the course of serving as Bond Counsel in connection with the issuance of the Bonds, no information came to the attention of the attorneys in such counsel’s firm rendering legal services in connection with such issuance which caused them to believe that the Official Statement as of the date thereof or such Closing, contained or contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (except for the financial and statistical data or forecasts, numbers, charts, estimates, projections, assumptions, expressions of opinion or any information about book-entry or DTC, the Bank or the Bond Insurer, or in Exhibits II, IV or V, thereto, as to which no view need be expressed);

(v) An opinion, dated the date of the Closing and addressed to the Managers, of the Attorney General of the State of Utah, as counsel to the Board, to the effect that (i) the Board has been duly created and validly exists as a body politic organized under the laws of the State; (ii) the Board has the power to finance student, parental and consolidation loans in accordance with the terms of the Indenture and such loans so acquired as of the date of Closing have attached no prior pledge or lien; (iii) this Agreement has been duly authorized, executed and delivered by, and constitutes a valid and binding agreement in accordance with its terms of, the Board; and (iv) that no litigation is pending or, to his knowledge, threatened in any court in any way affecting the existence of the Board or the title of its officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues and assets of the Board pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture or this Agreement, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Board or its authority with respect to the Bonds, the Indenture or this Agreement;

(vi) An opinion, dated the date of the Closing and addressed to the Managers, of Orrick, Herrington & Sutcliffe LLP, counsel for the Managers, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and (ii) during the course of their representation of the Managers on this matter, nothing came to the attention of the attorneys in such firm rendering legal services to the Managers in connection with such representation which caused such firm to believe that the Official Statement as of its date and as the date of such opinion (except for the financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion or any information about book-entry or DTC, the Bank or the Bond Insurer, included therein, as to which no view need be expressed) contained or contains any untrue statement of a material fact

or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vii) A certificate, dated the date of the Closing and signed by any Authorized Officer of the Board, to the effect that (i) the representations, warranties and covenants of the Board contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (ii) except as may be disclosed in the Official Statement, no litigation is pending or, to such officer's knowledge, threatened in any court in any way affecting the existence of the Board or the titles of its officers, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of or revenues and assets of the Board pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture or this Agreement, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Board or its authority with respect to the Bonds, the Indenture or this Agreement; (iii) to the best of the knowledge of the signer of such certificate, no event affecting the Board has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect; (iv) the Indenture has been duly authorized, executed and delivered by the Board, is in full force and effect, and, except to the extent to which the Managers have given written consent, has not been amended, modified or repealed; and (v) the Board has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing;

(viii) Three counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the Bonds;

(ix) A letter or other instrument from Moody's Investors Service, Fitch Ratings and S&P or other evidence satisfactory to the Managers, indicating that ratings of "Aaa/VMIG-1", "Aaa/F-1+" and "AAA/A-1+," respectively, have been awarded the Bonds and are in effect as of the date of the Closing;

(x) A certified copy of the Board's audited financial statements for the fiscal years ended [June 30, 2005 and 2006], and a letter from the independent public accountants to the Board, and addressed to the Board, in form and substance satisfactory to the Managers; including permission to include such statements in the Official Statement; and

(xi) Executed copies of the Standby Bond Purchase Agreement by and among the Board, the Trustee and the Bank dated as of November 1, 2007 (the "Standby Bond Purchase Agreement") with respect to the Bonds;

(xii) An opinion of counsel to the Bank, addressed to the Board, Trustee, Bond Insurer and Managers, as to which Moody's Investors Services, Fitch Ratings and Standard & Poor's Corporation may rely, in form satisfactory to Bond Counsel, with respect to the Standby Bond Purchase Agreement;

(xiii) Evidence that the Financial Guaranty Insurance Policy (“Policy”) with respect to the Bonds has been issued and delivered to the Trustee;

(xiv) An opinion of counsel to the Bond Insurer, addressed to the Board, Trustee and Managers as to which Moody’s Investors Service, Fitch Ratings and Standard & Poor’s Corporation may rely, substantially to the effect that:

(A) Ambac Assurance Corporation is a stock insurance company duly organized and validly existing under the laws of the State of Wisconsin and duly qualified to conduct an insurance business in the State of Utah.

(B) Ambac Assurance Corporation has full corporate power and authority to execute and deliver the Policy and the Policy has been duly authorized, executed and delivered by Ambac Assurance Corporation and constitutes a legal, valid and binding obligation of Ambac Assurance Corporation enforceable in accordance with its terms except to the extent that the enforceability (but not the validity) of such obligation may be limited by any applicable bankruptcy, insolvency, liquidation, rehabilitation or other similar law of enactment now or hereafter enacted affecting the enforcement of creditors’ rights.

(C) The execution and delivery by Ambac Assurance Corporation of the Policy will not, and the consummation of the transactions contemplated thereby and the satisfaction of the terms thereof will not, conflict with or result in a breach of any of the terms, conditions or provisions of the Certificate of Incorporation or By-Laws of Ambac Assurance Corporation, or any restriction contained in any contract, agreement or instrument to which Ambac Assurance Corporation is a party or by which it is bound constitute a default under any of the foregoing.

(D) Proceedings legally required for the insurance of the Policy have been taken by Ambac Assurance Corporation and licenses, orders, consents or other authorizations or approvals of any governmental boards or bodies legally required for the enforceability of the Policy have been obtained; any proceedings not taken and any licenses, authorizations or approvals not obtained are not material to the enforceability of the Policy.

(E) The form of Policy contained in the Official Statement under the heading “Exhibit V” is a true and complete copy of the form of Policy.

(xv) Such additional legal opinions, certificates, instruments and other documents as the Managers may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Board’s representations, warranties and covenants contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Board at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Board.

8. All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Managers in

their reasonable judgment. The opinion of Ballard Spahr Andrews & Ingersoll, LLP which is first referred to in clause (iii) of subparagraph (e) of Paragraph 7 of this Agreement shall be deemed satisfactory if the opinion is substantially in the form of Exhibit VI of the Official Statement.

9. The Managers shall be under no obligation to pay any, and the Board shall pay all, expenses incident to the performance of the Board's obligations hereunder, including, but not limited to, (i) the cost of the preparation, printing and distribution of the Indenture (including any amendments or supplements thereto), (ii) the cost of the preparation, printing and execution of the Bonds, (iii) the fees and disbursements of Ballard Spahr Andrews & Ingersoll, LLP, as Bond Counsel, (iv) the fees and disbursements of the Attorney General of the State of Utah, as counsel to the Board, (v) the fees and disbursements of the Trustee and of any other experts, advisers or consultants retained by the Board, (vi) the fees, if any, for bond ratings, (vii) cash flow verification fees; and (viii) the cost of preparation, printing and distribution of the Official Statement and any supplements or amendments thereto and the cost of printing the Program Documentation and related program documents. All such expenses shall be paid from the proceeds of the Bonds or the available funds of the Board.

10. The Managers shall pay (i) all advertising expenses in connection with the public offering of the Bonds, (ii) the cost of the preparation and printing of the Blue Sky Memorandum, the Agreement Among Managers and this Agreement, (iii) all other expenses incurred by them or any of them in connection with their public offering and distribution of the Bonds by the Managers, including computer expenses and the fees and disbursements of counsel retained by them.

11. Any notice or other communication to be given to the Board under this Agreement may be given by delivering the same in writing at the Board's address set forth above, and any notice or other communication to be given to the Managers under this Agreement may be given by delivering the same in writing to UBS Securities LLC, Municipal Securities Group, 1285 Avenue of the Americas, 15th Floor, New York, New York 10019, Attention: Paul Wozniak.

12. This Agreement is made solely for the benefit of the Board and the Managers (including the successors or assigns of any Manager), and no other person shall acquire or have any right hereunder or by virtue hereof. All the Board's representations, warranties and covenants contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Managers or (ii) delivery of and payment for the Bonds pursuant to this Agreement.

13. No covenant or agreement contained in this Agreement shall be deemed to be a covenant or agreement of any member, officer, agent or employee of the Board in such person's individual capacity, and no member, officer, agent or employee of the Board shall be liable personally under this Agreement, or be subject to any personal liability or accountability solely by reason of such person's execution of this Agreement or solely by reason of the Board's breach or attempted or alleged breach hereof.

14. UBS Financial Services Inc. is authorized, on behalf of the Managers, to execute and deliver this Agreement. This Agreement shall become effective upon the execution of the acceptance hereof by any authorized member or officer of the Board, shall be valid and enforceable as of the time of such acceptance, and, to the extent permitted by the laws of the State, shall be governed by and construed in accordance with the laws of the State of New York. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Very truly yours,
UBS SECURITIES LLC
as Representative of the Managers
By: UBS SECURITIES LLC

UBS SECURITIES LLC
WELLS FARGO BROKERAGE SERVICES, LLC
ZIONS FIRST NATIONAL BANK
CITIGROUP GLOBAL MARKETS INC.

By: _____
Managing Director

By: _____

Accepted:

This ____ day of November, 2007

By: **STATE BOARD OF REGENTS OF
THE STATE OF UTAH**

By: _____
Vice Chair

SCHEDULE 1
CO-MANAGERS

UBS Securities LLC

Wells Fargo Brokerage Services, LLC

Zions First National Bank

Citigroup Global Markets Inc.

October 17, 2007

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: University of Utah – Update on Entrada Ranch Property

Issue

In January 2007, the Regents' Executive Committee reviewed and approved a proposal from the University of Utah to extend the option to purchase the property known as Entrada Ranch. The University is seeking private funding to purchase this property located approximately 35 miles northeast of Moab, Utah, to be used for future academic and research activities.

The University is pleased to announce that an individual is interested in helping the University by providing an opportunity to extend the time frame for the University to acquire the necessary private funding to purchase the property. The details of the proposal are included in the attachments to this memorandum. University officials will be at the meeting to answer specific questions Regents may have about the proposal.

When the University is prepared to propose the actual purchase of the property, the proposal to purchase will come to the Board of Regents for approval.

Commissioner's Recommendation

The Commissioner recommends that the State Board of Regents approve the assignment of the option to Apple Lane under the terms described in the attachment.

REK/MHS/KLH
Attachments

Richard E. Kendell
Commissioner of Higher Education

October 17, 2007

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Utah State University – Campus Master Plan

Utah State University has seen significant changes in its campus master plan since it was last approved. Campus Officials will provide an update of its master plan and distribute maps of its main and regional campuses at the meeting and will be prepared to answer any questions.

Commissioner's Recommendation

The Commissioner recommends approval of Utah State University's campus master plan.

Richard E. Kendell
Commissioner of Higher Education

REK/MHS

October 17, 2007

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Action: Consent Calendar, Finance, Facilities, and Accountability Committee

The Commissioner recommends that the Regents approve the following items on the Finance, Facilities, and Accountability Committee Consent Calendar:

USHE – University of Utah and Utah State University – Capital Facilities Delegation Reports. In accordance with the capital facilities delegation policy adopted by the Regents and by the State Building Board, the attached reports are submitted to the Board for review. Officials from the institutions will be available to answer any questions that the Regents may have.

Richard E. Kendell
Commissioner of Higher Education

REK/MHS/MV
Attachments

October 17, 2007

MEMORANDUM

TO: Jerry Atkin

FROM: Mark Spencer

SUBJECT: Capital Delegation

I have reviewed the Administrative Reports from the University of Utah and Utah State University. Both reports demonstrate a high level of attention to detail.

I recommend that the reports be approved.

October 17, 2007

MEMORANDUM

TO: Utah State Board of Regents

FROM: Richard E. Kendell

SUBJECT: USHE – Expanded Long-term Enrollment Projections

Issue

During the September 2007 meeting the Regents approved the 2007 Enrollment projections that employed a modified increase in overall participation rates of 18-29 year-olds beginning in 2007 with an increase of 0.2%, growing to 0.5% annually beginning 2008, and eventually 0.7% annual growth beginning 2017. During that meeting, Regents requested the institutional projections using the approved model (Attachment 1) as well as a second set of enrollment projections (Attachment 2) outlining what enrollment could possibly look like if institutions made no policy adjustments to increase participation rates of the 18-29 year-old population.

Potential Challenges to Increased Participation Rates

Institutions will need to consider a multitude of factors when developing plans to increase overall participation rates. These factors include a declining population base, changing demographic composure of the population pool, tuition rates and financial aid availability, and admission barriers such as limited advising and counseling staff at the institutions.

Information from the US Census conducted in 2000, as well as the GOPB population estimates, identifies a decreasing population base for USHE institutions to draw students from, for at least the next 10 years.

A second major factor that will impact the USHE institutions' ability to increase participation rates in a shrinking eligible pool is the changing racial mix of the population. It is estimated that by 2017 Hispanic students will represent approximately 25 percent of the graduating high school class in the state of Utah, up from 5.2 percent in 2002. The Hispanic population traditionally has not been a large participant in higher education. USHE institutions must develop plans to ensure access for this population if the system wants to increase overall participation rates.

Regents will also need to consider the impact of perpetual tuition increases and limited state need-based financial aid on the ability of Utahns to participate in higher education. As State resources available to support higher education become restricted in future years, it may be necessary for Regents and institutions to consider funding sources other than tuition increases in order to have higher education remain accessible for students from low-income families.

An additional challenge Regents and institutions may encounter while trying to increase participation rates is the limited availability of advising and counseling staff at each institution to meet with potential students. Recent studies have indicated that advising and counseling early in a student's education encourage and increase the likelihood that a student will participate and complete his or her program of study.

Institutional Involvement

USHE institutions and the Office of the Commissioner need to communicate why Legislators and the general population should support initiatives to increase the overall participation rate. Each USHE institution should develop a unique plan of how it will help increase overall participation in postsecondary education in the State of Utah. Underlying issues that will directly impact the ability of USHE institutions to increase participation rates within a "shrinking" population will require innovative and proactive courses of action by each school. Some of these issues include:

- Addressing the high school population of students not currently prepared to enter college
- Tapping the growing minority population within the State who traditionally participate in postsecondary education at lower rates than their white peers
- Encouraging women in the State of Utah to pursue and complete a degree in higher education
- Recruiting students who have left the system one or two semesters short of a degree to return and complete their programs

Projection Limitations

When considering the projections for the next 20 years, Regents should keep in mind a few caveats:

- **"Science" vs. "Art".** Projecting enrollment is as much "art" as "science" and should be viewed as informed estimations rather than certainties, particularly given the 20-year duration of the projections.
- **Population Projections.** The projections are only as good as the assumptions on which they are based. A principal assumption embedded in the USHE enrollment projections is that statewide population estimates promulgated by GOPB will prove to be relatively accurate.
- **Participation Rate Projections.** Major shifts in policy, such as changes in institutional mission and role, changes to residency requirements, availability of nonresident waivers, lack of funding for new enrollment, enrollment freezes, high tuition increases, or other factors could have a direct impact on participation rates.

- **Systematically Reported Enrollments.** Only those enrollments, including both budget-related and self-supporting enrollments, which have been systematically reported, form the basis for future projected enrollments. At most institutions, continuing education, non-credit enrollments have not been systematically reported in past years. Consequently, no reliable database is available on which to project future enrollments of this type. Other non-credit enrollments for applied technology education are included in the projections.
- **UCAT Projections.** UCAT projections cannot be simply "added" to projections for other USHE institutions because UCAT headcount enrollment is reported on an annual basis and not a snapshot, fall headcount basis.
- **Projections and Budget Requests.** Projections will not be used for budget request purposes, such as the determination of enrollment growth requests. USHE enrollment growth funding requests have been based for several years on actual enrollments rather than projected enrollments, and institutions receive growth funding a year after student growth has actually occurred.
- **Projections and Facilities Requests/Q&P.** Institution projections are used as input to the Regents' facilities prioritization process known as the "Q&P." The five-year projection figures along with accepted space-per-student standards will generate estimated space needs for each institution. These estimated space needs are one of several elements weighed in the Q&P process, which will be brought to the Board when capital development projects are prioritized in September.

Commissioner's Recommendation

Information item only. No action is needed.

Richard E. Kendell
Commissioner of Higher Education

REK/MHS/KLH
Attachments

USHE 2007 Long-term Enrollment Projection Model

Increase Participation Rate in 18-29 year olds by .5% 2008-2017 and .7% each year thereafter

UTAH SYSTEM OF HIGHER EDUCATION

System Total Projection *(All line items excluding UCAT; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % Change	Cumulative Annualized FTE % change (Since 87-88)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % Change	Cumulative Annualized FTE % change (Since 06-07)
87-88	74,929	56,298	57,634	n/a	n/a	07-08	142,130	97,660	112,560	0.8%	0.8%
88-89	74,884	56,640	58,606	1.7%	1.7%	08-09	145,090	99,700	114,930	2.1%	3.0%
89-90	80,430	60,028	62,368	6.4%	8.2%	09-10	147,740	101,550	117,100	1.9%	4.9%
90-91	86,843	63,545	66,468	6.6%	15.3%	10-11	149,800	102,960	118,730	1.4%	6.4%
91-92	94,923	69,651	73,009	9.8%	26.7%	11-12	151,920	104,450	120,470	1.5%	7.9%
92-93	99,163	73,224	76,957	5.4%	33.5%	12-13	154,770	106,410	122,760	1.9%	10.0%
93-94	103,633	75,805	79,479	3.3%	37.9%	13-14	158,570	109,050	125,790	2.5%	12.7%
94-95	110,594	79,364	81,978	3.1%	42.2%	14-15	162,770	111,960	129,170	2.7%	15.7%
95-96	112,666	81,713	84,068	2.5%	45.9%	15-16	167,270	115,090	132,760	2.8%	18.9%
96-97	116,047	83,375	87,383	3.9%	51.6%	16-17	172,170	118,500	136,710	3.0%	22.5%
97-98	121,053	87,077	91,103	4.3%	58.1%	17-18	178,450	122,860	141,720	3.7%	27.0%
98-99	113,704	79,393	90,453	-0.7%	56.9%	18-19	185,900	128,020	147,680	4.2%	32.3%
99-00	122,417	84,929	96,585	6.8%	67.6%	19-20	193,360	133,180	153,620	4.0%	37.6%
00-01	126,377	88,002	101,307	4.9%	75.8%	20-21	200,800	138,320	159,550	3.9%	42.9%
01-02	134,939	94,698	109,302	7.9%	89.6%	21-22	208,590	143,750	165,790	3.9%	48.5%
02-03	138,625	98,090	114,610	4.9%	98.9%	22-23	216,860	149,470	172,410	4.0%	54.5%
03-04	140,933	99,242	115,212	0.5%	99.9%	23-24	225,480	155,470	179,310	4.0%	60.6%
04-05	144,937	100,067	115,188	0.0%	99.9%	24-25	234,430	161,660	186,450	4.0%	67.0%
05-06	144,302	98,344	112,341	-2.5%	94.9%	25-26	243,250	167,790	193,530	3.8%	73.4%
06-07	140,605	96,761	111,624	-0.6%	93.7%	26-27	252,620	174,290	201,000	4.4%	83.6%
Average Annual Increases			2,699	3.6%		Average Annual Increases			4,422	3.0%	

USHE 2007 Long-term Enrollment Projection Model

UNIVERSITY OF UTAH

Total Institution Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 87-88)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 06-07)
87-88	24,616	19,186	19,467	n/a	n/a	07-08	30,660	23,880	27,490	0.5%	0.5%
88-89	24,052	18,806	19,216	-1.3%	-1.3%	08-09	31,440	24,490	28,190	2.5%	3.0%
89-90	24,440	19,002	19,629	2.1%	0.8%	09-10	32,160	25,050	28,840	2.3%	5.4%
90-91	25,425	19,912	20,450	4.2%	5.0%	10-11	32,750	25,510	29,370	1.8%	7.3%
91-92	26,639	20,575	21,351	4.4%	9.7%	11-12	33,360	25,990	29,920	1.9%	9.4%
92-93	26,801	20,971	21,583	1.1%	10.9%	12-13	34,110	26,570	30,590	2.2%	11.8%
93-94	27,118	20,928	21,454	-0.6%	10.2%	13-14	35,070	27,320	31,450	2.8%	14.9%
94-95	26,918	21,272	21,881	2.0%	12.4%	14-15	36,110	28,130	32,390	3.0%	18.4%
95-96	27,143	21,540	22,055	0.8%	13.3%	15-16	37,220	28,990	33,380	3.1%	22.0%
96-97	26,365	20,990	21,719	-1.5%	11.6%	16-17	38,420	29,930	34,460	3.2%	25.9%
97-98	26,191	21,193	22,057	1.6%	13.3%	17-18	39,910	31,090	35,790	3.9%	30.8%
98-99	25,203	19,677	21,899	-0.7%	12.5%	18-19	41,720	32,500	37,420	4.6%	36.8%
99-00	25,788	20,343	22,970	4.9%	18.0%	19-20	43,500	33,880	39,000	4.2%	42.5%
00-01	26,180	20,778	24,339	6.0%	25.0%	20-21	45,280	35,270	40,610	4.1%	48.4%
01-02	27,664	22,165	26,260	7.9%	34.9%	21-22	47,140	36,720	42,270	4.1%	54.5%
02-03	29,921	23,216	27,850	6.1%	43.1%	22-23	49,120	38,260	44,050	4.2%	61.0%
03-04	29,878	23,426	27,316	-1.9%	40.3%	23-24	51,170	39,860	45,890	4.2%	67.7%
04-05	30,479	23,967	27,433	0.4%	40.9%	24-25	53,300	41,520	47,800	4.2%	74.7%
05-06	30,558	24,089	27,871	1.6%	43.2%	25-26	55,440	43,180	49,710	4.0%	81.7%
06-07	30,511	23,766	27,361	-1.8%	40.6%	26-27	57,640	44,900	51,690	4.0%	88.9%
Average Annual Increases			395	1.8%		Average Annual Increases			1,216	3.2%	

USHE 2007 Long-term Enrollment Projection Model

UTAH STATE UNIVERSITY

Total Institution Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 87-88)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 06-07)
87-88	12,718	9,813	10,397	n/a	n/a	07-08	23,710	16,700	18,930	0.4%	0.4%
88-89	13,114	10,086	10,631	2.3%	2.3%	08-09	24,230	17,060	19,340	2.2%	2.6%
89-90	13,621	10,561	11,205	5.4%	7.8%	09-10	24,690	17,390	19,710	1.9%	4.5%
90-91	14,785	11,513	12,226	9.1%	17.6%	10-11	25,040	17,630	19,980	1.4%	6.0%
91-92	16,599	12,732	13,319	8.9%	28.1%	11-12	25,350	17,850	20,230	1.3%	7.3%
92-93	17,114	13,121	14,170	6.4%	36.3%	12-13	25,820	18,180	20,610	1.9%	9.3%
93-94	18,380	14,083	14,840	4.7%	42.7%	13-14	26,490	18,650	21,140	2.6%	12.1%
94-95	20,361	14,911	15,582	5.0%	49.9%	14-15	27,230	19,170	21,730	2.8%	15.3%
95-96	19,852	15,159	15,942	2.3%	53.3%	15-16	28,020	19,730	22,360	2.9%	18.6%
96-97	20,802	15,738	16,421	3.0%	57.9%	16-17	28,890	20,340	23,050	3.1%	22.3%
97-98	21,232	16,222	17,044	3.8%	63.9%	17-18	29,990	21,120	23,940	3.9%	27.0%
98-99	19,323	14,554	16,356	-4.0%	57.3%	18-19	31,300	22,040	24,980	4.3%	32.5%
99-00	20,865	15,274	17,091	4.5%	64.4%	19-20	32,610	22,960	26,020	4.2%	38.0%
00-01	21,490	15,851	18,045	5.6%	73.6%	20-21	33,920	23,880	27,070	4.0%	43.6%
01-02	23,001	16,889	19,049	5.6%	83.2%	21-22	35,290	24,850	28,160	4.0%	49.4%
02-03	22,848	17,110	19,426	2.0%	86.8%	22-23	36,750	25,880	29,330	4.2%	55.6%
03-04	23,474	17,227	19,514	0.5%	87.7%	23-24	38,270	26,950	30,540	4.1%	62.0%
04-05	23,908	17,213	19,632	0.6%	88.8%	24-25	39,850	28,060	31,800	4.1%	68.7%
05-06	23,107	16,584	18,753	-4.5%	80.4%	25-26	41,440	29,180	33,070	4.0%	75.4%
06-07	23,623	16,634	18,853	0.5%	81.3%	26-27	43,070	30,330	34,380	4.0%	82.4%
Average Annual Increases			423	3.2%		Average Annual Increases			776	3.1%	

USHE 2007 Long-term Enrollment Projection Model

WEBER STATE UNIVERSITY

Total Institution Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 87-88)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 06-07)
87-88	12,549	8,847	9,279	n/a	n/a	07-08	18,730	12,750	14,880	0.4%	0.4%
88-89	12,731	9,077	9,475	2.1%	2.1%	08-09	19,150	13,040	15,220	2.3%	2.7%
89-90	13,651	9,569	10,034	5.9%	8.1%	09-10	19,540	13,300	15,530	2.0%	4.8%
90-91	14,039	10,027	10,362	3.3%	11.7%	10-11	19,860	13,520	15,780	1.6%	6.5%
91-92	14,433	10,566	11,209	8.2%	20.8%	11-12	20,190	13,750	16,050	1.7%	8.3%
92-93	14,994	11,128	11,672	4.1%	25.8%	12-13	20,610	14,030	16,380	2.1%	10.6%
93-94	15,910	11,052	11,569	-0.9%	24.7%	13-14	21,130	14,390	16,800	2.6%	13.4%
94-95	15,051	10,937	11,304	-2.3%	21.8%	14-15	21,710	14,780	17,250	2.7%	16.4%
95-96	14,623	10,826	11,006	-2.6%	18.6%	15-16	22,320	15,200	17,740	2.8%	19.7%
96-97	14,442	10,501	11,654	5.9%	25.6%	16-17	22,980	15,650	18,270	3.0%	23.3%
97-98	14,933	11,187	12,273	5.3%	32.3%	17-18	23,820	16,220	18,930	3.6%	27.8%
98-99	14,136	10,144	11,922	-2.9%	28.5%	18-19	24,820	16,900	19,730	4.2%	33.2%
99-00	15,444	10,858	12,805	7.4%	38.0%	19-20	25,820	17,580	20,520	4.0%	38.5%
00-01	16,378	11,519	13,346	4.2%	43.8%	20-21	26,810	18,250	21,300	3.8%	43.8%
01-02	17,258	12,127	14,327	7.4%	54.4%	21-22	27,850	18,960	22,130	3.9%	49.4%
02-03	18,654	13,049	15,724	9.8%	69.5%	22-23	28,950	19,710	23,010	4.0%	55.3%
03-04	19,167	13,713	16,137	2.6%	73.9%	23-24	30,090	20,490	23,920	4.0%	61.5%
04-05	18,875	13,337	15,840	-1.8%	70.7%	24-25	31,280	21,300	24,860	3.9%	67.8%
05-06	18,334	12,907	15,288	-3.5%	64.8%	25-26	32,470	22,110	25,810	3.8%	74.2%
06-07	18,642	12,692	14,815	-3.1%	59.7%	26-27	33,690	22,940	26,780	3.8%	80.8%
Average Annual Increases			277	2.6%		Average Annual Increases			598	3.0%	

USHE 2007 Long-term Enrollment Projection Model

SOUTHERN UTAH UNIVERSITY**Total Institution Projection** *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 87-88)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 06-07)
87-88	2,914	2,685	2,779	n/a	n/a	07-08	7,050	5,600	6,960	0.3%	0.3%
88-89	2,952	2,770	2,894	4.1%	4.1%	08-09	7,220	5,730	7,120	2.3%	2.6%
89-90	3,502	2,893	3,034	4.8%	9.2%	09-10	7,380	5,860	7,290	2.4%	5.1%
90-91	4,004	3,194	3,439	13.3%	23.7%	10-11	7,510	5,960	7,410	1.6%	6.8%
91-92	4,293	3,515	3,754	9.2%	35.1%	11-12	7,640	6,070	7,550	1.9%	8.8%
92-93	4,433	3,736	3,938	4.9%	41.7%	12-13	7,810	6,200	7,710	2.1%	11.1%
93-94	4,592	4,054	4,352	10.5%	56.6%	13-14	8,030	6,370	7,920	2.7%	14.2%
94-95	5,025	4,269	4,583	5.3%	64.9%	14-15	8,280	6,570	8,170	3.2%	17.8%
95-96	5,159	4,501	4,807	4.9%	73.0%	15-16	8,540	6,780	8,430	3.2%	21.5%
96-97	5,639	4,741	5,153	7.2%	85.4%	16-17	8,820	7,000	8,700	3.2%	25.4%
97-98	6,007	5,079	5,646	9.6%	103.2%	17-18	9,180	7,290	9,060	4.1%	30.6%
98-99	5,725	4,815	5,731	1.5%	106.2%	18-19	9,610	7,630	9,490	4.7%	36.8%
99-00	6,025	5,024	5,896	2.9%	112.2%	19-20	10,040	7,970	9,910	4.4%	42.9%
00-01	5,963	5,022	5,978	1.4%	115.1%	20-21	10,470	8,310	10,330	4.2%	48.9%
01-02	6,095	5,172	6,134	2.6%	120.7%	21-22	10,920	8,670	10,780	4.4%	55.4%
02-03	5,881	4,961	5,911	-3.6%	112.7%	22-23	11,390	9,040	11,240	4.3%	62.0%
03-04	6,048	4,922	5,759	-2.6%	107.2%	23-24	11,890	9,440	11,740	4.4%	69.2%
04-05	6,672	5,235	6,146	6.7%	121.2%	24-25	12,410	9,850	12,250	4.3%	76.6%
05-06	6,859	5,370	6,300	2.5%	126.7%	25-26	12,930	10,260	12,760	4.2%	83.9%
06-07	7,029	5,580	6,937	10.1%	149.6%	26-27	13,460	10,690	13,290	4.2%	91.6%
Average Annual Increases			208	5.0%		Average Annual Increases			318	3.3%	

USHE 2007 Long-term Enrollment Projection Model

SNOW COLLEGE**Total Institution Projection** *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 87-88)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 06-07)
87-88	1,369	1,314	1,244	n/a	n/a	07-08	4,170	2,940	3,040	0.0%	0.0%
88-89	1,544	1,421	1,375	10.5%	10.5%	08-09	4,220	2,970	3,070	1.0%	0.9%
89-90	1,734	1,621	1,616	17.5%	29.9%	09-10	4,270	3,010	3,110	1.3%	2.3%
90-91	1,872	1,798	1,768	9.4%	42.1%	10-11	4,300	3,030	3,130	0.6%	2.9%
91-92	2,553	2,198	2,089	18.2%	67.9%	11-12	4,330	3,050	3,150	0.6%	3.6%
92-93	2,819	2,452	2,363	13.1%	90.0%	12-13	4,390	3,090	3,190	1.3%	4.9%
93-94	2,920	2,508	2,343	-0.8%	88.3%	13-14	4,480	3,160	3,260	2.2%	7.2%
94-95	2,996	2,582	2,416	3.1%	94.2%	14-15	4,580	3,230	3,340	2.5%	9.8%
95-96	3,027	2,668	2,461	1.9%	97.8%	15-16	4,690	3,310	3,420	2.4%	12.5%
96-97	3,162	2,748	2,554	3.8%	105.3%	16-17	4,820	3,400	3,510	2.6%	15.4%
97-98	3,326	2,914	2,810	10.0%	125.9%	17-18	4,980	3,510	3,620	3.1%	19.0%
98-99	3,318	2,735	2,720	-3.2%	118.6%	18-19	5,180	3,650	3,770	4.1%	24.0%
99-00	4,081	3,109	3,119	14.7%	150.7%	19-20	5,390	3,800	3,920	4.0%	28.9%
00-01	4,092	3,159	3,150	1.0%	153.2%	20-21	5,590	3,940	4,070	3.8%	33.8%
01-02	4,096	3,224	3,141	-0.3%	152.5%	21-22	5,800	4,090	4,220	3.7%	38.8%
02-03	3,768	2,982	2,910	-7.4%	133.9%	22-23	6,020	4,240	4,380	3.8%	44.0%
03-04	4,036	2,880	3,015	3.6%	142.4%	23-24	6,260	4,410	4,550	3.9%	49.6%
04-05	4,108	2,984	3,057	1.4%	145.8%	24-25	6,500	4,580	4,730	4.0%	55.5%
05-06	4,113	2,956	3,146	2.9%	152.9%	25-26	6,750	4,760	4,920	4.0%	61.8%
06-07	4,179	2,945	3,041	-3.3%	144.5%	26-27	7,000	4,930	5,090	3.5%	67.4%
Average Annual Increases			90	5.1%		Average Annual Increases			102	2.6%	

USHE 2007 Long-term Enrollment Projection Model

DIXIE STATE COLLEGE**Total Institution Projection** *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 87-88)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 06-07)
87-88	2,211	1,889	1,812	n/a	n/a	07-08	5,990	4,000	4,220	0.4%	0.4%
88-89	2,228	1,873	1,802	-0.6%	-0.6%	08-09	6,110	4,080	4,300	1.9%	2.3%
89-90	2,382	2,051	1,992	10.5%	9.9%	09-10	6,210	4,150	4,380	1.9%	4.2%
90-91	2,529	2,158	2,156	8.2%	19.0%	10-11	6,280	4,190	4,420	0.9%	5.2%
91-92	2,963	2,398	2,298	6.6%	26.8%	11-12	6,350	4,240	4,470	1.1%	6.4%
92-93	2,868	2,402	2,299	0.0%	26.9%	12-13	6,450	4,310	4,550	1.8%	8.3%
93-94	3,041	2,550	2,438	6.0%	34.5%	13-14	6,590	4,400	4,640	2.0%	10.4%
94-95	4,375	2,772	2,638	8.2%	45.6%	14-15	6,750	4,510	4,760	2.6%	13.3%
95-96	4,921	3,120	2,964	12.4%	63.6%	15-16	6,920	4,620	4,870	2.3%	15.9%
96-97	5,318	3,298	3,171	7.0%	75.0%	16-17	7,100	4,740	5,000	2.7%	19.0%
97-98	5,500	3,505	3,389	6.9%	87.0%	17-18	7,350	4,910	5,180	3.6%	23.3%
98-99	5,454	3,454	3,607	6.4%	99.1%	18-19	7,630	5,090	5,370	3.7%	27.8%
99-00	6,191	3,656	3,728	3.4%	105.7%	19-20	7,910	5,280	5,570	3.7%	32.6%
00-01	6,515	3,831	3,990	7.0%	120.2%	20-21	8,200	5,470	5,770	3.6%	37.3%
01-02	7,255	4,087	4,212	5.6%	132.5%	21-22	8,500	5,670	5,980	3.6%	42.3%
02-03	7,473	4,260	4,389	4.2%	142.2%	22-23	8,810	5,880	6,200	3.7%	47.5%
03-04	7,682	4,425	4,583	4.4%	152.9%	23-24	9,150	6,110	6,450	4.0%	53.5%
04-05	8,564	4,518	4,564	-0.4%	151.9%	24-25	9,490	6,330	6,680	3.6%	59.0%
05-06	9,114	4,495	4,372	-4.2%	141.3%	25-26	9,840	6,570	6,930	3.7%	64.9%
06-07	5,967	3,983	4,202	-3.9%	131.9%	26-27	10,200	6,810	7,180	3.6%	70.9%
Average Annual Increases			119	4.6%		Average Annual Increases			149	2.7%	

USHE 2007 Long-term Enrollment Projection Model

COLLEGE OF EASTERN UTAH

Total Institution Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 87-88)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 06-07)
87-88	2,147	1,296	1,281	n/a	n/a	07-08	2,240	1,490	1,610	0.9%	0.9%
88-89	2,063	1,395	1,354	5.7%	5.7%	08-09	2,310	1,540	1,660	3.1%	4.0%
89-90	2,339	1,525	1,420	4.9%	10.9%	09-10	2,360	1,570	1,690	1.8%	5.9%
90-91	2,960	1,800	1,683	18.5%	31.4%	10-11	2,380	1,580	1,710	1.2%	7.2%
91-92	2,694	1,833	1,693	0.6%	32.2%	11-12	2,390	1,590	1,720	0.6%	7.8%
92-93	2,745	1,875	1,772	4.7%	38.3%	12-13	2,410	1,600	1,730	0.6%	8.4%
93-94	2,849	2,029	1,901	7.3%	48.4%	13-14	2,440	1,620	1,750	1.2%	9.7%
94-95	3,135	2,145	1,939	2.0%	51.4%	14-15	2,470	1,640	1,770	1.1%	10.9%
95-96	3,067	2,029	1,914	-1.3%	49.4%	15-16	2,510	1,670	1,800	1.7%	12.8%
96-97	3,169	2,126	1,913	-0.1%	49.3%	16-17	2,550	1,700	1,840	2.2%	15.3%
97-98	3,563	2,140	1,978	3.4%	54.4%	17-18	2,610	1,740	1,880	2.2%	17.8%
98-99	2,617	1,827	2,027	2.5%	58.2%	18-19	2,690	1,790	1,930	2.7%	21.0%
99-00	2,688	1,957	2,087	3.0%	62.9%	19-20	2,760	1,840	1,990	3.1%	24.7%
00-01	2,704	1,941	2,089	0.1%	63.1%	20-21	2,830	1,880	2,030	2.0%	27.2%
01-02	2,746	2,082	2,197	5.2%	71.5%	21-22	2,910	1,940	2,090	3.0%	31.0%
02-03	2,646	2,020	2,135	-2.8%	66.7%	22-23	3,000	2,000	2,160	3.3%	35.4%
03-04	2,692	1,902	2,094	-1.9%	63.5%	23-24	3,090	2,060	2,220	2.8%	39.1%
04-05	2,471	1,870	1,945	-7.1%	51.8%	24-25	3,200	2,130	2,300	3.6%	44.2%
05-06	2,179	1,662	1,745	-10.3%	36.2%	25-26	3,300	2,200	2,370	3.0%	48.5%
06-07	2,220	1,478	1,595	-8.6%	24.5%	26-27	3,410	2,270	2,450	3.4%	53.6%
Average Annual Increases			16	1.4%		Average Annual Increases			43	2.2%	

USHE 2007 Long-term Enrollment Projection Model

UTAH VALLEY STATE COLLEGE

Total Institution Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 87-88)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 06-07)
87-88	6,969	5,420	5,302	n/a	n/a	07-08	23,600	15,860	16,940	1.2%	1.2%
88-89	6,832	5,319	5,329	0.5%	0.5%	08-09	23,880	16,050	17,150	1.2%	2.5%
89-90	7,758	5,987	5,854	9.9%	10.4%	09-10	24,110	16,200	17,310	0.9%	3.4%
90-91	7,885	5,225	5,788	-1.1%	9.2%	10-11	24,260	16,300	17,410	0.6%	4.0%
91-92	8,777	6,067	6,739	16.4%	27.1%	11-12	24,420	16,410	17,530	0.7%	4.8%
92-93	9,623	6,586	7,486	11.1%	41.2%	12-13	24,760	16,640	17,780	1.4%	6.3%
93-94	10,512	7,194	8,038	7.4%	51.6%	13-14	25,300	17,000	18,160	2.1%	8.5%
94-95	13,293	8,457	8,856	10.2%	67.0%	14-15	25,910	17,410	18,600	2.4%	11.2%
95-96	14,040	9,125	9,609	8.5%	81.2%	15-16	26,580	17,860	19,080	2.6%	14.0%
96-97	14,756	9,784	10,699	11.3%	101.8%	16-17	27,320	18,360	19,620	2.8%	17.3%
97-98	15,994	10,485	11,404	6.6%	115.1%	17-18	28,320	19,030	20,330	3.6%	21.5%
98-99	18,174	11,668	12,438	9.1%	134.6%	18-19	29,470	19,810	21,160	4.1%	26.5%
99-00	20,062	12,770	13,804	11.0%	160.4%	19-20	30,650	20,600	22,010	4.0%	31.5%
00-01	20,946	13,503	15,058	9.1%	184.0%	20-21	31,830	21,390	22,850	3.8%	36.6%
01-02	22,609	15,163	17,097	13.5%	222.5%	21-22	33,060	22,220	23,740	3.9%	41.9%
02-03	23,609	16,261	18,464	8.0%	248.2%	22-23	34,380	23,100	24,680	4.0%	47.5%
03-04	23,803	16,313	18,381	-0.5%	246.7%	23-24	35,750	24,030	25,670	4.0%	53.4%
04-05	24,149	16,339	17,804	-3.1%	235.8%	24-25	37,170	24,980	26,690	4.0%	59.5%
05-06	24,487	16,081	16,680	-6.3%	214.6%	25-26	38,420	25,820	27,590	3.4%	64.9%
06-07	23,305	15,662	16,733	0.3%	215.6%	26-27	40,040	26,910	28,750	4.2%	71.8%
Average Annual Increases			572	6.4%		Average Annual Increases			601	2.8%	

USHE 2007 Long-term Enrollment Projection Model

SALT LAKE COMMUNITY COLLEGE**Total Institution Projection** *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 87-88)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 06-07)
87-88	9,436	5,848	6,073	n/a	n/a	07-08	25,980	14,440	18,490	2.2%	2.2%
88-89	9,368	5,893	6,530	7.5%	7.5%	08-09	26,530	14,740	18,880	2.1%	4.4%
89-90	11,003	6,819	7,584	16.1%	24.9%	09-10	27,020	15,020	19,240	1.9%	6.4%
90-91	13,344	7,918	8,596	13.3%	41.5%	10-11	27,420	15,240	19,520	1.5%	7.9%
91-92	15,972	9,767	10,557	22.8%	73.8%	11-12	27,890	15,500	19,850	1.7%	9.8%
92-93	17,766	10,953	11,674	10.6%	92.2%	12-13	28,410	15,790	20,220	1.9%	11.8%
93-94	18,311	11,407	12,544	7.5%	106.6%	13-14	29,040	16,140	20,670	2.2%	14.3%
94-95	19,440	12,019	12,779	1.9%	110.4%	14-15	29,730	16,520	21,160	2.4%	17.0%
95-96	20,834	12,745	13,310	4.2%	119.2%	15-16	30,470	16,930	21,680	2.5%	19.9%
96-97	22,394	13,449	14,099	5.9%	132.2%	16-17	31,270	17,380	22,260	2.7%	23.1%
97-98	24,307	14,352	14,502	2.9%	138.8%	17-18	32,290	17,950	22,990	3.3%	27.1%
98-99	19,754	10,519	13,753	-5.2%	126.5%	18-19	33,480	18,610	23,830	3.7%	31.8%
99-00	21,273	11,938	15,085	9.7%	148.4%	19-20	34,680	19,270	24,680	3.6%	36.5%
00-01	22,109	12,398	15,312	1.5%	152.1%	20-21	35,870	19,930	25,520	3.4%	41.1%
01-02	24,215	13,789	16,885	10.3%	178.0%	21-22	37,120	20,630	26,420	3.5%	46.1%
02-03	23,825	14,231	17,801	5.4%	193.1%	22-23	38,440	21,360	27,360	3.6%	51.3%
03-04	24,153	14,434	18,413	3.4%	203.2%	23-24	39,810	22,120	28,330	3.5%	56.6%
04-05	25,711	14,604	18,766	1.9%	209.0%	24-25	41,230	22,910	29,340	3.6%	62.2%
05-06	25,551	14,200	18,186	-3.1%	199.5%	25-26	42,660	23,710	30,370	3.5%	67.9%
06-07	25,129	14,021	18,085	-0.6%	197.8%	26-27	44,110	24,510	31,390	3.4%	73.6%
Average Annual Increases			601	6.1%		Average Annual Increases			665	2.8%	

USHE 2007 Long-term Enrollment Projection Model

UTAH SYSTEM OF HIGHER EDUCATION

System Total Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
	Fall	Fall	Annualized	Annualized	Cumulative		Fall	Fall	Annualized	Annualized	Cumulative
Year	Headcount	FTE	FTE	FTE %	Annual. FTE % change (Since 86-87)	Year	Headcount	FTE	FTE	FTE %	Annual. FTE % change (Since 05-06)
87-88	74,929	56,298	57,634	1.2%	1.2%	07-08	144,840	98,420	112,320	0.6%	0.6%
88-89	74,884	56,640	58,606	1.7%	2.9%	08-09	145,080	98,600	112,560	0.2%	0.8%
89-90	80,430	60,028	62,368	6.4%	9.5%	09-10	145,030	98,570	112,550	0.0%	0.8%
90-91	86,843	63,545	66,468	6.6%	16.7%	10-11	144,490	98,220	112,160	-0.3%	0.5%
91-92	94,923	69,651	73,009	9.8%	28.1%	11-12	144,160	97,990	111,930	-0.2%	0.3%
92-93	99,163	73,224	76,957	5.4%	35.1%	12-13	144,490	98,220	112,200	0.2%	0.5%
93-94	103,633	75,805	79,479	3.3%	39.5%	13-14	145,640	99,010	113,110	0.8%	1.3%
94-95	110,594	79,364	81,978	3.1%	43.9%	14-15	147,110	100,030	114,280	1.0%	2.4%
95-96	112,666	81,713	84,068	2.5%	47.6%	15-16	148,830	101,200	115,630	1.2%	3.6%
96-97	116,047	83,375	87,383	3.9%	53.4%	16-17	150,850	102,570	117,200	1.4%	5.0%
97-98	121,053	87,077	91,103	4.3%	59.9%	17-18	153,030	104,070	118,890	1.4%	6.5%
98-99	113,704	79,393	90,453	-0.7%	58.8%	18-19	156,100	106,170	121,290	2.0%	8.7%
99-00	122,417	84,929	96,585	6.8%	69.5%	19-20	159,040	108,180	123,580	1.9%	10.7%
00-01	126,377	88,002	101,307	4.9%	77.8%	20-21	161,820	110,070	125,740	1.7%	12.6%
01-02	134,939	94,698	109,302	7.9%	91.9%	21-22	164,810	112,140	128,100	1.9%	14.8%
02-03	138,625	98,090	114,610	4.9%	101.2%	22-23	168,010	114,300	130,550	1.9%	17.0%
03-04	140,933	99,242	115,212	0.5%	102.2%	23-24	171,310	116,560	133,140	2.0%	19.3%
04-05	144,937	100,067	115,188	0.0%	102.2%	24-25	174,720	118,880	135,770	2.0%	21.6%
05-06	144,302	98,344	112,341	-2.5%	97.2%	25-26	177,850	121,020	138,210	1.8%	23.8%
06-07	140,605	96,761	111,624	-0.6%	95.9%	26-27	181,320	123,400	140,910	2.0%	26.2%
Average Annual Increases			2,699	3.5%		Average Annual Increases			1,463	1.2%	

Institution Projection Summary

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
	1987-88	2006-07	20-year	Average	Cumulative		2026-27	20-year	Average	Annualized	Cumulative
Institution	Annualized	Annualized	Annualized	Annual	FTE % change (Since 86-87)	Institution	Annualized	Annualized	Annual. FTE	FTE %	FTE % change (Since 05-06)
	FTE	FTE	FTE growth	% change			FTE	FTE growth	Growth	change	
UU	19,467	27,361	7,894	1.8%	40.6%	UU	35,470	8,109	405	1.5%	29.6%
USU	10,397	18,853	8,456	3.2%	81.3%	USU	24,110	5,257	263	1.4%	27.9%
WSU	9,279	14,815	5,536	2.6%	59.7%	WSU	19,240	4,425	221	1.5%	29.9%
SUU	2,779	6,937	4,158	5.0%	149.6%	SUU	8,010	1,073	54	0.8%	15.5%
Snow	1,244	3,041	1,797	5.1%	144.5%	Snow	3,790	749	37	1.2%	24.6%
DSC	1,812	4,202	2,390	4.6%	131.9%	DSC	5,410	1,208	60	1.4%	28.7%
CEU	1,281	1,595	314	1.4%	24.5%	CEU	1,840	245	12	0.8%	15.3%
UVSC	5,302	16,733	11,431	6.4%	215.6%	UVSC	20,310	3,577	179	1.1%	21.4%
SLCC	6,073	18,085	12,012	6.1%	197.8%	SLCC	22,730	4,645	232	1.3%	25.7%
USHE	57,634	111,624	53,990	3.5%	93.7%	USHE	140,910	29,286	1,463	1.2%	26.2%

USHE 2007 Long-term Enrollment Projection Model

UNIVERSITY OF UTAH

Total Institution Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 86-87)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 05-06)
87-88	24,616	19,186	19,467	n/a	n/a	07-08	30,660	23,880	27,490	0.5%	0.5%
88-89	24,052	18,806	19,216	-1.3%	-1.3%	08-09	30,780	23,980	27,610	0.4%	0.9%
89-90	24,440	19,002	19,629	2.1%	0.8%	09-10	30,850	24,030	27,660	0.2%	1.1%
90-91	25,425	19,912	20,450	4.2%	5.0%	10-11	30,820	24,010	27,640	-0.1%	1.0%
91-92	26,639	20,575	21,351	4.4%	9.7%	11-12	30,810	24,000	27,630	0.0%	1.0%
92-93	26,801	20,971	21,583	1.1%	10.9%	12-13	30,960	24,120	27,770	0.5%	1.5%
93-94	27,118	20,928	21,454	-0.6%	10.2%	13-14	31,270	24,360	28,040	1.0%	2.5%
94-95	26,918	21,272	21,881	2.0%	12.4%	14-15	31,650	24,650	28,380	1.2%	3.7%
95-96	27,143	21,540	22,055	0.8%	13.3%	15-16	32,080	24,990	28,770	1.4%	5.1%
96-97	26,365	20,990	21,719	-1.5%	11.6%	16-17	32,570	25,370	29,210	1.5%	6.8%
97-98	26,191	21,193	22,057	1.6%	13.3%	17-18	33,060	25,750	29,650	1.5%	8.4%
98-99	25,203	19,677	21,899	-0.7%	12.5%	18-19	33,790	26,320	30,300	2.2%	10.7%
99-00	25,788	20,343	22,970	4.9%	18.0%	19-20	34,470	26,850	30,910	2.0%	13.0%
00-01	26,180	20,778	24,339	6.0%	25.0%	20-21	35,110	27,350	31,490	1.9%	15.1%
01-02	27,664	22,165	26,260	7.9%	34.9%	21-22	35,790	27,880	32,100	1.9%	17.3%
02-03	29,921	23,216	27,850	6.1%	43.1%	22-23	36,520	28,450	32,750	2.0%	19.7%
03-04	29,878	23,426	27,316	-1.9%	40.3%	23-24	37,270	29,030	33,420	2.0%	22.1%
04-05	30,479	23,967	27,433	0.4%	40.9%	24-25	38,040	29,630	34,110	2.1%	24.7%
05-06	30,558	24,089	27,871	1.6%	43.2%	25-26	38,790	30,210	34,780	2.0%	27.1%
06-07	30,511	23,766	27,361	-1.8%	40.6%	26-27	39,550	30,810	35,470	2.0%	29.6%
Average Annual Increases			395	1.8%		Average Annual Increases			405	1.3%	

USHE 2007 Long-term Enrollment Projection Model

UTAH STATE UNIVERSITY

Total Institution Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 86-87)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 05-06)
87-88	12,718	9,813	10,397	n/a	n/a	07-08	23,250	16,690	18,870	0.1%	0.1%
88-89	13,114	10,086	10,631	2.3%	2.3%	08-09	23,300	16,720	18,910	0.2%	0.3%
89-90	13,621	10,561	11,205	5.4%	7.8%	09-10	23,300	16,720	18,910	0.0%	0.3%
90-91	14,785	11,513	12,226	9.1%	17.6%	10-11	23,220	16,670	18,850	-0.3%	0.0%
91-92	16,599	12,732	13,319	8.9%	28.1%	11-12	23,150	16,610	18,780	-0.4%	-0.4%
92-93	17,114	13,121	14,170	6.4%	36.3%	12-13	23,200	16,650	18,830	0.3%	-0.1%
93-94	18,380	14,083	14,840	4.7%	42.7%	13-14	23,420	16,810	19,010	1.0%	0.8%
94-95	20,361	14,911	15,582	5.0%	49.9%	14-15	23,680	17,000	19,220	1.1%	1.9%
95-96	19,852	15,159	15,942	2.3%	53.3%	15-16	23,990	17,220	19,470	1.3%	3.3%
96-97	20,802	15,738	16,421	3.0%	57.9%	16-17	24,350	17,480	19,770	1.5%	4.9%
97-98	21,232	16,222	17,044	3.8%	63.9%	17-18	24,730	17,750	20,070	1.5%	6.5%
98-99	19,323	14,554	16,356	-4.0%	57.3%	18-19	25,270	18,140	20,510	2.2%	8.8%
99-00	20,865	15,274	17,091	4.5%	64.4%	19-20	25,780	18,500	20,920	2.0%	11.0%
00-01	21,490	15,851	18,045	5.6%	73.6%	20-21	26,280	18,860	21,330	2.0%	13.1%
01-02	23,001	16,889	19,049	5.6%	83.2%	21-22	26,800	19,230	21,750	2.0%	15.4%
02-03	22,848	17,110	19,426	2.0%	86.8%	22-23	27,360	19,640	22,210	2.1%	17.8%
03-04	23,474	17,227	19,514	0.5%	87.7%	23-24	27,940	20,050	22,670	2.1%	20.2%
04-05	23,908	17,213	19,632	0.6%	88.8%	24-25	28,540	20,480	23,160	2.2%	22.8%
05-06	23,107	16,584	18,753	-4.5%	80.4%	25-26	29,130	20,910	23,640	2.1%	25.4%
06-07	23,623	16,634	18,853	0.5%	81.3%	26-27	29,710	21,320	24,110	2.0%	27.9%
Average Annual Increases			423	3.2%		Average Annual Increases			263	1.2%	

USHE 2007 Long-term Enrollment Projection Model

WEBER STATE UNIVERSITY

Total Institution Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 86-87)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 05-06)
87-88	12,549	8,847	9,279	n/a	n/a	07-08	18,490	13,020	15,420	4.1%	4.1%
88-89	12,731	9,077	9,475	2.1%	2.1%	08-09	18,560	13,070	15,480	0.4%	4.5%
89-90	13,651	9,569	10,034	5.9%	8.1%	09-10	18,600	13,090	15,510	0.2%	4.7%
90-91	14,039	10,027	10,362	3.3%	11.7%	10-11	18,580	13,080	15,490	-0.1%	4.6%
91-92	14,433	10,566	11,209	8.2%	20.8%	11-12	18,610	13,100	15,520	0.2%	4.8%
92-93	14,994	11,128	11,672	4.1%	25.8%	12-13	18,690	13,160	15,590	0.5%	5.2%
93-94	15,910	11,052	11,569	-0.9%	24.7%	13-14	18,840	13,260	15,710	0.8%	6.0%
94-95	15,051	10,937	11,304	-2.3%	21.8%	14-15	19,030	13,400	15,870	1.0%	7.1%
95-96	14,623	10,826	11,006	-2.6%	18.6%	15-16	19,240	13,540	16,040	1.1%	8.3%
96-97	14,442	10,501	11,654	5.9%	25.6%	16-17	19,480	13,710	16,240	1.2%	9.6%
97-98	14,933	11,187	12,273	5.3%	32.3%	17-18	19,740	13,900	16,460	1.4%	11.1%
98-99	14,136	10,144	11,922	-2.9%	28.5%	18-19	20,120	14,160	16,770	1.9%	13.2%
99-00	15,444	10,858	12,805	7.4%	38.0%	19-20	20,470	14,410	17,070	1.8%	15.2%
00-01	16,378	11,519	13,346	4.2%	43.8%	20-21	20,800	14,640	17,340	1.6%	17.0%
01-02	17,258	12,127	14,327	7.4%	54.4%	21-22	21,150	14,890	17,640	1.7%	19.1%
02-03	18,654	13,049	15,724	9.8%	69.5%	22-23	21,530	15,160	17,960	1.8%	21.2%
03-04	19,167	13,713	16,137	2.6%	73.9%	23-24	21,920	15,430	18,280	1.8%	23.4%
04-05	18,875	13,337	15,840	-1.8%	70.7%	24-25	22,310	15,710	18,610	1.8%	25.6%
05-06	18,334	12,907	15,288	-3.5%	64.8%	25-26	22,690	15,970	18,920	1.7%	27.7%
06-07	18,642	12,692	14,815	-3.1%	59.7%	26-27	23,070	16,240	19,240	1.7%	29.9%
Average Annual Increases			277	2.6%		Average Annual Increases			221	1.3%	

USHE 2007 Long-term Enrollment Projection Model

SOUTHERN UTAH UNIVERSITY**Total Institution Projection** *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 86-87)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 05-06)
87-88	2,914	2,685	2,779	n/a	n/a	07-08	6,900	5,400	6,340	-8.6%	-8.6%
88-89	2,952	2,770	2,894	4.1%	4.1%	08-09	6,910	5,410	6,350	0.2%	-8.5%
89-90	3,502	2,893	3,034	4.8%	9.2%	09-10	6,910	5,410	6,350	0.0%	-8.5%
90-91	4,004	3,194	3,439	13.3%	23.7%	10-11	6,880	5,390	6,320	-0.5%	-8.9%
91-92	4,293	3,515	3,754	9.2%	35.1%	11-12	6,870	5,380	6,310	-0.2%	-9.0%
92-93	4,433	3,736	3,938	4.9%	41.7%	12-13	6,890	5,390	6,320	0.2%	-8.9%
93-94	4,592	4,054	4,352	10.5%	56.6%	13-14	6,940	5,430	6,370	0.8%	-8.2%
94-95	5,025	4,269	4,583	5.3%	64.9%	14-15	7,020	5,500	6,450	1.3%	-7.0%
95-96	5,159	4,501	4,807	4.9%	73.0%	15-16	7,110	5,570	6,530	1.2%	-5.9%
96-97	5,639	4,741	5,153	7.2%	85.4%	16-17	7,210	5,640	6,620	1.4%	-4.6%
97-98	6,007	5,079	5,646	9.6%	103.2%	17-18	7,320	5,730	6,720	1.5%	-3.1%
98-99	5,725	4,815	5,731	1.5%	106.2%	18-19	7,470	5,850	6,860	2.1%	-1.1%
99-00	6,025	5,024	5,896	2.9%	112.2%	19-20	7,610	5,960	6,990	1.9%	0.8%
00-01	5,963	5,022	5,978	1.4%	115.1%	20-21	7,750	6,070	7,120	1.9%	2.6%
01-02	6,095	5,172	6,134	2.6%	120.7%	21-22	7,900	6,190	7,260	2.0%	4.7%
02-03	5,881	4,961	5,911	-3.6%	112.7%	22-23	8,060	6,310	7,400	1.9%	6.7%
03-04	6,048	4,922	5,759	-2.6%	107.2%	23-24	8,220	6,440	7,560	2.2%	9.0%
04-05	6,672	5,235	6,146	6.7%	121.2%	24-25	8,390	6,570	7,710	2.0%	11.1%
05-06	6,859	5,370	6,300	2.5%	126.7%	25-26	8,560	6,700	7,860	1.9%	13.3%
06-07	7,029	5,580	6,937	10.1%	149.6%	26-27	8,720	6,830	8,010	1.9%	15.5%
Average Annual Increases			208	5.0%		Average Annual Increases			54	0.7%	

USHE 2007 Long-term Enrollment Projection Model

SNOW COLLEGE**Total Institution Projection** *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 86-87)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 05-06)
87-88	1,369	1,314	1,244	n/a	n/a	07-08	4,100	2,950	3,140	3.2%	3.2%
88-89	1,544	1,421	1,375	10.5%	10.5%	08-09	4,080	2,930	3,120	-0.6%	2.6%
89-90	1,734	1,621	1,616	17.5%	29.9%	09-10	4,060	2,920	3,110	-0.3%	2.3%
90-91	1,872	1,798	1,768	9.4%	42.1%	10-11	4,020	2,890	3,080	-1.0%	1.3%
91-92	2,553	2,198	2,089	18.2%	67.9%	11-12	3,980	2,860	3,040	-1.3%	0.0%
92-93	2,819	2,452	2,363	13.1%	90.0%	12-13	3,970	2,850	3,030	-0.3%	-0.4%
93-94	2,920	2,508	2,343	-0.8%	88.3%	13-14	3,990	2,870	3,050	0.7%	0.3%
94-95	2,996	2,582	2,416	3.1%	94.2%	14-15	4,020	2,890	3,080	1.0%	1.3%
95-96	3,027	2,668	2,461	1.9%	97.8%	15-16	4,060	2,920	3,110	1.0%	2.3%
96-97	3,162	2,748	2,554	3.8%	105.3%	16-17	4,110	2,950	3,140	1.0%	3.2%
97-98	3,326	2,914	2,810	10.0%	125.9%	17-18	4,160	2,990	3,180	1.3%	4.6%
98-99	3,318	2,735	2,720	-3.2%	118.6%	18-19	4,250	3,050	3,250	2.2%	6.9%
99-00	4,081	3,109	3,119	14.7%	150.7%	19-20	4,330	3,110	3,310	1.8%	8.8%
00-01	4,092	3,159	3,150	1.0%	153.2%	20-21	4,400	3,160	3,360	1.5%	10.5%
01-02	4,096	3,224	3,141	-0.3%	152.5%	21-22	4,490	3,230	3,440	2.4%	13.1%
02-03	3,768	2,982	2,910	-7.4%	133.9%	22-23	4,580	3,290	3,500	1.7%	15.1%
03-04	4,036	2,880	3,015	3.6%	142.4%	23-24	4,670	3,360	3,580	2.3%	17.7%
04-05	4,108	2,984	3,057	1.4%	145.8%	24-25	4,770	3,430	3,650	2.0%	20.0%
05-06	4,113	2,956	3,146	2.9%	152.9%	25-26	4,860	3,490	3,710	1.6%	22.0%
06-07	4,179	2,945	3,041	-3.3%	144.5%	26-27	4,960	3,560	3,790	2.2%	24.6%
Average Annual Increases			90	5.1%		Average Annual Increases			37	1.1%	

USHE 2007 Long-term Enrollment Projection Model

DIXIE STATE COLLEGE**Total Institution Projection** *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 86-87)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 05-06)
87-88	2,211	1,889	1,812	n/a	n/a	07-08	9,110	4,490	4,370	4.0%	4.0%
88-89	2,228	1,873	1,802	-0.6%	-0.6%	08-09	9,090	4,480	4,360	-0.2%	3.8%
89-90	2,382	2,051	1,992	10.5%	9.9%	09-10	9,050	4,460	4,340	-0.5%	3.3%
90-91	2,529	2,158	2,156	8.2%	19.0%	10-11	8,980	4,430	4,310	-0.7%	2.6%
91-92	2,963	2,398	2,298	6.6%	26.8%	11-12	8,920	4,400	4,280	-0.7%	1.9%
92-93	2,868	2,402	2,299	0.0%	26.9%	12-13	8,910	4,390	4,270	-0.2%	1.6%
93-94	3,041	2,550	2,438	6.0%	34.5%	13-14	8,970	4,420	4,300	0.7%	2.3%
94-95	4,375	2,772	2,638	8.2%	45.6%	14-15	9,050	4,460	4,340	0.9%	3.3%
95-96	4,921	3,120	2,964	12.4%	63.6%	15-16	9,150	4,510	4,390	1.2%	4.5%
96-97	5,318	3,298	3,171	7.0%	75.0%	16-17	9,280	4,580	4,450	1.4%	5.9%
97-98	5,500	3,505	3,389	6.9%	87.0%	17-18	9,420	4,650	4,520	1.6%	7.6%
98-99	5,454	3,454	3,607	6.4%	99.1%	18-19	9,610	4,740	4,610	2.0%	9.7%
99-00	6,191	3,656	3,728	3.4%	105.7%	19-20	9,800	4,830	4,700	2.0%	11.9%
00-01	6,515	3,831	3,990	7.0%	120.2%	20-21	9,980	4,920	4,790	1.9%	14.0%
01-02	7,255	4,087	4,212	5.6%	132.5%	21-22	10,170	5,020	4,880	1.9%	16.1%
02-03	7,473	4,260	4,389	4.2%	142.2%	22-23	10,380	5,120	4,980	2.0%	18.5%
03-04	7,682	4,425	4,583	4.4%	152.9%	23-24	10,600	5,230	5,090	2.2%	21.1%
04-05	8,564	4,518	4,564	-0.4%	151.9%	24-25	10,830	5,340	5,190	2.0%	23.5%
05-06	9,114	4,495	4,372	-4.2%	141.3%	25-26	11,050	5,450	5,300	2.1%	26.1%
06-07	5,967	3,983	4,202	-3.9%	131.9%	26-27	11,270	5,560	5,410	2.1%	28.7%
<i>Average Annual Increases</i>			119	4.6%		<i>Average Annual Increases</i>			60	1.3%	

USHE 2007 Long-term Enrollment Projection Model

COLLEGE OF EASTERN UTAH

Total Institution Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 86-87)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 05-06)
87-88	2,147	1,296	1,281	n/a	n/a	07-08	2,220	1,690	1,770	10.9%	10.9%
88-89	2,063	1,395	1,354	5.7%	5.7%	08-09	2,260	1,720	1,810	2.3%	13.4%
89-90	2,339	1,525	1,420	4.9%	10.9%	09-10	2,270	1,730	1,820	0.6%	14.1%
90-91	2,960	1,800	1,683	18.5%	31.4%	10-11	2,260	1,720	1,810	-0.5%	13.4%
91-92	2,694	1,833	1,693	0.6%	32.2%	11-12	2,240	1,710	1,800	-0.6%	12.8%
92-93	2,745	1,875	1,772	4.7%	38.3%	12-13	2,220	1,690	1,770	-1.7%	10.9%
93-94	2,849	2,029	1,901	7.3%	48.4%	13-14	2,210	1,690	1,770	0.0%	10.9%
94-95	3,135	2,145	1,939	2.0%	51.4%	14-15	2,200	1,680	1,760	-0.6%	10.3%
95-96	3,067	2,029	1,914	-1.3%	49.4%	15-16	2,190	1,670	1,750	-0.6%	9.7%
96-97	3,169	2,126	1,913	-0.1%	49.3%	16-17	2,190	1,670	1,750	0.0%	9.7%
97-98	3,563	2,140	1,978	3.4%	54.4%	17-18	2,190	1,670	1,750	0.0%	9.7%
98-99	2,617	1,827	2,027	2.5%	58.2%	18-19	2,200	1,680	1,760	0.6%	10.3%
99-00	2,688	1,957	2,087	3.0%	62.9%	19-20	2,200	1,680	1,760	0.0%	10.3%
00-01	2,704	1,941	2,089	0.1%	63.1%	20-21	2,200	1,680	1,760	0.0%	10.3%
01-02	2,746	2,082	2,197	5.2%	71.5%	21-22	2,210	1,690	1,770	0.6%	10.9%
02-03	2,646	2,020	2,135	-2.8%	66.7%	22-23	2,220	1,690	1,770	0.0%	10.9%
03-04	2,692	1,902	2,094	-1.9%	63.5%	23-24	2,230	1,700	1,780	0.6%	11.6%
04-05	2,471	1,870	1,945	-7.1%	51.8%	24-25	2,260	1,720	1,810	1.7%	13.4%
05-06	2,179	1,662	1,745	-10.3%	36.2%	25-26	2,280	1,740	1,830	1.1%	14.7%
06-07	2,220	1,478	1,595	-8.6%	24.5%	26-27	2,290	1,750	1,840	0.5%	15.3%
Average Annual Increases			16	1.4%		Average Annual Increases			12	0.7%	

USHE 2007 Long-term Enrollment Projection Model

UTAH VALLEY STATE COLLEGE

Total Institution Projection *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 86-87)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 05-06)
87-88	6,969	5,420	5,302	n/a	n/a	07-08	24,310	15,960	16,550	-1.1%	-1.1%
88-89	6,832	5,319	5,329	0.5%	0.5%	08-09	24,180	15,880	16,470	-0.5%	-1.6%
89-90	7,758	5,987	5,854	9.9%	10.4%	09-10	24,010	15,770	16,360	-0.7%	-2.2%
90-91	7,885	5,225	5,788	-1.1%	9.2%	10-11	23,760	15,600	16,180	-1.1%	-3.3%
91-92	8,777	6,067	6,739	16.4%	27.1%	11-12	23,540	15,460	16,040	-0.9%	-4.1%
92-93	9,623	6,586	7,486	11.1%	41.2%	12-13	23,490	15,430	16,000	-0.2%	-4.4%
93-94	10,512	7,194	8,038	7.4%	51.6%	13-14	23,640	15,520	16,100	0.6%	-3.8%
94-95	13,293	8,457	8,856	10.2%	67.0%	14-15	23,850	15,660	16,240	0.9%	-2.9%
95-96	14,040	9,125	9,609	8.5%	81.2%	15-16	24,110	15,830	16,420	1.1%	-1.9%
96-97	14,756	9,784	10,699	11.3%	101.8%	16-17	24,430	16,040	16,640	1.3%	-0.6%
97-98	15,994	10,485	11,404	6.6%	115.1%	17-18	24,820	16,300	16,910	1.6%	1.1%
98-99	18,174	11,668	12,438	9.1%	134.6%	18-19	25,320	16,630	17,250	2.0%	3.1%
99-00	20,062	12,770	13,804	11.0%	160.4%	19-20	25,850	16,980	17,610	2.1%	5.2%
00-01	20,946	13,503	15,058	9.1%	184.0%	20-21	26,340	17,300	17,940	1.9%	7.2%
01-02	22,609	15,163	17,097	13.5%	222.5%	21-22	26,870	17,650	18,310	2.1%	9.4%
02-03	23,609	16,261	18,464	8.0%	248.2%	22-23	27,430	18,010	18,680	2.0%	11.6%
03-04	23,803	16,313	18,381	-0.5%	246.7%	23-24	28,030	18,410	19,100	2.2%	14.1%
04-05	24,149	16,339	17,804	-3.1%	235.8%	24-25	28,630	18,800	19,500	2.1%	16.5%
05-06	24,487	16,081	16,680	-6.3%	214.6%	25-26	29,040	19,070	19,780	1.4%	18.2%
06-07	23,305	15,662	16,733	0.3%	215.6%	26-27	29,810	19,580	20,310	2.7%	21.4%
Average Annual Increases			572	6.4%		Average Annual Increases			179	1.0%	

USHE 2007 Long-term Enrollment Projection Model

SALT LAKE COMMUNITY COLLEGE**Total Institution Projection** *(All line items; budget-related and self-supporting programs)*

20-YEAR ACTUAL HISTORY						20-YEAR PROJECTION					
Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 86-87)	Year	Fall Headcount	Fall FTE	Annualized FTE	Annualized FTE % change	Cumulative Annual. FTE % change (Since 05-06)
87-88	9,436	5,848	6,073	n/a	n/a	07-08	25,800	14,340	18,370	1.6%	1.6%
88-89	9,368	5,893	6,530	7.5%	7.5%	08-09	25,920	14,410	18,450	0.4%	2.0%
89-90	11,003	6,819	7,584	16.1%	24.9%	09-10	25,980	14,440	18,490	0.2%	2.2%
90-91	13,344	7,918	8,596	13.3%	41.5%	10-11	25,970	14,430	18,480	-0.1%	2.2%
91-92	15,972	9,767	10,557	22.8%	73.8%	11-12	26,040	14,470	18,530	0.3%	2.5%
92-93	17,766	10,953	11,674	10.6%	92.2%	12-13	26,160	14,540	18,620	0.5%	3.0%
93-94	18,311	11,407	12,544	7.5%	106.6%	13-14	26,360	14,650	18,760	0.8%	3.7%
94-95	19,440	12,019	12,779	1.9%	110.4%	14-15	26,610	14,790	18,940	1.0%	4.7%
95-96	20,834	12,745	13,310	4.2%	119.2%	15-16	26,900	14,950	19,150	1.1%	5.9%
96-97	22,394	13,449	14,099	5.9%	132.2%	16-17	27,230	15,130	19,380	1.2%	7.2%
97-98	24,307	14,352	14,502	2.9%	138.8%	17-18	27,590	15,330	19,630	1.3%	8.5%
98-99	19,754	10,519	13,753	-5.2%	126.5%	18-19	28,070	15,600	19,980	1.8%	10.5%
99-00	21,273	11,938	15,085	9.7%	148.4%	19-20	28,530	15,860	20,310	1.7%	12.3%
00-01	22,109	12,398	15,312	1.5%	152.1%	20-21	28,960	16,090	20,610	1.5%	14.0%
01-02	24,215	13,789	16,885	10.3%	178.0%	21-22	29,430	16,360	20,950	1.6%	15.8%
02-03	23,825	14,231	17,801	5.4%	193.1%	22-23	29,930	16,630	21,300	1.7%	17.8%
03-04	24,153	14,434	18,413	3.4%	203.2%	23-24	30,430	16,910	21,660	1.7%	19.8%
04-05	25,711	14,604	18,766	1.9%	209.0%	24-25	30,950	17,200	22,030	1.7%	21.8%
05-06	25,551	14,200	18,186	-3.1%	199.5%	25-26	31,450	17,480	22,390	1.6%	23.8%
06-07	25,129	14,021	18,085	-0.6%	197.8%	26-27	31,940	17,750	22,730	1.5%	25.7%
Average Annual Increases			601	6.1%		Average Annual Increases			232	1.2%	

MEMORANDUM

October 17, 2007

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: USHE – Fall 2007 Enrollment Report

The attached report summarizes the 2007-08 Fall 3rd week enrollment figures for the traditional nine institutions. The report provides information regarding student headcount and FTE counts for both budget-related and self-support students.

As reported earlier this month, the total budget-related student headcount was 127,632 for Fall 2007 compared to 127,753 Fall 2006. The total budget-related student headcount was relatively flat for Fall 2007 compared to Fall 2006 with a slight decline of 121 students. The FTE count for Fall 2007 at 3rd week was 91,430 compared to 91,701 budget-related FTE students in Fall 2006. This represents a decrease of approximately 271 FTE students.

Utah System of Higher Education Fall 2007 3rd Week Budget Related Enrollment Report

	Headcount	Change over 2006	FTE	Change over 2006
University of Utah	27,685	(608)	23,126	(429)
Utah State University	21,455	233	15,668	129
Weber State University	17,089	(201)	11,477	(263)
Southern Utah University	6,410	302	5,666	315
Snow College	3,202	(342)	2,289	(387)
Dixie State College	5,209	(130)	3,872	(7)
College of Eastern Utah	1,799	(74)	1,353	(38)
Utah Valley State College	20,959	697	14,371	494
Salt Lake Community College	23,824	2	13,610	(84)
Utah College of Applied Technology	<i>See Note 1</i>	<i>See Note 1</i>	<i>See Note 1</i>	<i>See Note 1</i>
USHE Total	127,632	(121)	91,430	(271) <i>Note 2</i>

Notes:

(1) UCAT reports enrollment information on an annual basis due to the open entry open exit enrollment method

(2) FTE's are based on a formula calculation and are rounded to the nearest one.

Budget-related and self-support enrollment figures are included in the attachment.

State Board of Regents
October 17, 2006
Page 2

Commissioner's Recommendation

This item is for information only.

Richard E. Kendell
Commissioner of Higher Education

REK/MHS/KLH
Attachments

Utah System of Higher Education

Fall 2007 3rd Week Headcount Enrollment Report

BR HEADCOUNT	PRIOR	CURRENT	CHANGE	CHANGE
UU	28,293	27,685	(608)	-2.15%
USU	21,222	21,455	233	1.10%
WSU	17,290	17,089	(201)	-1.16%
SUU	6,108	6,410	302	4.94%
SNOW	3,544	3,202	(342)	-9.65%
DSC	5,339	5,209	(130)	-2.43%
CEU	1,873	1,799	(74)	-3.95%
UVSC	20,262	20,959	697	3.44%
SLCC	23,822	23,824	2	0.01%
USHE	127,753	127,632	(121)	-0.09%

BR & SS HEADCOUNT	PRIOR	CURRENT	CHANGE	CHANGE
UU	30,511	29,797	(714)	-2.34%
USU	23,623	24,421	798	3.38%
WSU	18,642	18,306	(336)	-1.80%
SUU	7,029	7,057	28	0.40%
SNOW	4,179	3,745	(434)	-10.39%
DSC	5,967	5,944	(23)	-0.39%
CEU	2,220	2,078	(142)	-6.40%
UVSC	23,305	23,840	535	2.30%
SLCC	25,129	25,144	15	0.06%
USHE	140,605	140,332	(273)	-0.19%

Notes:

USHE Data Book Tab C Tables 2-6 report Budget Related and Self Supporting student headcount information

Source for "Prior" year headcount information 2007 USHE Data Book Tab C Table 7

Utah System of Higher Education

Fall 2007 3rd Week FTE Student Enrollment Report

BR FTE	PRIOR	CURRENT	CHANGE	CHANGE
UU	23,555	23,126	(429)	-1.82%
USU	15,539	15,668	129	0.83%
WSU	11,739	11,477	(262)	-2.23%
SUU	5,351	5,666	315	5.89%
SNOW	2,676	2,289	(387)	-14.46%
DSC	3,879	3,872	(7)	-0.18%
CEU	1,391	1,353	(38)	-2.73%
UVSC	13,877	14,371	494	3.56%
SLCC	13,694	13,610	(84)	-0.61%
USHE	91,701	91,430	(271)	-0.30%

BR & SS FTE	PRIOR	CURRENT	CHANGE	CHANGE
UU	23,766	23,313	(453)	-1.91%
USU	16,634	17,129	495	2.98%
WSU	12,692	12,359	(333)	-2.62%
SUU	5,580	5,847	267	4.78%
SNOW	2,945	2,507	(438)	-14.87%
DSC	3,983	3,988	5	0.13%
CEU	1,467	1,449	(18)	-1.23%
UVSC	15,663	16,135	472	3.01%
SLCC	14,021	13,939	(82)	-0.58%
USHE	96,751	96,665	(86)	-0.09%

Notes:

Rounding Error - FTEs are calculated then rounded to the nearest one

Source for "Prior" year FTE information 2007 USHE Data Book Tab C Table 8

Utah System of Higher Education

Fall 2007 3rd Week Budget-Related Headcount by Gender

BR GENDER	PRIOR	CURRENT	CHANGE	CHANGE
FEMALE	61,845	61,646	(199)	-0.32%
MALE	65,313	65,318	5	0.01%
Unknown	595	668	73	12.27%
	127,753	127,632	(121)	-0.1%

Utah System of Higher Education

Fall 2007 3rd Week Budget-Related Headcount by Ethnicity

BR Ethnicity	PRIOR	CURRENT	CHANGE	CHANGE
American Indian Alaskan	1,416	1,416	0	0.0%
Asian	3,096	2,911	(185)	-6.0%
Black or African American	1,143	1,229	86	7.5%
Hispanic or Latino	5,991	6,095	104	1.7%
Native Hawaiian or Pacific Islander	602	914	312	51.8%
Non Resident Alien	3,209	3,562	353	11.0%
Unspecified	9,771	10,502	731	7.5%
White	102,525	101,003	(1,522)	-1.5%
Total	127,753	127,632	(121)	-0.1%

October 17, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: USHE – Annual Report on Leased Space

Regent policy R710 requires an “annual report of all space leased by USHE institutions, including space leased for off-campus continuing education programs and leased in research parks.” Board policy requires institutions to obtain prior Board approval of leases funded from State appropriations that exceed \$50,000 annually or that commit institutions to leases for a 5-year duration or beyond. System-wide leases increased by a net of six new leases and lease expenditures increased by approximately \$1.7 million (7.2%). A summary of the changes in leases for each institution is shown below.

Institutional Lease Summary									
	2006			2007			Changes Summary		
Institution	Leases	Square Feet	Rent	Leases	Square Feet	Rent	% Change in Leases	% Change in Square Feet	% Change in Rent
UU	105	1,344,433	19,295,484	107	1,313,941	20,183,016	1.9%	-2.3%	4.6%
USU	16	146,432	869,717	18	149,983	1,135,677	12.5%	2.4%	30.6%
WSU	3	25,375	121,781	3	25,375	121,781	0.0%	0.0%	0.0%
SUU	28	41,741	314,881	28	42,485	319,328	0.0%	1.8%	1.4%
Snow	0	0	0	0	0	0	n/a	n/a	n/a
DSC	1	5,840	143	1	5,350	134	0.0%	-8.4%	-6.3%
CEU	8	37,828	9,589	10	48,578	63,139	25.0%	28.4%	558.5%
UVSC	8	97,946	364,303	9	133,314	648,978	12.5%	36.1%	78.1%
SLCC	10	71,512	618,231	11	93,047	945,155	10.0%	30.1%	52.9%
UCAT	19	372,155	2,018,889	17	371,255	1,896,973	-10.5%	-0.2%	-6.0%
Totals	198	2,143,262	\$23,613,018	204	2,183,328	\$25,314,181	3.0%	1.9%	7.2%

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

Commissioner's Recommendation

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

Richard E. Kendell
Commissioner of Higher Education

REK/MHS/KLH
Attachments

Utah System of Higher Education

Annual Lease Space Report FY 2005 thru FY 2007

	<u>2005 Leases</u>	<u>2005 Sq. Ft</u>	<u>2005 Rent</u>	<u>2006 Leases</u>	<u>2006 Sq. Ft</u>	<u>2006 Rent</u>	<u>2007 Leases</u>	<u>2007 Sq. Ft</u>	<u>2007 Rent</u>
University of Utah	101	1,355,690	\$19,058,385	105	1,344,433	\$19,295,484	107	1,313,941	\$20,183,016
Utah State University	16	111,190	795,004	16	146,432	869,717	18	149,983	1,135,677
Weber State University	3	25,375	121,781	3	25,375	121,781	3	25,375	121,781
Southern Utah University	22	39,320	288,053	28	41,741	314,881	28	42,485	319,328
Snow College	0	0	0	0	0	0	0	0	0
Dixie State College of Utah	1	5,840	143	1	5,840	143	1	5,350	134
College of Eastern Utah	9	40,800	32,959	8	37,828	9,589	10	48,578	63,139
Utah Valley State College	12	189,536	423,112	8	97,946	364,303	9	133,314	648,978
Salt Lake Community College	11	71,741	657,818	10	71,512	618,231	11	93,047	945,155
Utah College of Applied Technology	15	248,082	1,225,077	19	372,155	2,018,889	17	371,255	1,896,973
Central Administration	n/a	n/a	n/a	1	4,475	77,200	1	4,475	77,200
Bridgerland ATC	0	0	0	2	20,473	0	2	20,473	0
Davis ATC	1	9,447	56,657	1	9,447	58,262	1	9,447	61,607
Dixie ATC	2	22,480	115,250	2	22,480	120,831	2	22,480	121,940
Mountainland ATC	5	113,733	318,522	4	136,476	600,866	4	136,476	600,866
Ogden-Weber ATC	0	0	0	2	68,000	354,800	2	76,600	331,970
Salt Lake/Tooele ATC	3	56,922	460,108	3	56,804	388,390	3	56,804	388,390
Southeast ATC	2	9,500	50,540	1	9,500	50,540	0	0	0
Southwest ATC	1	36,000	200,000	2	44,500	344,000	2	44,500	315,000
Uintah Basin ATC	1		24,000	1		24,000	0	0	0
USHE TOTAL	190	2,087,574	\$22,602,333	198	2,143,262	\$23,613,018	204	2,183,328	\$25,314,181
Total Leases Added:	23	366,459	\$4,861,500	33	222,664	\$2,104,644	14	124,170	\$1,387,043
Total Leases Ended:	19	(171,446)	(\$973,465)	25	(148,123)	(\$1,741,106)	8	(83,532)	(\$945,572)
Total Leases Changed:	101	5,590	\$560,038	104	69,643	\$647,148	108	(572)	\$1,259,692
Total Increase:	4	200,603	\$4,461,680	8	144,184	\$1,010,686	6	40,066	\$1,701,163

Source: USHE, UCAT and OLFA

<i>School Action</i>	<i>Leased Property</i>	<i>Total Leases</i>	<i>Sq. Ft</i>	<i>Annual Expenditures</i>
University of Utah				
	2006 Total - UofU	105	1,344,433	\$19,295,484
Change	Bountiful - 75 W. 2nd S., Bountiful (Stoker School)		0	\$876
Change	Murray - Cedar Park, 5282 S. 320 W., #186		0	(\$23,544)
Change	Sandy - 9875 South 240 West		0	\$8,148
Add	American Fork - 120 N 1220 East #14	1	2,600	\$31,200
Change	Bountiful - 530 South 500 West		0	\$1,944
Change	Cedar City - 1281 North North Field Road		0	\$2,808
Change	Idaho Falls - 2225 Teton Plaza, #A		0	\$2,664
Change	Layton - 940 South Main, Layton, UT		0	\$2,700
Change	Ogden - 5575 South 500 East		0	\$6,336
Change	Provo - 1675 North Freedom Boulevard		0	\$3,576
Add	Redwood- 5400 South 3854 West Taylorsville	1	5,490	\$79,608
Change	Sandy - 8750 South Sandy Parkway, Bldg. #3		0	\$1,020
Change	St. George - River Road and 700 South		0	(\$5,328)
Change	1180 Summers Drive, Rexburg, ID		0	\$2,208
Change	Development Office - 540 Arapeen Way		0	\$41,724
Change	Dept. of Anesthesiology - 615 Arapeen Drive, #200		0	\$3,792
Change	Dept. of Technology Transfer - 615 Arapeen Drive, #110		0	\$6,024
Change	Utah Diabetes Center - 615 Arapeen Drive, #100		0	\$13,404
Add	Department of Pharmacy Services - 675 Arapeen Drive, #100	1	7,193	\$192,624
Change	The Utah Stem Cell Research - 675 Arapeen Drive, #101 & #302		4,643	\$99,840
Change	Utah Center for Reproductive Medicine - 675 Arapeen Drive, #205		0	\$8,484
Change	Central Stores - 729 Arapeen Drive		(142)	\$0
Change	Department of Radiology - 729 Arapeen Drive		351	\$1,812
Change	Dept. of Radiology - Film File Storage - 729 Arapeen Drive		0	(\$15,168)
Change	Hospitals and Clinics - Neurology Center- 729 Arapeen Drive		0	(\$3,360)
Change	Hospitals and Clinics - Radiology Outpatient Imaging - 729 Arapeen Drive		0	\$1,608
Change	Surgical Specialty Center - 729 Arapeen Drive		0	(\$2,388)
Change	University of Utah - Office of the Sr. Vice President of Health Sciences - 729 Arapeen Drive		0	\$8,928
Change	Family & Preventive Medicine's Health Research Ctr. - 375 Chipeta Way		0	\$24,480
Change	Sleep Disorder & Sinus Clinic - 375 Chipeta Way, #A		0	\$3,792
	Dept. of Family & Preventive Medicine, Rocky Mountain Center for Occupational & Environmental Health			\$4,836
Change	Program - 391 Chipeta Way, #C		0	
Change	Radiopharmacy (Subleased to PLCO Cancer) - 391 Chipeta Way, #A		0	\$8,172
Change	V.P. for Health Sciences - 391 Chipeta Way, #E, F & G		0	\$1,728
Change	Department of Genetics & Epidemiology -410 Chipeta Way, #110 & #100 (freezer space)		0	\$1,464
Change	Dept-Physiology-410 Chipeta Way, #150,125		1,787	\$21,576
Change	Expansion Space - UNI - 410 Chipeta Way, # 225		(1,615)	(\$44,940)
Change	Lung Health Study, #221 - 410 Chipeta Way, #221, 220,219		1,616	\$25,836
Change	Rocky Mountain Cancer Data Systems -410 Chipeta Way, #230		0	\$876
Change	Pain Management Center - 546 Chipeta Way, #G200			\$2,172
Delete	Telecommunications/ITS/NetCom/Poison Control -585 Komas Drive	(1)	(60,000)	(\$703,608)

<i>School Action</i>	<i>Leased Property</i>	<i>Total Leases</i>	<i>Sq. Ft</i>	<i>Annual Expenditures</i>
<i>University of Utah (continued)</i>				
Change	Department of Psychiatry -650 Komas, #206		0	\$3,756
Add	Information Technology Services -650 Komas, #100	1	7,059	\$145,992
Change	Information Technology Services -650 Komas, #101, 102, 104, 107, 107A, 108		0	\$12,360
Change	Information Technology Services -650 Komas Drive, #105		0	\$1,908
Change	Medical Billing -650 Komas Drive, #202, 203, 204		0	\$8,532
Change	Medical Billing - Office of Compliance- 650 Komas Drive, #205		0	\$924
Change	Neuropsychiatric Institute - Adult Behavioral Clinic -650 Komas Drive, #208		0	\$6,288
Change	Neuropsychiatric Institute - Home -650 Komas Drive, #200		0	\$5,664
Change	Utah Cancer Registry & Alzheimer's Resource Center -650 Komas Drive, #106 A & B		0	\$4,212
Change	University of Utah Lease - Tenants (See comments) -417 Wakara Way		0	\$10,800
Change	Child Development Center - 419 Wakara Way, #100		0	(\$20,604)
Change	College of Pharmacy/Medicinal Chemistry - 419 Wakara Way, #205		0	\$2,388
Change	Human Resources, Payroll - 420 Wakara Way		7,818	\$212,856
Change	College of Pharmacy - 421 Wakara Way, #318		0	\$8,808
Change	College of Pharmacy/Center for Cell Signaling - 421 Wakara Way, #360		0	\$632,040
Add	Department of Information Technology (Health Science) 421 Wakara Way	1	107	\$1,608
Change	Drug Information Center & Pharmacotherapy Outcomes Research Center - 421 Wakara Way, #204		0	\$3,120
Change	Pharmacological Outcomes Research Center -421 Wakara Way, #208		0	\$1,320
Change	Energy & Geosciences Institute - 423 Wakara Way (1st/3rd floors)		2,319	\$14,556
Change	Beehive Square Storage - Beehive Square Units - Bldg. 23-D, Units 21A		(3,800)	(\$14,184)
Change	Beehive Square Storage (Physics Department) -Beehive Square Units - Portions of Bldg. 13-15		0	\$23,844
Change	College of Engineering - V.P. Pershing - Beehive Square Units - Bldg. 23C, 23B, 22A, 23E		0	\$5,520
Delete	Dept. of Andrology - 1055 North 300 West, #318, Provo, Utah	(1)	(206)	(\$6,000)
Change	Dept. of Dermatology - Cottonwood Place Medical Center, #150, 160		0	\$2,952
Change	Dept. of Dermatology - Cottonwood Place Medical Center (6095 South 300 East, Murray), #250		0	\$1,512
Change	Dept. of Dermatology - Cottonwood Place Medical Center (6095 South 300 East, Murray), #270		0	\$1,056
Add	Dept. of Dermatology - Cottonwood Place Medical Center (6095 South 300 East, Murray), #280	1	1,443	\$27,060
	Dept. of Family & Preventive Medicine, Health Research Center - American Indian Health Project - Ayani' Neez		0	(\$22,740)
Change	Center @ Shiprock, New Mexico			
	Dept. of Family & Preventive Medicine, Health Research Center - American Indian Health Project - Window	(1)	(1,000)	(\$11,004)
Delete	Rock Shopping Center @ Window Rock, Navajo Nation (AZ)			
Change	Dept. of Neurosurgery - 100 North Medical Drive		(105)	(\$636)
Delete	Department of Ophthalmology - Additional Space -4400 South 700 East, #240	(1)	(1,110)	(\$13,872)
Change	Dept. of Orthopedics - Ambulatory Care Center (PCMC)		1,435	\$26,976
Delete	Department of Physiology - 410 Chipeta Way, #150, 125	(1)	(5,116)	(\$63,948)
Change	Dept. of Psychiatry -515 South 700 East, #3Q		1,164	\$16,692
Change	Department of Psychology - Family Support Program - 3269 South Main Street		(1,062)	\$204
Change	Energy & Geosciences Institute - 865 S. 600 W., Bldg. 22-C		0	\$2,880
Change	HealthNetwork - Main Floor - 1492 West Antelope Drive, Layton		0	\$23,316
Change	Health Sciences 3 - 127 South 500 East (Ambassador Bldg.)		0	\$360
Add	Hospital Lease - 144-146 South 400 East (Entire Main Floor)	1	5,500	\$52,452

School	Action	Leased Property	Total Leases	Sq. Ft	Annual Expenditures
University of Utah (continued)					
	Change	Hospital - Records - 134 South 400 East		0	\$2,400
	Change	Hospitals and Clinics - Centerville Medical Building, 26 S. Main St., Centerville, UT		0	\$3,576
	Add	Hospitals and Clinics - 3981 South Wasatch Blvd.	1	300	\$10,500
	Change	Hospitals and Clinics - Redstone Project -Bldg. B - Redstone Business & Retail Center, Park City, UT		0	\$10,284
	Change	Hospitals and Clinics - 1091 West Jordan Parkway, #350, 400, 450 & 500 South Jordan		0	\$3,132
	Change	Moran Eye Center - 6360 S. 3000 E. (Old Mill II Med. Ofc. Bldg.), #200		0	\$2,124
	Change	Radiation Oncology Program - 1250 East 3900 South, #10		0	\$1,848
	Delete	Radiation Therapy (St. Marks Hospital) - 1250 East 3900 South (Ground Floor)	(1)	(6,600)	(\$72,600)
	Change	Spine Therapy Center - 1355 Foothill Boulevard, #200		0	\$996
	Change	Sugar House Family Practice Clinic - SE Corner of Wilmington and Highland Drive		0	\$3,948
	Change	Sugar House Rehabilitation Clinic-space F6 - SE Corner of Wilmington and Highland Drive		0	\$1,488
	Change	Westside Studio - 631 West North Temple, #50		(561)	(\$7,056)
	2007 Total - UU		107	1,313,941	20,183,016
Utah State University					
	2006 Total - USU		16	146,432	\$869,717
	Change	Brigham City, Life Span Learning Center-Box Elder Co.		(9,612)	(\$29,495)
	Change	Brigham City, Life Span Learning Center-Box Elder Co.		(14,917)	(\$8,851)
	Change	Brigham City, Life Span Learning Center-Box Elder Co.			\$43,390
	Change	Jamestown Bldg., 1115 N. 200 E. Logan, UT		1,255	\$19,914
	Add	Legacy Apartments, 1651 North 400 East, Logan Utah (visiting professor apt.)	1	1,136	\$9,000
	Change	Cache County/Logan Airport Authority Hangar-ITEE			\$1,000
	Change	Salt Lake City, Jan-Mar Building CPD Early Intervention Up-to-3 1574 W 1700 S, SLC			\$494
	Change	SLC - Wells Fargo Building - 299 South Main Street - Development Center			\$1,596
	Add	Salt Lake City, Granite School District 2500 South State Street, SLC	1	25,689	\$224,808
	Change	Washington DC Apartments (3) for USU interns, 211 Jeff Davis Hwy, Washington DC			\$4,104
	2007 Total - USU		18	149,983	\$1,135,677
Weber State University					
	2006 Total - WSU		3	25,375	\$121,781
	No Changes				
	2007 Total - WSU		3	25,375	\$121,781

<i>School</i>	<i>Action</i>	<i>Leased Property</i>	<i>Total Leases</i>	<i>Sq. Ft</i>	<i>Annual Expenditures</i>
<i>Southern Utah University</i>					
		2006 Total - SUU	28	41,741	\$314,881
	Change	Bookstore - 690 West Industrial Rd, Cedar City		96	\$300
	Change	Head Start - 141 North Main, Kanab			\$247
	Change	Head Start - 166 North Main, Panguitch			\$178
	Change	Head Start - 2390 West Hwy 56, Cedar City			\$2,190
	Change	Head Start - 494 East 900 South, St. George			\$1,199
	Change	Head Start - 510 East 900 South Apt #1, St. George			(\$792)
	Change	Head Start - 55 West Center, Beaver			\$128
	Change	Head Start - 705 North 195 West, LaVerkin			\$696
	Change	Shakespeare - 690 West Industrial Rd, Cedar City		648	
	Change	UT Ctr for Rural Health - 111 South 1400 West Unit 1, Cedar City			\$300
		2007 Total - SUU	28	42,485	319,328
<i>Snow College</i>		No Leases	0	0	\$0
<i>Dixie State College</i>					
		2006 Total - DSC	1	5,840	\$143
	Change	Airport - ground lease for hanger		(490)	(\$9)
		2007 Total - DSC	1	5,350	\$134
<i>College of Eastern Utah</i>					
		2006 Total - CEU	8	37,828	\$9,589
	Add	Ricky Cook - Dance	1	1,250	\$3,900
	Add	SEATC Main Campus - Price	1	9,500	\$50,540
	Change	Eastern Utah Self Storage - Recreation			(\$926)
	Change	Cedar Hills Storage - Food Service			\$36
		2007 Total - CEU	10	48,578	\$63,139
<i>Utah Valley State College</i>					
		2006 Total - UVSC	8	97,946	\$364,303
	Add	Canyon Park Bldg L	1	35,368	\$282,525
	Change	Airport (AvTech)			\$2,150
		2007 Total - UVSC	9	133,314	648,978

<i>School</i>	<i>Action</i>	<i>Leased Property</i>	<i>Total Leases</i>	<i>Sq. Ft</i>	<i>Annual Expenditures</i>
<i>Salt Lake Community College</i>					
		2006 Total - SLCC	10	71,512	\$618,231
	Add	231 East 400 South, Salt Lake City	1	21,535	\$275,226
	Change	830 East 9400 South, Sandy			\$49,239
	Change	551 North 2200 West, Airport (2 Hangers)			\$144
	Change	331 North 2370 West, Executive Terminal			\$2,075
	Change	551 North 2200 West, Airport			\$240
		2007 Total - SLCC	11	93,047	\$945,155
<i>Utah College of Applied Technology</i>					
		2006 Total - UCAT	19	372,155	\$2,018,889
	Change	DATC - Freeport Center, Bldg A-15			\$3,345
	Change	DXATC - Diesel Mechanic Garage 825 No. Industrial Rd.			\$1,109
	Change	OWATC - BDO Lean Manufacturing		(500)	(\$38,581)
	Change	OWATC - Roy Campus - Business Link		9,100	\$15,751
	Delete	SEATC - Main Campus Price	(1)	(9,500)	(\$50,540)
	Change	SWATC - Kane campus - Kanab			(\$29,000)
	Delete	UBATC - Vernal	(1)		(\$24,000)
		2007 Total - UCAT	17	371,255	\$1,896,973
		2006 Total	198	2,143,262	23,613,018
		2007 Total	204	2,183,328	25,314,181
		Total Leases Added:	14	124,170	1,387,043
		Total Leases Ended:	8	(83,532)	(945,572)
		Total Leases Changed:	108	(572)	1,259,692
		Total Increase:	6	40,066	1,701,163

<i>Institution</i>	<i>Location</i>	<i>Gross Sq. Feet</i>	<i>Cost per Sq. Foot</i>	<i>Net or Full</i>	<i>State Approp. or Other</i>	<i>Annual Lease Payment</i>	<i>Terms in Months - Expiration Date</i>	<i>Escalations</i>	<i>Type of Space</i>
University of Utah									
(See pages 8 through 12 for details)									
Utah State University									
	Brigham City, Life Span Learning Center-Box Elder Co.	16,701	\$4.25	Net	State	\$70,979	12 months, 6/30/08	Annually	Classroom / Office
	Brigham City, Life Span Learning Center-Box Elder Co.	28,750	\$1.80	Net	State	\$51,750	12 months, 6/30/08	Annually	Storage
	Brigham City, Life Span Learning Center-Box Elder Co.	17,710	\$4.25	Net	State	\$75,268	12 months, 6/30/08	Annually	Classroom / Office
	Brigham City School District CPD Early Intervention Up-to-3, 851 S 200 W	990	\$3.64	Full	Other	\$3,600	12 months, 6/30/08	None	Classroom
	Cache County/Logan Airport Authority Hangar-ITEE	7,040	\$1.14	Net	Other	\$8,040	12 months, 6/30/08	None	Hangar FL-10
	Jamestown Bldg., 1115 N. 200 E. Logan, UT	2,337	\$13.40	Full	Other	\$31,301	12 months, 6/30/08	None	Classroom
	Legacy Apartments, 1651 North 400 East, Logan Utah (visiting professor apt.)	1,136	\$7.92	Net	Other	\$9,000	7 months, 1/31/08	None	Residential
	Logan USU Res. Park - Dir. Office Bldg #1770 - Ste 180 - 191	2,759	\$8.28	Net	Other	\$22,845	144 months, 4/3/2009	None	Offices/other
	Logan USU Res. Park - Dir. Office Bldg #1770 - Ste 140 & 160	2,828	\$9.89	Net	Other	\$27,969	144 months, 9/25/2008	None	Offices/other
	Logan USU Res. Park - Mt. Plains Resource Ctr.-CPD/sub-tenants Bldg #1780	14,492	\$9.00	Net	Other	\$130,428	146 months 2/28/2011	None	Offices/Laboratory
	Logan USU Res. Park - SDL Science Group & Summit Research, Bldg #1750	6,120	\$13.80	Net	Other	\$84,456	144 months, 1/01/2013	None	Research office & labs
	Logan USU Innovation Campus - Tech. Transfer Office Bldg. #570	3,079	\$13.80	Full	Other	\$42,492	12 months, 7/15/08	None	Offices
	SLC-Dairy Commission-Nutrition & Food Sciences, 1213 E 2100 So, SLC	231	\$12.99	Full	State	\$3,000	12 months, 6/30/08	None	Office
	SLC-5259 Commerce Drive (Atrium Bldg), Graduate Center and Cont. Ed.	11,186	\$18.04	Net	State	\$201,743	84 months, 8/31/2008	Yes	Classroom / Office
	Salt Lake City, Jan-Mar Building CPD Early Intervention Up-to-3 1574 W 1700 S, SLC	1,566	\$10.83	Net	Other	\$16,958	60 months, 12/31/09	Yes	Classroom
	SLC - Wells Fargo Building - 299 South Main Street - Development Center	1,601	\$10.99	Full	Other	\$17,592	Month to Month	None	Office
	Salt Lake City, Granite School District 2500 South State Street, SLC	25,689	\$8.75	Net	Other	\$224,808	60 months, 7/31/12	None	Classroom / Office
	Washington DC Apartments (3) for USU interns, 211 Jeff Davis Hwy, Washington DC	4326	\$19.91	Net	Other	\$86,112	12 months, 5/31/2008	None	Residential
	Washington DC Apartment for USU advisers, 211 Jeff Davis Hwy, Washington DC	1,442	\$18.96	Net	Other	\$27,336	12 months, 8/26/2007	None	Residential
	Subtotal - Utah State University	149,983				\$1,135,677			
Weber State University									
	Davis High School - 325 South Main Street, Kaysville	13,650	\$4.00		State	\$5,010	Semester rental, on-going	none	Classroom
	Roy High School - 2888 W 5600 S, Roy	4,200	\$4.00		State	\$3,896	Semester rental, on-going	none	Classroom
	WSU West - 5627 South 3500 West, Roy	7,525	\$15.00		State	\$112,875	8/31/2010	Yes	Class/Office/Storage
	Subtotal - Weber State University	25,375				\$121,781			
Southern Utah University									
	Archaeology - 690 West Industrial Rd, Cedar City	216	\$2.67	N/A	Other	\$576	Month to Month	Varies	Storage
	Bookstore - 650 N 800 West, Cedar City - Bookstore	600	\$3.00	N/A	Other	\$1,800	Month to Month	Varies	Storage
	Bookstore - 690 West Industrial Rd, Cedar City	192	\$3.13	N/A	Other	\$600	Month to Month	Varies	Storage
	CMSC - 690 West Industrial Rd, Cedar City	96	\$4.63	N/A	Other	\$444	Month to Month	Varies	Storage
	Continuing Ed - 690 West Industrial Rd, Cedar City	96	\$3.13	N/A	Other	\$300	Month to Month	Varies	Storage
	Head Start - 141 North Main, Kanab	1,000	\$9.19	Net	Other	\$9,194	12 Month - Mar 2010	Index or 3%	Classroom
	Head Start - 166 North Main, Panguitch	1,200	\$6.09	Net	Other	\$7,310	12 Month - Nov 2012	2.5%	Classroom
	Head Start - 217 East Telegraph, Washington	2,000	\$8.33	Net	Other	\$16,670	12 Month - Aug 2007	5.0%	Classroom
	Head Start - 2390 West Hwy 56, Cedar City	11,560	\$9.65	Net	Other	\$111,542	12 Month - Sep 2015	2.0%	Classroom/Office
	Head Start - 450 South Center, Delta	1,000	\$7.20	Full	Other	\$7,200	12 Month - Aug 2007	Fixed	Classroom
	Head Start - 494 East 900 South, St. George	6,016	\$10.24	Net	Other	\$61,579	12 Month - Dec 2019	2.0%	Classroom
	Head Start - 510 East 900 South Apt #1, St. George	1,100	\$10.91	Net	Other	\$12,000	12 Month - Oct 2009	Varies	Office/Storage
	Head Start - 55 West Center, Beaver	1,004	\$4.72	Full	Other	\$4,741	12 Month - Sep 2007	2.1%	Classroom
	Head Start - 555 West 400 South, Fillmore	900	\$8.00	Full	Other	\$7,200	12 Month - Aug 2007	Fixed	Classroom
	Head Start - 680 West 300 South, Milford	1,000	\$7.20	Full	Other	\$7,200	12 Month - July 2007	Fixed	Classroom
	Head Start - 690 West Industrial Rd, Cedar City	408	\$2.85	N/A	Other	\$1,164	Month to Month	Varies	Storage
	Head Start - 705 North 195 West, LaVerkin	5,008	\$9.35	Net	Other	\$46,839	12 Month - Dec 2017	2.0%	Classroom

<i>Institution</i>	<i>Location</i>	<i>Gross Sq. Feet</i>	<i>Cost per Sq. Foot</i>	<i>Net or Full</i>	<i>State Approp. or Other</i>	<i>Annual Lease Payment</i>	<i>Terms in Months - Expiration Date</i>	<i>Escalations</i>	<i>Type of Space</i>
<i>Southern Utah University Continued</i>									
	Machine Shop - 690 West Industrial Rd, Cedar City	216	\$2.67	N/A	Other	\$576	Month to Month	Varies	Storage
	President's Office - 690 West Industrial Rd, Cedar City	672	\$2.23	N/A	Other	\$1,500	Month to Month	Varies	Storage
	Shakespeare - 690 West Industrial Rd, Cedar City	4,384	\$2.13	N/A	Other	\$9,348	Month to Month	Varies	Storage
	Student Activities / Ballroom - 690 West Industrial Rd, Cedar City	216	\$2.67	N/A	Other	\$576	Month to Month	Varies	Storage
	Student Activities / Acclamation - 690 West Industrial Rd, Cedar City	216	\$2.22	N/A	Other	\$480	Month to Month	Varies	Storage
	SUU Pageant - 690 West Industrial Rd, Cedar City	96	\$4.63	N/A	Other	\$444	Month to Month	Varies	Storage
	SUU Student Association - 690 West Industrial Rd, Cedar City	96	\$3.75	N/A	Other	\$360	Month to Month	Varies	Storage
	SUUSA T-Bird Awards - 690 West Industrial Rd, Cedar City	312	\$2.31	N/A	Other	\$720	Month to Month	Varies	Storage
	Theatre Arts - 690 West Industrial Rd, Cedar City	2,256	\$1.71	N/A	Other	\$3,864	Month to Month	Varies	Storage
	UT Ctr for Rural Health - 111 South 1400 West Unit 1, Cedar City	525	\$8.57	N/A	Other	\$4,500	Month to Month	Varies	Residential
	UT Ctr for Rural Health - 465 N 800 West, Cedar City	100	\$6.00	N/A	Other	\$600	Month to Month	Varies	Storage
	Subtotal - Southern Utah University	42,485				319,328			
<i>Snow College</i>									
	None								
<i>Dixie State College of Utah</i>									
	Airport - ground lease for hanger	5,350	\$39.93		State	\$134	6/30/2010		Hanger
	Subtotal - Dixie State College of Utah	5,350				\$134			
<i>College of Eastern Utah (see Note 1)</i>									
	Blanding Armory	5,600		Full	State	\$10	On going	None	Classroom/Office
	Prehistoric Museum	22,500		Full	State	\$1	216 months, 6/30/2013	None	Museum/Office
	One-half mile northeast of Price	40 acres	\$3 per acre	N/A	State	\$120	588 months, 6/01/2018	None	Land-Baseball
	Monument Valley - Shared Lease w/USU & SEATC (O&M Only)	3,250		Net	Reimb. Overhead		64 Months, 6/30/08	None	Classroom/Office
	Montezuma Creek - Whitehorse Seminary	3,118		Full			Not Specified	None	Classroom
	Eastern Utah Self Storage - Recreation	500		Full	State	\$768	Annual	None	Storage
	Eastern Utah Self Storage - Theatre	2,500		Full	State	\$6,900	Annual	None	Storage
	Cedar Hills Storage - Food Service	360		Full	Auxiliaries	\$900	Annual	None	Storage
	SEATC Main Campus - Price	9,500	\$5.32		State	\$50,540	12 Months	n/a	Classroom / Other
	Ricky Cook - Dance	1,250		Net	State	\$3,900	Annual	None	Storage
	Subtotal - College of Eastern Utah	48,578				63,139			
<i>Utah Valley State College (see Note 1)</i>									
	Foundation Building	35,564	\$2.81		State	\$100,021			Classroom Other
	Airport Land (Hangar #2)	88,496	\$0.20		State	\$17,736			Ground
	Airport Hangar #1	14,800	\$5.68		Dept. Revenue	\$84,000			Hanger/Classroom/Office
	Airport Hangar #2	33,000	\$3.74		Dept. Revenue	\$123,576			Hanger/Classroom/Office
	Woodbury Art Gallery Commons Areas	13,732	\$0.99		Interest Income	\$13,593			Office Other
	Continuing Ed House	850	\$6.35		Continuing Ed	\$5,400			Storage
	Canyon Park Bldg L	35,368	\$7.99		Culinary Arts	\$282,525			Classroom/Kitchens/Offices/Other
	Airport Land (Hangar #1)	.577 Acres			State	\$2,782			Ground
	Airport (AvTech)	9.8 Acres			State	\$19,345			Ground
	Subtotal - Utah Valley State College	133,314				\$648,978			

<i>Institution</i>	<i>Location</i>	<i>Gross Sq. Feet</i>	<i>Cost per Sq. Foot</i>	<i>Net or Full</i>	<i>State Approp. or Other</i>	<i>Annual Lease Payment</i>	<i>Terms in Months - Expiration Date</i>	<i>Escalations</i>	<i>Type of Space</i>
<i>Salt Lake Community College</i>									
	830 East 9400 South, Sandy	29,061	\$16.02		State - E&G	\$465,541	84 Mo. 8/31/10	Yes/Variable	Office/Lab/Classroom
	12441 South 900 East, Draper	9,833					Month to Month		
	1021 West Vine Street, Tooele	1,304	\$7.00	Full	State - Skills Center	\$9,128	Month to Month	Fixed 10 Yr.	Classroom
	66 West Vine Street, Tooele	6,100	\$0.98	Net	Other	\$6,000	36 Months 9/07		Office/Classroom
	551 North 2200 West, Airport	12,939	\$5.94	Net	State - E&G	\$77,963	60 Mo. 5/31/08	Adjusted Yrly.	Office/Lab/Classroom
	551 North 2200 West, Airport (2 Hangers)	2,624	\$5.15		State - E&G	\$5,424	Month to Month		Hanger
	331 North 2370 West, Executive Terminal	4,506	\$11.75		State - E&G	\$56,688	Month to Month		Office/Classroom
	369 North 2370 West, Airport	3,600	\$7.33	Net	Other	\$26,400	Month to Month		Office/Hanger
	551 North 2200 West, Airport		\$74 per tie down		Other	\$8,880	Month to Month		Airplane Tie Downs
	210 East 400 South, Salt Lake City	1,545	\$9.00	Full	State - E&G	\$13,905	10/05 - 5 Year	Adjusted Yrly.	Office/Classroom
			\$12.50 2007,						
	231 East 400 South, Salt Lake City	21,535	\$13.00 2008		E & G	\$275,226	01/01/07 to 6/30/12	Adj. Yearly	Office/Classroom
	Subtotal - Salt Lake Community College	93,047				\$945,155			
<i>Utah College of Applied Technology</i>									
<i>Bridgerland ATC</i>									
	Rich County Campus	13,473			N/A				Classroom / Other
	Brigham City Expansion	7,000			N/A				Classroom / Other
<i>Davis ATC</i>									
	Freeport Center, Bldg A-15	9,447	\$6.52		State	\$61,607	12 Months, 6/30/08	Adjusted Yrly.	Classroom / Office
<i>Dixie ATC</i>									
	East 1/2 of the DSC North Plaza Building - 55 South 900 East, St. George, Utah	18,000	\$4.25		State	\$76,500	60 Months/ 2011	Adjusted Yrly.	Classroom / Other
	Diesel Mechanic Garage 825 No. Industrial Rd.	4,480	\$10.14		State	\$45,440	36 Months / 2009	2.75%	Lab
<i>Mountainland ATC</i>									
	759 E. Pacific Drive American Fork	43,550	\$6.08		State	\$264,996	13 Years, 1/31/17	3%	Classroom / Other
	987 S. Geneva Rd. Orem	58,194			State	\$1		n/a	Classroom / Other
	N Hwy 40 Heber	3,800			State	\$1		n/a	Classroom / Other
	693 W. 1210 South Spanish Fork	30,932	\$10.86		State	\$335,868	20 Years, September 2026	Adjusted Yrly.	Classroom / Office
<i>Ogden Weber ATC</i>									
	Roy Campus - Business Link	24,100	\$5.83	Full	State	\$140,551	42 Months	3%	Classroom / Other
	BDO Lean Manufacturing	52,500	\$3.65	Full	State	\$191,419	60 Months	3%	Classroom / Other
<i>Salt Lake/Tooele ATC</i>									
	Salt Lake Campus	38,200	\$2.35		State	\$90,000	7/31/2009	n/a	Classroom / Office
	West Valley Campus (colocated with DWS)	6,810	\$22.00		State	\$149,902	11/30/2007	Adjusted Yrly.	Classroom / Office
	West Valley Freight Liner Training Center	11,794	\$12.59		State	\$148,488	5/31/2011	Adjusted Yrly.	Classroom / Office
<i>Southwest ATC</i>									
	Main campus - 510 W 800 S Cedar City	36,000	\$5.55	Full	State	\$200,000	156 Mo. 2016	n/a	Classroom / Office
	Kane campus - Kanab	8,500	\$13.53		State	\$115,000		n/a	Classroom / Office
<i>Uintah Basin ATC</i>									
	No Leased Space								
<i>Central Administration</i>									
	60 South 400 West, The Board of Regents Building - Gateway	4,475	\$17.25	Full	State	\$77,200		Adjusted Yrly.	Office
	Subtotal - Utah College of Applied Technology	371,255				\$1,896,973			

Notes:

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

<i>Dpt</i>	<i>Location</i>	<i>Gross Sq. Feet</i>	<i>Cost per Sq. Foot</i>	<i>Net or Full</i>	<i>Monthly Payment</i>	<i>Yearly Payment</i>	<i>Start</i>	<i>Type of Space</i>
Academic Outreach & Continuing Education								
	Bountiful - 75 W. 2nd S., Bountiful (Stoker School)	24,851	2.98	N	\$6,170	\$74,040	7/1/92	Office
	Murray - Cedar Park, 5282 S. 320 W., #186	11,765	13.00	F	\$12,741	\$152,892	7/30/90	Office
	Park City - 1255 Park Avenue (Carl Winters Ed Fac.)	3,222	16.75	F	\$4,497	\$53,964	6/30/93	Education & related purposes.
	Sandy - 9875 South 240 West	20,000	13.98	f	\$23,300	\$279,600	9/1/94	Classroom
College of Fine Arts <small>College of Fine Arts rent is \$1.00 per year</small>								
	West Institute, 3rd South - L. D. S. Church	22,501	0	N			9/15/83	Classroom
Dialysis Centers:								
	American Fork - 120 N 1220 East #14	2600	12.00	N	\$2,600	\$31,200	1/1/07	Medical office
	Bountiful - 530 South 500 West	5,845	19.89	N	\$9,687	\$116,244	2/26/98	Medical office
	Cedar City - 1281 North North Field Road	4,850	19.89	N	\$8,040	\$96,480	5/1/02	Medical office
	Idaho Falls - 2225 Teton Plaza, #A	7,533	12.15	N	\$7,629	\$91,548	1/28/92	Outpatient hospital services
	Layton - 940 South Main, Layton, UT	6,480	14.32	N	\$7,734	\$92,808	7/15/05	Health care, medical office, administrative uses
	Ogden - 5575 South 500 East	12,583	34.87	N	\$18,133	\$217,596	1/1/93	Clinical, teaching & research
	Provo - 1675 North Freedom Boulevard	6,594	18.62	N	\$10,232	\$122,784	7/1/91	Dialysis center
	Redwood- 5400 South 3854 West Taylorsville	5,490	14.50	N	\$6,634	\$79,608	6/1/07	Dialysis center
	Sandy - 8750 South Sandy Parkway, Bldg. #3	6,000	5.81	N	\$2,903	\$34,836	12/15/96	Clinic
	St. George - River Road and 700 South	7,160	17.22	N	\$10,275	\$123,300	3/1/97	Dialysis center
	1180 Summers Drive, Rexburg, ID	6,410	11.84	N	\$6,325	\$75,900	9/1/05	Provide health care
540 Arapteen Drive								
	Development Office - 540 Arapteen Way	29,228	18.50	F	\$45,067	\$540,804	4/1/05	Offices
	Marriott Library - 540 Arapteen Drive, #200	3,877	16.00	F	\$5,170	\$62,040	8/1/2005	Office
615 Arapteen Drive								
	Dept. of Anesthesiology - 615 Arapteen Drive, #200	6,305	20.69	F	\$10,873	\$130,476	4/1/01	Research & clinical offices
	Dept. of Technology Transfer - 615 Arapteen Drive, #110	8,647	23.92	F	\$17,238	\$206,856	3/1/04	Office & laboratory
	Utah Diabetes Center - 615 Arapteen Drive, #100	19,771	23.85	F	\$39,299	\$471,588	11/1/00	Office & laboratory
675 Arapteen Drive								
	Department of Pharmacy Services - 675 Arapteen Drive, #100	7,193	26.78	F	\$16,052	\$192,624	7/1/07	Health Care & IV Therapy
	The Utah Stem Cell Research - 675 Arapteen Drive, #101 & #302	13,865	25.99	F	\$27,713	\$332,556	9/1/05	Office and medical clinic
	Utah Center for Reproductive Medicine - 675 Arapteen Drive, #205	10,798	27.10	F	\$24,388	\$292,656	10/28/02	Office and medical clinic
729 Arapteen Drive								
Hospital Activities:								
	Central Stores - 729 Arapteen Drive	9,030	5.58	N	\$4,268	\$51,216	3/1/98	Warehouse, distribution, storage
	Department of Radiology - 729 Arapteen Drive	1,995	12.50	N	\$2,078	\$24,936	1/1/01	Offices, reading room, computer room
	Dept. of Radiology - Film File Storage - 729 Arapteen Drive	1,843	5.33	N	\$819	\$9,828	3/1/98	Warehouse, distribution, storage
	Hospital F&E - 729 Arapteen Drive	2,700	4.72	N	\$1,063	\$12,756	4/1/99	Warehouse, distribution, storage
	Hospitals and Clinics - Neurology Center- 729 Arapteen Drive	9,162	6.39	N	\$4,875	\$58,500	8/1/04	General warehousing, distribution & storage purposes
	Hospitals and Clinics - Radiology Outpatient Imaging - 729 Arapteen Drive	6,107	12.46	N	\$6,343	\$76,116	8/1/04	General storage & warehousing
	Surgical Specialty Center - 729 Arapteen Drive	3,209	14.07	N	\$3,762	\$45,144	5/1/02	Clinical exam room & offices
	University of Utah - Office of the Sr. Vice President of Health Sciences - 729 Arapteen Drive	41,669	11.30	N	\$39,237	\$470,844	1/1/98	Laboratory & office
295 Chipeta Way								
	Health Sciences - Pediatrics - 295 Chipeta Way	52,866	18.00	F	\$79,299	\$951,588	12/2/04	General medical office
375 Chipeta Way								
	Family & Preventive Medicine's Health Research Ctr. - 375 Chipeta Way	38,856	21.31	F	\$68,994	\$827,928	4/1/01	Office, research, development & laboratory
	Sleep Disorder & Sinus Clinic - 375 Chipeta Way, #A	6,062	28.26	F	\$14,580	\$174,960	1/1/01	Office, research, development & laboratory

<i>Dpt</i>	<i>Location</i>	<i>Gross Sq. Feet</i>	<i>Cost per Sq. Foot</i>	<i>Net or Full</i>	<i>Monthly Payment</i>	<i>Yearly Payment</i>	<i>Start</i>	<i>Type of Space</i>
391 Chipeta Way								
	Dept. of Family & Preventive Medicine, Rocky Mountain Center for Occupational & Environmental Health Program - 391 Chipeta Way, #C	6,440	18.00	F	\$9,660	\$115,920	10/1/03	Office and lab
	Genetic Epidemiology - 391 Chipeta Way, #D1 & D-2	7,248	18.25	F	\$11,023	\$132,276	11/8/94	Office & laboratory space
	Radiopharmacy (Subleased to PLCO Cancer) - 391 Chipeta Way, #A	5,047	19.62	F	\$8,252	\$99,024	12/1/96	Office & laboratory
	V.P. for Health Sciences - 391 Chipeta Way, #E, F & G	3,475	18.50	F	\$5,357	\$64,284	9/1/94	Office
410 Chipeta Way								
	Department of Genetics & Epidemiology -410 Chipeta Way, #110 & #100 (freezer space)	6,673	22.44	N	\$6,239	\$74,868	4/1/06	Offices & laboratory
	Dept-Physiology-410 Chipeta Way, #150,125	5,116	12.75	N	\$5,435	\$65,220	4/25/97	Office & laboratory
	Expansion Space - UNI - 410 Chipeta Way, # 225	1,714		N		\$0	10/8/96	Research, office & UNI
	Lung Health Study, #221 - 410 Chipeta Way, #221, 220,219	4,461	15.21	TN	\$5,653	\$67,836	9/1/93	Office
	Rocky Mountain Cancer Data Systems -410 Chipeta Way, #230	1,759	16.97	N	\$2,488	\$29,856	8/1/93	Office
420 Chipeta Way								
	Health Sciences - 420 Chipeta Way	54,150	12.24	N	\$55,233	\$662,796	3/1/06	General office, medical office, research & laboratory
546 Chipeta Way								
	Pain Management Center - 546 Chipeta Way, #G200	6,986	15.85	N	\$9,229	\$110,748	8/17/95	Office
650 Komas Drive								
	Department of Psychiatry -650 Komas, #206	6,601	21.12	F	\$11,617	\$139,404	9/1/06	Research & general offices
	Information Technology Services -650 Komas, #100	7,059	20.68	F	\$12,166	\$145,992		Information technology service & related training & storage
	Information Technology Services -650 Komas, #101, 102, 104, 107, 107A, 108	24,150	17.57	F	\$35,354	\$424,248	9/16/05	Information technology service & related training & storage
	Information Technology Services -650 Komas Drive, #105	3,167	20.69	F	\$5,460	\$65,520	7/1/06	Information technology service & related training & storage
	Medical Billing -650 Komas Drive, #202, 203, 204	14,780	19.82	F	\$24,412	\$292,944	6/1/06	Office & related services
	Medical Billing - Office of Compliance- 650 Komas Drive, #205	1,578	20.09	F	\$2,641	\$31,692	6/1/06	Office & related services
	Neuropsychiatric Institute - Adult Behavioral Clinic -650 Komas Drive, #208	10,175	21.22	F	\$17,991	\$215,892	8/1/05	Office and medical clinic
	Neuropsychiatric Institute - Home -650 Komas Drive, #200	9,154	21.22	F	\$16,186	\$194,232	8/1/05	Office and medical clinic
	Utah Cancer Registry & Alzheimer's Resource Center -650 Komas Drive, #106 A & B	7,189	20.09	F	\$12,033	\$144,396	11/1/05	Office, research, clinic
417 Wakara Way								
	University of Utah Lease - Tenants (See comments) -417 Wakara Way	71,296	15.30	N	\$90,911	\$1,090,932	2/1/05	Research, office space, leasing of commercial office space
419 Wakara Way								
	Child Development Center - 419 Wakara Way, #100	8,463	12.36	N	\$8,717	\$104,604	9/1/96	Day care center
	College of Pharmacy/Medicinal Chemistry - 419 Wakara Way, #205	6,054	14.37	TN	\$7,251	\$87,012	10/1/00	Office & lab
420 Wakara Way								
	Human Resources, Payroll - 420 Wakara Way	29,977	25.60	F	\$63,945	\$767,340	4/14/02	General office, classroom, educational uses
421 Wakara Way								
	College of Pharmacy - 421 Wakara Way, #318	16,672	17.73	N	\$24,631	\$295,572	1/1/87	Research & office
	College of Pharmacy/Center for Cell Signaling - 421 Wakara Way, #360	4,076	17.16	N	\$58,330	\$699,960	3/1/01	Research & office
	Department of Information Technology (Health Science) 421 Wakara Way	107	15.02	F	\$134	\$1,608	12/1/06	Closet Space
	Drug Information Center & Pharmacotherapy Outcomes Research Center - 421 Wakara Way, #204	6,525	16.39	TN	\$8,913	\$106,956	1/1/04	Office
	Pharmacological Outcomes Research Center -421 Wakara Way, #208	2,773	16.38	TN	\$3,785	\$45,420	4/1/05	Office

<i>Dpt</i>	<i>Location</i>	<i>Gross Sq. Feet</i>	<i>Cost per Sq. Foot</i>	<i>Net or Full</i>	<i>Monthly Payment</i>	<i>Yearly Payment</i>	<i>Start</i>	<i>Type of Space</i>
423 Wakara Way								
	Energy & Geosciences Institute - 423 Wakara Way (1st/3rd floors)	34,699	15.23	N	\$41,086	\$493,032	9/1/96	Office
520 Wakara Way								
	Health Sciences - Professional Education - 520 Wakara Way	52,000				\$0	5/1/99	Educational purposes
590 Wakara Way								
	Orthopedic Specialty Hospital - 590 Wakara Way	105,000	21.58	N	\$188,866	\$2,266,392	9/20/04	Full Service Hospital
OTHER OFF CAMPUS LEASES								
	Beehive Square Storage - Beehive Square Units - Bldg. 23-D, Units 21A	17,294	3.55	N	\$5,110	\$61,320	2/1/02	Storage
	Beehive Square Storage (Physics Department) - Beehive Square Units - Portions of Bldg. 13-15	4,800	4.97	N	\$1,987	\$23,844	8/1/06	Storage & shop space (Rent payments will not begin until 2/1/07.)
	Bureau of Economic and Business Research - 1060 N. Beck Street, 438	128	13.92	N	\$149	\$1,788	8/1/06	Storage
	College of Engineering - V.P. Pershing - Beehive Square Units - Bldg. 23C, 23B, 22A, 23E	33,278	14.40	N	\$13,370	\$160,440	7/1/95	Research and office
	Dept. of Dermatology - Cottonwood Place Medical Center, #150, 160	5,058	20.00	F	\$8,428	\$101,136	1/15/02	General office & medical clinic
	Dept. of Dermatology - Cottonwood Place Medical Center (6095 South 300 East, Murray), #250	2,878	18.03	F	\$4,324	\$51,888	4/15/04	General office & medical clinic
	Dept. of Dermatology - Cottonwood Place Medical Center (6095 South 300 East, Murray), #270	1,853	19.63	F	\$3,031	\$36,372	10/1/05	General office & medical clinic
	Dept. of Dermatology - Cottonwood Place Medical Center (6095 South 300 East, Murray), #280	1,443	18.75	F	\$2,255	\$27,060	12/1/06	General office & medical clinic
	Dept. of Family & Preventive Medicine, Health Research Center - American Indian Health Project - Ayani' Neez Center @ Shiprock, New Mexico	1,365						Research office for prospective study of American Indians & Alaskan natives
							4/1/03	
	Dept. of Neurosurgery - 100 North Medical Drive	3,445	17.86	F	\$5,127	\$61,524	7/1/02	Clinic and office
	Dept. of Orthopedics - Ambulatory Care Center (PCMC)	5,288	17.86	F	\$7,870	\$94,440	7/1/02	Office and clinic space
	Dept. of Pediatrics - Ambulatory Care Center (PCMC)	11,086	17.51	F	\$16,176	\$194,112	1/1/01	Medical office
	Dept. of Psychiatry - 515 South 700 East, #3Q	6,886	10.00	N	\$5,738	\$68,856	7/1/03	Medical office/general office
	Department of Psychology - Family Support Program - 3269 South Main Street	907	16.10	F	\$1,217	\$14,604	11/1/05	Office
	Department of Special Education - Reading Clinic - Cedar Park, 5282 S. 320 W., #D-100, Murray, UT	3,331	13.80	N	\$3,831	\$45,972	7/1/06	General business offices
	Energy & Geosciences Institute - 865 S. 600 W., Bldg. 22-C	17,100	4.98	N	\$7,103	\$85,236	8/1/98	Warehouse & office
	HealthNetwork - Basement - 1492 West Antelope Drive, Layton	3,528	15.52	N	\$4,564	\$54,768	2/4/99	General offices
	HealthNetwork - Main Floor - 1492 West Antelope Drive, Layton	12,800	18.65	N	\$19,899	\$238,788	9/30/98	General offices
	HealthNetwork - Stansbury Park - 220 Millpond, #100	12,000	22.67	N	\$22,672	\$272,064	8/2/99	General medical office
	Health Sciences ³ - 127 South 500 East (Ambassador Bldg.)	96,000	10.32	TN	\$82,573	\$990,876	5/1/02	Offices
	Hospital Lease - 144-146 South 400 East (Entire Main Floor)	5,500	9.54	N	\$4,371	\$52,452	5/14/04	Office & warehouse
	Hospital - Records - 134 South 400 East	15,419	5.60	N	\$7,200	\$86,400	10/15/95	Office & warehouse
	Hospitals and Clinics - Centerville Medical Building, 26 S. Main St., Centerville, UT	8,510	14.42	TN	\$10,226	\$122,712	7/1/06	Medical offices
	Hospitals and Clinics - 3981 South Wasatch Blvd.	300	35.00	F	\$875	\$10,500	9/15/06	Medical offices
	Hospitals and Clinics - Gondola Bldg., Park City Resort Center	1,440	10.73	N	\$1,288	\$15,456	11/1/96	Medical clinic and office
	Hospitals and Clinics - Redstone Project -Bldg. B - Redstone Business & Retail Center, Park City, UT	18,039	19.62	N	\$29,494	\$353,928	9/1/05	Medical Clinic
	Hospitals and Clinics - 1091 West Jordan Parkway, #350, 400, 450 & 500 South Jordan	6,369	16.88	N	\$8,960	\$107,520	8/1/03	General medical office
	Madsen Health Center (formerly Wasatch Clinics) - 555 Foothill Boulevard	32,000	9.79	TN	\$26,095	\$313,140	4/3/88	Clinic
	Moran Eye Center - 4400 South 700 East, #240	4,617	12.75	N	\$4,906	\$58,872	9/1/86	Medical office
	Moran Eye Center - 6360 S. 3000 E. (Old Mill II Med. Ofc. Bldg.), #200	5,894	18.40	F	\$9,038	\$108,456	5/11/98	Medical office
	Parking Structure - Institute of Religion - South Campus Drive				\$31,963	\$383,556	8/19/03	Parking

<i>Dpt</i>	<i>Location</i>	<i>Gross Sq. Feet</i>	<i>Cost per Sq. Foot</i>	<i>Net or Full</i>	<i>Monthly Payment</i>	<i>Yearly Payment</i>	<i>Start</i>	<i>Type of Space</i>
								Parking (No monetary fee for lease. University has agreed to maintain the Licensed Space pursuant to the terms and conditions of the Agreement.)
	Parking Surface Use - Institute of Religion - South Campus Drive					\$0	3/1/03	
	Radiation Oncology Program - 1250 East 3900 South, #10	6600	11.28	N	\$6,204	\$74,448	5/1/06	Medical office
	Spine Therapy Center - 1355 Foothill Boulevard, #200	4,785	10.63	N	\$4,239	\$50,868	6/5/92	Clinic
	Sugar House Family Practice Clinic - SE Corner of Wilmington and Highland Drive	8,788	20.45	TN	\$14,976	\$179,712	3/20/96	Clinic
	Sugar House Rehabilitation Clinic-space F6 - SE Corner of Wilmington and Highland Drive	3,581	18.91	TN	\$5,643	\$67,716	3/20/96	Clinic
	Virginia Tanner Creative Dance Program - 2580 Jefferson Avenue, Ogden						8/28/06	Classroom
	Virginia Tanner Creative Dance Program - 2080 Gold Dust Lane (Prospector Sq.) - Park City						8/28/06	Classroom
	Westside Studio - 631 West North Temple, #50			TN		\$0	2/1/05	Community outreach
	West Valley Outreach - 1060 South 900 West (in Jordan Park)					\$0	11/1/02	Community resource building.
		1,313,941			\$1,681,918	\$20,183,016		
Residential:								
	Hinckley Institute of Politics - 01 113 2950 Van Ness St. #113				\$2,105	\$25,260	4/15/02	Apartment
	Hinckley Institute of Politics - 01 230 2950 Van Ness St. #230				\$1,991	\$23,892	4/15/02	Apartment
	Hinckley Institute of Politics - 01 515 2950 Van Ness St. #515				\$2,210	\$26,520	4/15/02	Apartment
	Hinckley Institute of Politics - 01 610 2950 Van Ness St. #610				\$2,128	\$25,536	4/15/02	Apartment
	Hinckley Institute of Politics - 01 910 2950 Van Ness St. #910				\$2,222	\$26,664	4/15/02	Apartment
	Hinckley Institute of Politics - 01 930 2950 Van Ness St. #930				\$2,073	\$24,876	4/15/02	Apartment
LAND:								
	KUED - Mt. Vision	.43 acre			\$3,312	\$39,744	7/18/02	Broadcasting & transmitting
	Physics Dept. - Dugway Proving Grounds	988 acres				\$0	12/31/04	N/A
	Physics Department - Kia Martens - Millard County - near Delta, Utah	120 acres				\$0	2/1/04	\$990/yr. for first 5 yrs. Rent may be increased after 5 yrs. and each s
	Seismograph Station* - Various points in Utah	300 seismograph stations				\$0		Varies *Documents available thru Sue Nava, 1-6274.

October 17, 2007

MEMORANDUM

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

Regent Policy R207 requires that each USHE institution provide an annual report regarding institutional coverage of expenses for maintenance, repair, utilities, insurance and domestic assistance related to the institutional residences. The attached report identifies the approved budget and expenditures for each institution over the past five years.

Commissioner's Recommendation

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

Richard E. Kendell
Commissioner of Higher Education

REK/MHS/KLH
Attachments

Utah System of Higher Education

Institutional Residences Operation and Maintenance Costs Report

	2002-03 Budget	2002-03 Actual	2003-04 Budget	2003-04 Actual	2004-05 Budget	2004-05 Actual	2005-06 Budget	2005-06 Actual	2006-07 Budget	2006-07 Actual	2007-08 Budget	Source of Funds	Square Footage
U of U ⁽¹⁾	\$64,300	\$43,735	\$62,100	\$96,967	\$102,350	\$99,768	\$83,100	\$80,618	\$51,150	\$46,723	\$56,670	Discretionary Funds	11,439
USU	\$72,000	\$47,778	\$72,000	\$76,826	\$72,000	\$71,032	\$72,000	\$73,381	\$74,000	\$74,000	\$73,500	E&G	8,479
WSU	\$19,214	\$19,668	\$19,200	\$24,462	\$19,066	\$0	\$19,066	\$7,199	\$15,000	\$12,285	\$15,000	E&G	3,900
SUU ⁽²⁾	\$16,000	\$14,351	\$16,000	\$15,436	\$16,000	\$18,191	\$19,000	\$15,260	\$62,350	\$99,352	\$26,000	E&G	11,314
SNOW	\$9,001	\$4,820	\$13,183	\$6,725	\$15,458	\$6,777	\$24,450	\$21,940	\$12,000	\$6,598	\$9,001	E&G	6,128
DSC ⁽³⁾	\$11,000	\$14,536	\$14,600	\$12,929	\$14,700	\$12,222	\$14,700	\$4,426	\$0	\$0	\$19,950	E&G & Discretionary	5,236
CEU ⁽⁴⁾	\$6,000	\$4,856	\$4,900	\$0	\$3,500	\$3,462	\$4,800	\$4,794	\$4,800	\$4,982	\$5,000	E&G	3,684
UVSC ⁽⁵⁾	\$48,320	\$36,234	\$35,747	\$21,112	\$26,074	\$24,859	\$35,243	\$16,865	\$20,940	\$15,780	\$20,940	E&G & Discretionary	5,075
SLCC	\$42,600	\$15,953	\$51,100	\$8,471	\$50,400	\$16,563	\$68,600	\$33,621	\$69,600	\$33,915	\$70,700	E&G & Discretionary	8,343

Board Policy R207 provides for institutional coverage of expenses for maintenance, repair, utilities, insurance and domestic assistance related to our institutional residences. Policy requires annual reports for the previous year's actual expenses and the current year's budget, as summarized in the table below.

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

UU: FY 2007 \$23,500 additional budget planned for deferred repair and replacement costs

(2) SUU: Has an increase in costs for 2006-07 related to repairing and furnishing the home for a new president

(3) The Regents approved a request from Pres. Caldwell to receive a housing allowance rather than live in the institutional residence.

The College has decided to use the former residence as an Alumni House, and will therefore need to develop a plan for acquiring a new institutional residence as required by Board policy.

College officials reported their plan at the December 8, 2006, Board of Regents meeting.

(4) CEU: All Residence Maintenance in 2003-04 paid for by the President of the institution's personal funds

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

October 17, 2007

MEMORANDUM

To: State Board of Regents
From: Richard E. Kendell
Subject: UESP Update on Record-Keeping Strategy

The Utah Educational Savings Plan (UESP) is growing rapidly and is receiving increasing national recognition as one of the country's top 529 savings programs.

I asked Lynne Ward, UESP Director, to prepare a brief update on the progress of the RFP process to potentially outsource its record-keeping software program. The attached report summarizes those efforts.

This report is for information only.

Richard E. Kendell, Commissioner

REK:jc
Attachment

UESP Update on Record Keeping Strategy

October 17, 2007

Background

The Utah Educational Savings Plan issued a Request for Proposal (“RFP”) in May 2007 to explore the potential of replacing its record keeping software program, including the possibility of record keeping support services. Record keeping is defined as tracking the information on accounts such as the account owner and beneficiary, calculating account value and administrative fees, producing quarterly statements, and generating required tax forms.

RFP Review Committee

The UESP Record Keeping RFP Committee consisted of the following individuals:

Norm Tarbox, UHEAA Board Member, Vice President – Weber State University
Richard Ellis, Utah Deputy State Treasurer
David Feitz, Executive Director of UHEAA
Richard Davis, Associate Executive Director of UHEAA (CFO)
Steve Hess, CIO for Utah System of Higher Education and University of Utah
Troy Runnells, Assistant Director of UESP
Lynne Ward, Director of UESP

Special Assistance was provided by:

Andrea Feirstein, AKF Consulting
Richard Kendell, Utah Commissioner of Higher Education

RFP Proposals Received

UESP received five proposals by the deadline of June 18, 2007. Analysis included evaluation of cost, functionality, strength of the bidder, meeting 529 standards, contractual terms, security, and business resumption features. Reference checking and site visits were conducted on the finalists.

Conclusion

The process and the recommendation by the RFP Review Committee were communicated to the UHEAA Board on September 27, 2007. The recommendation was to remain with the current UESP system and to re-examine this process again in two to three years. While advanced features would be gained by acquiring a new system, the increased cost and reduction in control did not outweigh the new features.

The UHEAA Board agreed with the recommendation and directed UESP to move quickly to improve the current system and specifically in: documentation, security, examination of source code, efficiencies, and business continuity.

Since the meeting, the following actions have been initiated:

- UESP, with the assistance of Steve Hess, CIO, is recruiting an IT Manager to oversee the identified tasks.
- UESP is recruiting a Technical Writer to lead the documentation of the system.
- The quality assurance firm UESP uses to test system upgrades will conduct an examination of the software code.
- UESP staff are working with other UHEAA staff on the business continuity plan.
- Steve Hess is helping to identify security software.

October 26, 2007

MEMORANDUM

To: State Board of Regents
From: Richard E. Kendell
Subject: Information Item: Legislative Update

Background

The Higher Education Task Force meetings scheduled for September 20, 2007 and October 18, 2007 were both canceled.

The Education Subcommittee on Teacher Shortages, Quality and Compensation held a first meeting on September 27, 2007. Following a presentation from legislative staff on "Alternative Compensation Systems," Darrell White and Patti Harrington reviewed the proposals developed by the K-16 Alliance Task Force on Teacher Shortages. Representatives Bigelow and Menlove both discussed proposed legislation for the 2008 Session which would implement some of the Task Force recommendations.

The Education Interim Committee meeting held on October 17, 2007 heard a report from former Secretary of Labor William Brock, who is a member of the New Commission on the Skills of the American Workforce. The Commission's report, "Tough Times or Tough Times," has implications for both public education and higher education. The Committee also considered proposed legislation for a legislative Task Force on Mathematics, Science and Technology Education which would also have implications for both public education and higher education.

Executive Appropriations held a meeting on September 18, 2007. A report was presented which reviewed balances for nonlapsing funds being carried by various state agencies including higher education institutions. Some concern was raised by legislators about what appeared to them to be excessive balances in some institutions. Commissioner Kendell has responded to those concerns in a letter to legislators, a copy of which is attached.

The Executive Appropriations Committee also received a report from Commissioner Kendell concerning legislative intent language calling for "Low Cost Degree Programs." A copy of the report is attached.

Commissioner's Recommendation

This is for information only. No action is required by the Board of Regents.

Richard E. Kendell, Commissioner

REK:dw

October 17, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: Research Universities in Utah: University of Utah and Utah State University

Background

The Council of Chief Academic Officers is sponsoring a series of papers on recurring and important higher education issues and on papers that reflect the nature and value of higher education institutions. The CAOs' intention is to produce data for future reference and to develop both vision and direction for higher education in the State. These papers will provide assistance as system-wide initiatives are developed. The paper presented for this meeting is authored by Dr. John Francis, Senior Associate Vice President for Academic Affairs at the University of Utah, with assistance from Dr. Steven Hanks, Vice Provost for Academic Affairs at Utah State University.

Issue

The two research universities in Utah, the University of Utah and Utah State University, offer a wide range of baccalaureate programs and are committed to graduate programs through the doctorate. They integrate the research and teaching functions in creative and functional ways that benefit students. New knowledge is created that flows from laboratories, both within the university and throughout the higher education system, within and outside the classroom. Further, the research conducted by both institutions contributes to a more comfortable, healthier, and knowledge-based environment for Utah citizens.

Their national ranking is noteworthy by Utah State University's ranking first nationally in spending for aerospace research and development by their College of Education and second for their Education and Human Services program. The recent awarding of the Nobel prize to Professor Mario Capecchi clearly reflects the rigorous nature and quality of research at the University of Utah.

The economic benefit to the State is extraordinary. For example, during 2007, the University of Utah generated nearly \$2.6 billion in revenues and Utah State, during that same time period, generated \$458 million.

Clearly, the Utah System of Higher Education should work assiduously to make certain the constituencies of these institutions understand the role of these universities, the quality of their activities, and the enormity of their economic contribution to the State.

Commissioner's Recommendation

The Commissioner recommends the Board read and discuss the paper and use it to help define and implement strategies that enhance the role and mission of Utah's two research universities.

Richard E. Kendell, Commissioner

REK/LS



Research Universities in Utah: University of Utah and Utah State University

Dr. John Francis, University of Utah
Dr. Steven Hanks, Utah State University
for the
Council of Chief Academic Officers
Utah System of Higher Education
September 2007

The University of Utah and Utah State University have for many years been included among the limited set of institutions classified as research universities by the Carnegie Foundation for the Advancement of Teaching. The Carnegie classification scheme relies heavily on the aggregate as well as the per-capita level of research activity found on a campus, which is to be expected. However, the classification scheme does not completely describe what research universities accomplish. The American research university is institutionally committed to sustained and substantive integration of teaching and research in a wide range of academic disciplines. Utah's two research universities successfully integrate research and teaching as they meet the changing needs and expectations of Utah's communities.

As the Association of American Universities notes in its white paper *America's Research Universities: Institutions in Service to the Nation*, research universities promote economic development and global technological leadership; educate a knowledge-based workforce; ensuring continued medical breakthroughs and improving public health; and maintaining national security in a more uncertain world. Consider farming and rangeland management, space exploration, medical technology, dance companies, symphony orchestras, mining, and architectural restoration – all these are products of our research universities. But the impact of research institutions carries far beyond the research discoveries themselves. Above all, a research university is committed to carrying new knowledge directly to the students, both within and outside the classroom. The commitment of our state's two research universities to the interaction of research and teaching substantively shapes the educations of undergraduate and graduate students.

Why does research matter? Although some areas of knowledge are unchanged through the millennia, higher education is the venue for passing existing knowledge from generation to generation. In other areas – indeed, many other areas – knowledge constantly and dramatically changes. These emerging areas of research influence our ever changing society and enhance our economic base. Information technology, bioengineered fuels, genomic analysis of humans, plants, animals and microbes, and robotics are just a few of the myriad of research efforts ongoing at U of U and USU. It is apparent that how we live and how we think has been changed by the discoveries of faculty at the Utah research institutions.

The impressive extent to which both the University of Utah and Utah State University are woven into the state's economy is apparent in the revenue they generate (See Table 1). During the 2007 fiscal year, for example, the University of Utah generated nearly \$2.6 billion in revenues. Only 13% (\$351 million) was state appropriated. Federal appropriations, grants, and contracts accounted for 12% (305 million). Patient services at the University of Utah provided another 34% of the revenue (\$883 million). Interestingly, student tuition generated only 6% of the institution's revenue (\$153 million). It is estimated that the U brought in well over \$200 million in federal research dollars into Utah in FY 2007 and generated more than \$283 million in clinical and healthcare income from out-of-state sources.

Utah State University generated over \$458 million in revenues during fiscal year 2007. State appropriations provided \$145 million, 31.6% of the total, while contracts and grants generated approximately \$150 million or 32.7%. Federal agencies were the largest contributors to the contract and grant funding, providing approximately \$130 million. Tuition and fees from students comprised 14.3% of university revenues, \$65 million. Additional revenues from auxiliary enterprises, investments, conferences, sale of educational services and other revenue sources

Table 1. Fiscal Year 2007 Revenue Summary (in millions)

Revenue Source	U of U		USU		Combined	
	Amount	%	Amount	%	Amount	%
State Appropriations	\$ 351	13%	\$ 145	32%	\$ 496	16%
Fed. Approp., Grants, Contracts	\$ 305	12%	\$ 150	33%	\$ 455	15%
Patient Services	\$ 883	34%	NA	NA	\$ 883	29%
Student Tuition and Fees	\$ 153	6%	\$ 65	14%	\$ 218	7%
Other Revenues	\$ 899	35%	\$ 98	21%	\$ 997	33%
Total	\$ 2,591	100%	\$ 458	100%	\$ 3,049	100%

comprised \$98 million, or 21% of total revenues. Utah State University employs approximately 7,200 employees with annual wage, salary and benefit expenditures of nearly \$242 million. In addition, the University expended over \$116,740,000 for operations in fiscal year 2007. The majority of these funds were paid to Utah vendors of goods and services providing a boost to the Utah economy.

Combined the two research universities bring nearly a billion dollars into Utah from outside sources. This money is spent hiring Utahns and buying goods and services predominantly from Utah companies (it is estimated that two-thirds of total spending stays in Utah). The net positive economic effect is many hundreds of millions of dollars of additional economic activity and personal income in the State, along with many thousands of additional jobs.

National ranking of the amount of federal funding received by research universities include both individual universities and state wide university systems. In these rankings, the combination of the University of Utah and Utah State are tied for 23rd in statewide systems. As a comparison, the University of California system with its nine campuses ranks first in the nation. The ranking of the U of U and USU is a remarkable accomplishment, and speaks volumes about the quality of research being conducted in Utah. Also noteworthy are the national rankings of specific research programs at our research universities. For instance, according to the National Science Foundation, Utah State University ranks first in spending for

aerospace research and development, and USU's College of Education and Human Services ranks second in the nation, eclipsed only by Columbia University, in total research awards.

The economic impact of the two Utah research universities is further leveraged by licenses, patents and start-up companies that are outcomes of research. These innovations are often the foundation of new industries in important technology areas such as information technology and biotechnology. In the single year of 2003, 63 active companies based on the research universities' technologies paid wages of \$223 million, generated \$468 million in economic activity, and supported 13,300 jobs. Marketing of inventions and discoveries are handled by technology commercialization offices at both institutions, and quite successfully. For example, in fiscal year 2006, the Utah's two research universities fostered 24 start-up companies. The 2007 Association of University Technology Managers survey ranks the U of U 9th in the country for number of companies formed.

To further expand these opportunities to help grow Utah's economy, the Legislature has provided millions of dollars in funding for the Utah Science, Technology, and Research initiative (USTAR). The bulk of the funding, for both operations and construction of new research facilities for research, has gone to the State's two research universities and will continue to do so. The seminal idea in the USTAR initiative is to hire and support faculty with the proven ability to develop new ideas that can be moved into the commercial sector. It is expected that over time the State will recover its investment many times over.

Our two research universities work with one another and with other colleges and universities in Utah's system of higher education in providing a network of distinct but connected opportunities for our students. These programs educate a workforce for high-tech areas, as well as train the next generation of scientists and technologists. However, these training opportunities are not limited to graduate students. In addition to traditional graduate theses and dissertation projects, there are undergraduate research opportunity programs, publication venues for student research, and annual symposia for undergraduates to present their work. Undergraduate students work in labs and on special projects in teams with graduate students under faculty supervision or they may work alone with a faculty mentor. For both undergraduate and graduate students, research helps develop problem solving skills, enhances communications, gives experience in team work, and offers practice in using technology. Students who engage in hands-on learning in research, scholarship, or creative activity are well positioned to enter their careers or continue with advanced studies. Engagement in undergraduate research can be the critical first step to a life long research career that build both the Utah and the national economy.

The creation and development of the research university is a distinctive feature of American higher education. The success of the research university can be seen in its appeal for students from around the world who come to study at American research universities. These international students often stay in the United States after completing their degrees, thereby contributing to the further development of research expertise. The American research university model has increasingly been adopted in other countries, most notably in China and Europe.

Research universities must recruit faculty in a very competitive market place, often competing with one another for nationally recognized research faculty. Faculty work best in contact with other productive research-oriented faculty. A key element for recruitment and retention of these highly-qualified faculty is a competitive salary but a lower salary offer can be offset somewhat by physical resources and strong collaborative teams.

In summary, our two research universities work continuously to integrate research and teaching in serving our mission to the state. Over time the benefits rigorous research can be enormous for our state as the recent Nobel Prize for Mario Capecchi so clearly illustrates. The power of students and faculty working together, making discoveries that impact people around the world cannot be underestimated.

October 17, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: K-16 Alliances, Part I: Building the Pipeline Through Rigorous High School Curricula and College-School District Partnerships

Issue

Over the past two years, we have discussed several times the fact that a significant disconnect exists between K-12 and postsecondary education. Therefore, leading policy researchers as well as political leaders are now calling for the establishment of “K-16” approaches to education. As Dr. Michael Kirst from Stanford University explains: “The roots of this lack of connection between K-12 and higher education reflect the fact that they were created as two separate systems. . . . This is an American phenomenon: there is much greater disjuncture between secondary and postsecondary education here than in most other nations. Increasingly, however, more and more people are calling for what is often called a K-16, or P-16, perspective on education—a recognition that this is ideally ‘all one system.’”¹

By joint resolution, the Utah K-16 Alliance was created (2006), comprised of members of the State Board of Regents, members of the State Board of Education, the Office of the Governor, state legislators, the Commissioner of Higher Education, and the State Superintendent of Public Instruction. This group has been meeting quarterly for nearly two years, and we have made great progress on a variety of issues, including concurrent enrollment, assessments, and the development of a K-16 data collection system using the new common student identifier. However, there is still much work to be done, and we believe the Regents should support the Utah K-16 Alliance in pursuing several key policies at the state, regional, and local levels. We will begin this ongoing discussion by proposing that the K-16 Alliance should carefully study the idea of recommending a college-prep “default” curriculum for all high school students, as well as the formation of regional K-16 Alliances with business and community leaders to develop college access partnerships that will substantially increase the pipeline of students going from high school to postsecondary education.

The Role of K-16 Alliances in Strengthening the High School Curriculum

¹ Andrea Venezia, Michael W. Kirst & Anthony L. Antonio, Betraying the College Dream: How Disconnected K-12 and Postsecondary Education Systems Undermine Student Aspirations (Final Policy Report from Stanford University's Bridge Project) (2004), p. 14.

In August 2006, the State Board of Education adopted new high school core graduation requirements that will take effect with the graduating class of 2011. These new requirements increased the amount of English high school students must complete from three (3) credits to four (4), the amount of math they must complete from two (2) credits to three (3), and the amount of science they must complete from two (2) credits to three (3).

While this was a positive step in the right direction in terms of bringing high school graduation expectations closer in line with the expectations of Utah's colleges and universities, additional advances should be made. First, the new standards do not require students to take math through their senior year, which is critical for postsecondary success. Second, the new standards do not require students to take rigorous math and science courses to fulfill the third-year requirement in each subject. For example, the only required math courses remain Elementary Algebra (Algebra I) or Applied Mathematics I and Geometry or Applied Mathematics II. Similarly, the science standards continue to allow students to choose their three science credits from among lab-based and non-lab science courses.

Consequently, the K-16 Alliance could substantially assist the Regents and the State Board of Education by studying the policy actions in other states that are being pursued to increase the number of high school students completing a rigorous course of study, and recommending any such policies that may be beneficial in Utah. These policy actions include, but are not limited to, new state laws making a college-prep curriculum the "default" graduation requirement for all students (with or without parental opt-out), and voluntary programs such as the State Scholars Initiative that incentivize school districts to offer, and students to take, a defined college-prep curriculum.

Regional K-16 Alliances and College-School District Partnerships

The Regents should also support the Utah K-16 Alliance and the institutions in establishing regional K-16 Alliances and other partnership efforts that can be responsive to local concerns and develop innovative ways to advance more students from high school to college. Regional K-16 Alliances could be initiated by Regents, trustees, and institutional presidents in the various service regions and should include public school leaders, business leaders, community leaders, and parents to develop specific plans to improve student access and success in specific institutions. Moreover, such groups could connect with, or subsume, local Utah Scholars steering committees in the specific effort to encourage more students to complete a rigorous course of study in high school.

In addition, USHE institutions and presidents should exert both individual and collective leadership on the issue of student access and success. This could be done through a variety of steps, including but not limited to: 1) actively supporting the efforts of Utah Campus Compact to forge service-learning partnerships between USHE institutions and public schools to improve the academic, financial, and social preparation of high school students for postsecondary education; 2) actively engaging in the K-16 Alliance discussions of the high school core and taking steps to align college admissions requirements with high school graduation requirements; and 3) working with regional and state K-16 alliances to develop a K-16 data system, using the common student identifier, that would provide information to public schools both about the preparation of high school students and the success of students admitted to USHE institutions, particularly during the freshman

year.

Financial Aid to Match the Raising of the High School Graduation Bar

A third critical step for the K-16 Alliance is to secure broad political and corporate support for a comprehensive opportunity scholarship program that would motivate all high school students in Utah to complete the Utah Scholars course of study. In our presentations on the Utah Scholars program to K-12 educators, parents, students, and business leaders, we are frequently asked: "What's the incentive for students?" While we emphasize the inherent value of becoming well prepared for college and the workplace, we also believe it is critical to attach a substantive financial incentive to the program so that students who undertake the hard work necessary to become a State Scholar receive real help to attend college.

The Utah K-16 Alliance, with ongoing support from the Regents, should undertake planning to develop both short- and long-term policies to increase financial incentives for students completing a rigorous high school curriculum. Such policies might include: 1) policies requiring or encouraging high schools to distribute information to students about the federal Academic Competitiveness Grant and SMART Grant programs; 2) policies providing financial incentives to graduating classes of students with the highest percentages of State Scholars; and 3) legislation establishing an endowed Regents' Scholarship that would be promised to every 8th grade student in the state who successfully completes the Utah Scholars core at a satisfactory level by grade 12.

Giving Sustained Attention to Disadvantaged Students

Finally, the K-16 Alliance, with support from the Regents, can play a critical role in filling the higher education pipeline by engaging in strategies designed to provide sustained, meaningful assistance to disadvantaged students (i.e., first-generation college students, low-income students, minority students, etc.). In addition to staying focused on the policy recommendations of the USHE Task Force on Minority and Disadvantaged Students, which were adopted by the Regents in December 2006, the Alliance could have a tremendous impact by doing the following:

- 1) Encouraging all USHE institutions to actively support, financially and administratively, the MESA program and other state-level programs designed to funnel more minority and female students into math and science fields.
- 2) Providing unified political support for ongoing increases in state need-based financial aid programs (UCOPE).
- 3) Bringing critical policymakers together to draft, submit, and hopefully obtain a new "College Access Challenge Grant" under the new College Cost Reduction and Access Act (P.L. 110-84, H.R. 2669) which was signed into law on September 27, 2007. This Act, which appropriates \$66,000,000 for each of the fiscal years 2008 and 2009, authorizes states receiving the grants to use the money for a variety of activities targeting disadvantaged students, including: a) providing information to students and families on the benefits of a postsecondary education and planning for

postsecondary education; b) outreach for students who may be at risk of not enrolling in or completing postsecondary education; c) professional development for guidance counselors at middle schools and secondary schools to improve their understanding of college admissions requirements and Academic Competitiveness Grants; d) activities that increase students' ability to successfully complete the coursework required for a postsecondary degree, including activities such as tutoring and mentoring; and e) activities to improve secondary school students' preparedness for postsecondary entrance examinations.

Commissioner's Recommendation

This is an information item and no action is necessary.

Richard E. Kendell, Commissioner

REK:dsd

October 17, 2007

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: 2008-09 USHE Budget Request

Issue

Statute requires the State Board of Regents to "recommend a combined appropriated for the operating budgets of higher education institutions for inclusion in the state appropriations act" (UCA 53B-7-101(1)).

At the time of printing, the budget numbers were still being finalized. The final budget request will be hand carried to the meeting; however, an email copy of the 2008-09 Budget Request may be sent to the Regents prior to the meeting for their review.

In addition to the USHE Budget Request, Regents will receive a courtesy copy of the Utah College of Applied Technology Budget Requests for 2008-09 the day of the meeting. Staff and institutional representatives will be available to answer questions.

Commissioner's Recommendation

The recommendation will accompany the final version of the 2008-09 Budget Request.

Richard E. Kendell
Commissioner of Higher Education

REK/MHS/KLH

October 17, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: Utah Education Network – Budget Presentation

The Utah Education Network as defined by UCA 53B-17-102 is a consortium and partnership between public and higher education established to:

- coordinate and support the telecommunications needs of public and higher education;
- coordinate the various telecommunications technology initiatives of public and higher education;
- provide high-quality, cost-effective Internet access and appropriate interface equipment for schools and school systems;
- procure, install, and maintain telecommunication services and equipment on behalf of public and higher education;
- develop or implement other programs or services for the delivery of distance learning as directed by law; and
- apply for state and federal funding on behalf of public and higher education.

Regents are being provided with a courtesy copy of the Utah Education Network Budget Request for 2008-09 for information purposes. UEN officials will give a brief presentation on the 2008-09 UEN Budget Request and be available to answer questions.

Commissioner's Recommendation

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

REK/MHS/KLH
Attachments

Richard E. Kendell
Commissioner of Higher Education

UTAH EDUCATION NETWORK

FY 2009 BUDGET REQUEST

Issue

After being approved by the Utah Education Network Steering Committee, the FY 2009 budget request is being submitted to the State Board of Regents for review prior to consideration by the legislature. UEN staff has worked on the planning and development of this year's request in cooperation with our stakeholders. Because the deadline for submitting budget requests to the Governor's Office of Policy and Budget (GOPB) was September 24th, UEN has already submitted a preliminary FY 2009 budget request to the Governor's Office.

Background

Utah's economic outlook has improved since the Legislature last acted upon revenue forecasts in February. Although strong revenue growth indicates a very healthy state economy, recent economic news nationally points to slower economic growth for the nation as a whole. The Utah economy however, is expected to continue to rank among the best in the nation during the current fiscal year.

The Legislative Fiscal Analyst is projecting revenue collections for FY 2008 will come in higher than previously expected. The Education Fund is expected to exceed the February target by \$102 to \$175 million. This is favorable for UEN because during the 2006 Interim, UEN evaluated its levels of effort and found that about 80% of its spending serves Public Education. Applying this proportion to UEN's base budget, the Legislature funded most of the FY 2008 budget from the Uniform School Fund and the remainder from the Education Fund. This change in the funding mechanism moves the UEN budget request for FY 2009 from under future statutory spending limitations applied to those entities receiving State General Funds.

Major Budget Issues for FY 2009

Salary and Benefits for UEN Employees

Funding is needed in FY 2009 for retention of crucial technical staff. Private firms continue to attract key personnel because salaries for technical staff are running below market. Additional funds will address market equity and technical staff retention needs.

Priority 1: Network Infrastructure Project

Increasing network bandwidth has been UEN's top strategic priority for the past several years. Consistent support from the Governor and the Legislature has assured significant progress in keeping up with that growth. State funding has been leveraged with Federal E-Rate reimbursements at a two-to-one ratio to upgrade Internet connectivity to high-speed Ethernet bandwidth capacity.

Research Network

Utah's research universities require a separate research network that is independent of the production network UEN manages for public and higher education. UEN must build a world class research network if our research universities are to be active participants in the cyber-infrastructure that is now being built nationally and internationally. In addition, expanded network capacity is needed to support the State's USTAR project. This will improve the interaction between researchers and educators located throughout the State's network of universities, colleges and applied technology centers and enhance the transfer of technology to existing companies that require access to cutting edge research.

For FY 2009, UEN is requesting \$700,000 to deploy a research network between the University of Utah and Utah State University. Included in the figure is \$500,000 in ongoing funds and \$200,000 of one-time funding.

Upgrade connectivity for elementary and charter schools and new secondary schools

UEN is requesting funds to begin a three phase project to increase bandwidth at elementary schools and charter schools to 100 Mb/s service or greater. Some elementary schools now have comparable capacity to secondary schools, but about half lack the capacity and reliability to support the technology-intensive instructional improvements that are now being made in classrooms throughout the state.

Historically, UEN has had responsibility to connect secondary schools to the network and districts have been responsible to connect elementary schools to the nearest UEN hub. That arrangement has not assured that all elementary schools in the state will have the network capacity needed to support planned technology improvements in classrooms. The scope of this network infrastructure project is to ensure that circuit speeds for all 501 elementary schools, 58 charter schools and 100 new schools planned for the next four years are functioning at 100 MB/s or better. In FY 2009, the UEN budget request is intended to upgrade approximately 170 institutions.

Ongoing circuit charges are projected to cost \$700,000 a year of ongoing state funds which will leverage \$1.4 million federal E-Rate funds. Equipment and construction costs are more difficult to determine but are estimated at \$500,000 one-time in the first year which will also be augmented by federal E-Rate funds on a two-to-one ratio.

Network backbone expansion of core segments to 10 Gigabits/second

The capacity of the network backbone will need to be increased selectively from 1 to 10 gigabits per second to support the growing traffic demands of our education partners. Our three network rings are now reaching sustained peak capacities of over 50%, so within the next year or two, speed and reliability will be degraded if capacity is not

increased. Institutional plans to locate disaster recovery and business continuity sites at the state's Richfield Data Center cannot be successfully implemented if UEN does not increase network backbone capacity of core segments to 10 gigabits per second.

The requested funding of \$400,000 from Education funds for FY 2009 is needed to expand the network backbone capacity of core segments to 10 gigabits/second. For FY 2009, the request includes \$200,000 in one-time funds for equipment purchases and \$200,000 for ongoing expenses.

Priority 2: Technology-Rich Instructional Content

The requested funding of \$820,000 for FY 2009 is needed to provide multimedia instructional resources in targeted high need areas: mathematics, world languages, and college courses. Course materials will be added to the UEN-hosted course management system, Pioneer Online Library, and the CollegeMedia and eMedia digital video services where teachers and students can download media for effective learning. The funding will target high enrollment courses and courses where student performance is enhanced through video-based instruction, such as medical assisting, mathematics, and LearnKey technology skills for writing and finance courses.

Reflected in this figure is \$500,000 of ongoing revenue for licensing fees, video and computer-based instructional programs to advance learning in key areas, and one additional staff person for software integration support.

One-time funding of \$320,000 is to purchase media rights to course content for CollegeMedia and eMedia, consulting to integrate media with the WebCT/Blackboard system, and production of new programs for KUEN-TV on technology, academic advising and college financial aid.

Priority 3: Instructional Video Conferencing Improvements

EDNET – Equipment and Site Upgrades

Major progress has been made to convert EDNET to IP-based videoconferencing technology. 24 new EDNET classrooms are now being requested by secondary schools throughout the state. Multi-point Control Units must be upgraded to support the full range of features that are now required by complex origination and receive sites, and classroom equipment in many locations must be upgraded. \$800,000 in one-time funding is required to complete these improvements.

USHE – IVC Site and Equipment Upgrade

During the 2007 legislative session, UEN received one-time supplemental funding to convert the satellite infrastructure and 150 classrooms to Internet-based videoconferencing technology. USU is now conducting all of its distance education courses throughout the state using UEN IVC technology. The institutions in the Utah System of Higher Education need additional classrooms with IP-based videoconferencing technology for distance learning instruction. For FY 2009, UEN is requesting \$1,200,000 of one-time Education Funds to install videoconferencing equipment in 67 classroom sites and at 21 administrative sites. Funding for this project will expand seating capacity for about 1,600 additional distance-learning students.

The UEN IVC systems are especially critical for students in rural parts of Utah who are able to complete full degree programs without relocating to the main campus of the university or college they are attending. In rural school districts, concurrent enrollment courses provided by USHE institutions are critically important. IVC equipped classrooms literally provide a college within each small high school.

Priority 4: Enterprise Applications

U of U Migration to UEN Course Management Support

UEN hosts a centralized course management system (Blackboard Vista) for most USHE institutions and the Utah Electronic High School. By using a UEN-hosted enterprise-level course management system, USHE institutions eliminate expenditures they previously paid for CMS hardware, software, and technical staff support. The enterprise CMS model allows USHE faculty to improve the quality of courses, class assignments, and student assessments. Course material developed by a professor on one campus can be shared collaboratively system-wide by other departments and colleges. Media-rich course materials can be economically aggregated using the UEN College e-Media tool and quickly and easily integrated into courses. This offers exciting possibilities for both increased efficiencies and increased richness of instructional content compared to traditional classroom instructional approaches.

UEN is requesting \$200,000 to purchase the required equipment for moving the University of Utah to the UEN hosted course management system. Enhanced processing ability and storage capacity is needed to accommodate the addition of the University to those institutions UEN already supports. With UEN hosting an enterprise-level course management system, the Utah System of Higher Education maximizes information technology resources, optimizes investments in hardware and software, and ensures system reliability and performance.

Richfield Data Center – Disaster Recovery Improvements

When disaster strikes, whether in the form of an earthquake, a blackout, or far more likely, a virus attack or software or user error, the ability to respond well to the crisis can make the difference. The proposed funding request of \$380,000 is to begin the expansion of needed storage capacity at the Richfield Data Center. The additional storage equipment ensures continuity and quick recovery of vital government data for state agencies and educational entities.

Summary

The preliminary budget estimate for UEN totals \$6,000,000 in new funding for FY 2009. Reflected in this amount is \$2,200,000 in ongoing Education funds and \$3,800,000 in one-time funding. The following table identifies the distribution of the UEN FY 2009 budget request. Funding for staff retention is included, even though adjustments for selective salary increases will be addressed by the Legislature when they determine statewide compensation for all education sectors of State government.

FY 2009 Budget Request

		Ongoing	One-time	FY 2009 Request
Staff Retention		300,000		300,000
I.	Network Improvements:			
	Research Network	\$500,000	\$200,000	\$700,000
	Network Improvements: Elementary, Charter & New Secondary Schools	700,000	500,000	1,200,000
	Network Backbone Increased to 10 Gigabite/second	200,000	200,000	400,000
Subtotal		1,400,000	900,000	2,300,000
II.	Technology-Rich Instructional Content	500,000	320,000	820,000
III.	Instructional Video Conferencing Improvements			
	EDNET – Equipment & Site Upgrades		800,000	800,000
	USHE – IVC Sites & Equipment		1,200,000	1,200,000
Subtotal		0	2,000,000	2,000,000
IV.	Enterprise Applications Equipment			
	U of U Migration to UEN CMS Support		200,000	200,000
	Richfield Data Center – Disaster Recovery		380,000	380,000
Subtotal		0	580,000	580,000
FY 2009 Budget Request		\$2,200,000	\$3,800,000	\$6,000,000
Plan of Financing				
Education Fund		\$2,200,000	\$3,800,000	\$6,000,000

Recommendation

It is recommended that after reviewing the UEN budget request for Fiscal Year 2009, that the Board of Regents show its support of the projects identified in the \$6,000,000 budget request with a favorable vote that the Regents concur with the Steering Committee's recommendation.

October 17, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: First-Tier Tuition Range for 2008-2009

Issue

In 2005 Legislative Counsel advised the Board of Regents that first-tier tuition recommendations should be made prior to the General Session. To comply, Regents are asked to approve a tuition range to cover the required institutional share of the compensation package that will be funded by the Legislature during the 2008 General Session.

Each year the Board of Regents approves two tuition rates. First-tier tuition funds the institutional share of the legislatively approved compensation package. This would equate to 25 percent of the compensation package being funded by tuition and 75 percent being funded from state tax funds. The proposed tuition rate increase would be set equal to the highest institutional rate required to fund compensation increases.

The following table represents the projected first-tier tuition increases assuming a compensation package ranging between 4 and 6 percent, a 10 percent increase in health insurance rates, and a 3 percent increase in dental insurance rates.

First Tier Tuition Increase Recommendations Based on Compensation Package Increases								
	4% Comp Package	<i>Projected Tuition Increase</i>	5% Comp Package	<i>Projected Tuition Increase</i>	5.5% Comp Package	<i>Projected Tuition Increase</i>	6% Comp Package	<i>Projected Tuition Increase</i>
UU	3,589,000	2.76	4,329,700	3.33	4,700,050	3.61	5,070,400	3.89
USU	1,999,600	2.98	2,364,700	3.52	2,547,250	3.80	2,729,800	4.07
WSU	1,122,300	2.68	1,327,600	3.18	1,430,250	3.42	1,532,900	3.67
SUU	490,300	2.56	579,800	3.03	624,550	3.26	669,300	3.49
SNOW	205,300	3.73	241,500	4.38	259,600	4.71	277,700	5.04
DSC	308,200	3.15	363,800	3.72	391,600	4.00	419,400	4.29
CEU	101,500	3.96	119,800	4.68	128,950	5.04	138,100	5.39
UVSC	1,187,100	2.25	1,395,200	2.64	1,499,250	2.84	1,603,300	3.04
SLCC	972,100	2.62	1,149,200	3.10	1,237,750	3.33	1,326,300	3.57
System Total	9,975,400	4.00	11,871,300	4.70	12,819,250	5.00	13,767,200	5.40

Second-tier tuition is established based on institutional need and varies from campus to campus. Statute (UCA 53B-7-101.5) requires each institution to conduct a "truth in tuition" hearing with students prior to Regent approval of second tier tuition. Institutions will hold the "truth in tuition" hearings during December through February and then bring recommendations to the Regents after the Legislative session.

Commissioner's Recommendation

The Commissioner recommends that the Board formalize first-tier tuition as the amount required to fund the FY 2009 compensation package.

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

Richard E. Kendell
Commissioner of Higher Education

REK/MHS/KLH

October 17, 2007

MEMORANDUM

To: State Board of Regents
From: Richard E. Kendell
Subject: General Consent Calendar

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

- A. Minutes – Minutes of the Regular Board Meeting held September 13-14, 2007, at the Regents' Offices in Salt Lake City, Utah (Attachment 1)
- B. Grant Proposals
 - 1. University of Utah – National Science Foundation; "CRI:CRD"; \$1,246,028. Frank J. LePreau, Principal Investigator.
 - 2. University of Utah – U.S. Department of Justice; "Cloyes-Impact-08'07"; \$1,110,141. Kristin Cloyes, Principal Investigator.
 - 3. University of Utah – Echelon Biosciences, Inc.; "Therapeutics Targeting"; \$1,379,120. Chris M. Ireland, Principal Investigator.
 - 4. University of Utah – Biologische Heilmittel Heel GMBH; "ZEEL"; \$1,958,691. Daniel O. Clegg, Principal Investigator.
 - 5. National Institutes of Health/National Eye Institute; "G Beta Gamma Grant"; \$1,868,750. Yingbin Fu, Principal Investigator.
 - 6. University of Utah – National Institutes of Health; "Hypoxic Response Underlying Tumor Progression"; \$1,868,750. Eric Lin Huang, Principal Investigator.
 - 7. University of Utah – National Institutes of Health/National Eye Institute; "Reg Neurotrans in Retina"; \$1,730,750. David Krizaj, Principal Investigator.
 - 8. University of Utah – National Institutes of Health; "Gene Expression Profiling"; \$1,326,815. Guido J. Tricot, Principal Investigator.

9. Utah State University – U.S. Naval Research Laboratory; "Time Critical Sensor Image/Data Processing, NRL Task Order 7"; \$9,999,908. Niel Holt, Principal Investigator.
10. Utah State University – U.S. Department of Energy; "Thermophysical and Thermo-mechanical Properties of Fission Products of High Burn-up GNEP Fuels and Their Influence on the Fuel Performance"; \$2,868,937.57. Heng Ban, Principal Investigator.
11. Utah State University – British Petroleum; "A Low-Power 'High'-rate Sea Floor-Surface Acoustic Communication System"; \$1,268,606.63. Jacob Gunther, Principal Investigator.
12. Utah State University – Schafer Corporation; "Space Development Group, Systems Engineering and Integration"; \$1,089,249. John Santacroce, Principal Investigator.

C. Grant Awards

1. University of Utah – National Institutes of Health/National Cancer Institute; "Colon Cancer Core A"; \$2,488,476. Randall Walter Burt, Principal Investigator.
2. University of Utah – Centers for Disease Control & Prevention; "ERC Training Grant"; \$1,320,900. Kurt Timothy Hegmann, Principal Investigator.
3. University of Utah – Health Resources and Services; "EMSC CDMCC"; \$1,113,499. J. Michael Dean, Principal Investigator.
4. University of Utah – National Institutes of Health/National Center for Research; "Bioelectric Field Modeling, Simulation and Visualization"; \$1,306,390. Christopher R. Johnson, Principal Investigator.
5. Utah State University – U.S. Department of Defense /Missile Defense Agency; "RAMOS Joint Critical Design Review"; \$1,637,072. Thomas Humpherys, Principal Investigator.
6. Utah State University – U.S. Department of Defense/U.S. Navy; "Time Critical Sensor Image/Data Processing"; \$1,650,000. Niel Holt, Principal Investigator.
7. Utah State University -- National Science Foundation; "NEESR-SG: Tips: Tools to Facilitate Widespread Use of Isolation and Protective Systems, a NEESW-E-Defense Collaboration"; \$1,549,999. Keri Ryan, Principal Investigator.

- D. Replacement Policy R993, Records Access and Management. This policy is scheduled for a five-year review of administrative rules, with a review due date of November 17, 2007. We have recently begun an extensive restructuring of records access and management in the Commissioner's Office, with the designation of a Records Management Officer. The replacement policy is much more detailed and meets the current needs of the office. (Attachment 2)

Richard E. Kendell, Commissioner

REK:jc
Attachments

STATE BOARD OF REGENTS MEETING
REGENTS' OFFICES, SALT LAKE CITY, UTAH
SEPTEMBER 2007

Contents of Minutes

Thursday, September 13

Roll Call	1
Administration of Oath of Office to Regent Patti Harrington	3

Friday, September 14

Roll Call	4
Institutional Capital Development Projects for 2008-2009	6
USHE Non-State Funds Capital Development Projects for 2008-2009	7
Approval of the Q&P Priority List	7
Utah Education Network (UEN) Status Report	8
General Consent Calendar	8

Reports of Board Committees

Programs Committee

Weber State University – Master of Science in Nursing (MSN) Degree	9
Weber State University – Mission Statement	9
Dixie State College – Bachelor of Science Degree in Aviation Management	10
Dixie State College – Associate of Applied Science, Associate of Science, and Associate of Arts Degrees in Early Childhood Education	10
Consent Calendar	10
University of Utah – Confucius Institute	
Weber State University – Graduate-level Certificate in Quality and Lean Manufacturing	
University of Utah – Third-year Progress Reports	
Information Calendar	11

Finance and Facilities Committee

USHE – Long-term Enrollment Scenarios	11
University of Utah – 2007-2008 Budget for the University Hospital and Clinics	11
University of Utah – Huntsman Cancer Hospital II-B Bond	11
Consent Calendar	11
Spring Semester and End-of-Year Enrollment Reports	
UofU and USU – Capital Facilities Delegation Reports	
USHE – Preliminary Draft, Estimated Operating Budget Request Summary (Tax Funds Only) .	11
For 2008-2009, and Supplemental FY 2007-2008	

Strategic Planning and Communications Committee

Legislative Update	12
Utah Scholars Update	12
Chief Academic Officers (CAOs) Report: The Community College	12

Resolutions	13
-------------------	----

Rick Wheeler, Interim President of Snow College (Appreciation)
Jim Ginos, Chief Operating Officer of UHEAA (Memory)

Report of the Chair	14
2008 Meeting Schedule	
Training for New Regents, Trustees and Presidents	
Report of the Commissioner	
University of Utah/Dixie State College Affiliation	14
Adjournment	15

STATE BOARD OF REGENTS MEETING
REGENTS' OFFICES, SALT LAKE CITY, UTAH
SEPTEMBER 2007
Minutes

Thursday, September 13, 2007

Regents Present

Jed H. Pitcher, Chair
Bonnie Jean Beesley, Vice Chair
Jerry C. Atkin
Janet A. Cannon
Rosanita Cespedes
Amy Engh
Katharine B. Garff
Patti Harrington
Meghan Holbrook
James S. Jardine
David J. Jordan
Anthony Morgan
Josh M. Reid
Marlon O. Snow
John H. Zenger

Regents Excused

Nolan E. Karras
Greg W. Haws
Sara V. Sinclair

Office of the Commissioner

Richard E. Kendell, Commissioner
Joyce Cottrell, Executive Secretary
Amanda Covington, Communications Director
Troy Caserta, Accounting Officer
David S. Doty, Assistant Commissioner and Director of Policy Studies
Brian S. Foisy, Assistant Commissioner for Financial Services
Kimberly Henrie, Budget Director
Nate Millward, Director of Internal Budget and Finance
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Mark H. Spencer, Associate Commissioner for Finance and Facilities
Lucille T. Stoddard, Associate Commissioner for Academic Affairs
Lynne S. Ward, Director, Utah Educational Savings Plan
Darrell White, Special Assistant to the Commissioner for Public Affairs
Gary S. Wixom, Assistant Commissioner for Academic Affairs

INSTITUTIONAL REPRESENTATIVES

University of Utah

A. Lorris Betz, Senior Vice President for Health Sciences
David W. Pershing, Senior Vice President for Academic Affairs
James R. Bardsley, Associate Vice President for Finance and Planning, Health Sciences
Paul T. Brinkman, Associate Vice President for Budget and Finance
Arnold B. Combe, Vice President for Administrative Services

John G. Francis, Associate Vice President for Academic Affairs
Ray Lynch, Executive Director, Huntsman Cancer Hospital
Mike Perez, Associate Vice President for Facilities Management

Utah State University

Fred R. Hunsaker, Interim Vice President for Business and Finance

Weber State University

F. Ann Millner, President
Shelley Conroy, Dean, College of Health Professions
Catherine Earl, Chair, Nursing Department
Pamela Rice, Associate Professor of Nursing

Southern Utah University

Michael T. Benson, President

Snow College

Scott L. Wyatt, President
Bradley A. Winn, Academic Vice President

Dixie State College

Lee G. Caldwell, President
Donna Dillingham-Evans, Academic Vice President
Steve Johnson, Director of Public Relations
Frank Lojko, Director of Government Relations, Institutional Research, and Hurricane Education Center

College of Eastern Utah

Ryan L. Thomas, President

Utah Valley State College

J. Karl Worthington, Associate Academic Vice President
Linda Makin, Director of Budgets

Salt Lake Community College

Cynthia A. Bioteau, President

Utah College of Applied Technology

Jared A. Haines, Acting President
Kirt Michaelis, Vice President, Administrative Services

Representatives of the Media

Wendy Leonard, *Deseret Morning News*

Other Guests

Steven Allred, Office of the Legislative Fiscal Analyst
Kelly Murdock, Wells Fargo Public Finance
Spencer Pratt, Office of the Legislative Fiscal Analyst

The meeting of the State Board of Regents was called to order in Committee of the Whole at 1:00 p.m. Chair Jed Pitcher conducted the meeting. He welcomed State Superintendent Patti Harrington, who is our newest Regent. He also excused Regent Karras, who was attending a funeral for his mother-in-law, and Regent Sara Sinclair, who had a previous commitment in Washington, DC. Chair Pitcher reviewed the agenda for the remainder of the day and the following day. He announced that the Regents' Executive Committee would meet at 7:30 the following morning in the Executive Conference Room on the 4th floor of the building.

Administration of Oath of Office to Regent Harrington

Chair Pitcher administered the oath of office to Superintendent Harrington, then congratulated her and welcomed her to the State Board of Regents. Regent Harrington said it was an honor for her to be a member of the Board of Regents. She expressed her gratitude for the opportunity to more closely align the public education system with the higher education system in Utah. She explained her background, including a doctorate in administration from the University of Utah. She grew up in the Denver area and lived in southern California during her high school years, where she learned a great deal about diversity. Regent Harrington said she was grateful for that experience, which taught her to value diversity in her current position as State Superintendent of Public Instruction.

The Regents adjourned to their respective committees at 1:10 p.m. and recessed for the day from the committee meetings.

Friday, September 14, 2007

Regents Present

Jed H. Pitcher, Chair
Bonnie Jean Beesley, Vice Chair
Jerry C. Atkin
Janet A. Cannon
Rosanita Cespedes
Amy Engh
Katharine B. Garff
Greg W. Haws
Meghan Holbrook
James S. Jardine
David J. Jordan
Anthony W. Morgan
Nolan E. Karras
Josh M. Reid
Marlon O. Snow
John H. Zenger

Regents Excused

Patti Harrington
Sara V. Sinclair

Office of the Commissioner

Richard E. Kendell, Commissioner
Joyce Cottrell, Executive Secretary
Amanda Covington, Communications Director
Troy Caserta, Accounting Officer
David S. Doty, Assistant Commissioner and Director of Policy Studies
Brian S. Foisy, Assistant Commissioner for Financial Services
Kimberly Henrie, Budget Director
Nate Millward, Director of Internal Budget and Finance
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Mark H. Spencer, Associate Commissioner for Finance and Facilities
Lucille T. Stoddard, Associate Commissioner for Academic Affairs
Lynne S. Ward, Director, Utah Educational Savings Plan
Darrell White, Special Assistant to the Commissioner for Public Affairs
Gary S. Wixom, Assistant Commissioner for Academic Affairs

INSTITUTIONAL REPRESENTATIVES

University of Utah

Michael K. Young, President
A. Lorris Betz, Senior Vice President for Health Sciences
David W. Pershing, Senior Vice President for Academic Affairs
Paul T. Brinkman, Associate Vice President for Budget and Planning

Arnold B. Combe, Vice President for Administrative Services
Gordon Crabtree, Administrative Executive Director, University Hospitals and Clinics
David Entwistle, CEO, University Hospitals and Clinics
John Mauger, Dean, College of Pharmacy
Mike Perez, Associate Vice President for Facilities Management
Kim Wirthlin, Vice President for Government Relations, Health Sciences

Utah State University

Fred R. Hunsaker, Interim Vice President for Business and Finance
Noelle Cockett, Vice President for Extension and Agriculture
Darrell Hart, Associate Vice President for Facilities
Stanley Kane, Director of Facilities Planning
Sydney Peterson, Chief of Staff

Weber State University

F. Ann Millner, President
Norm Tarbox, Vice President for Administrative Services

Southern Utah University

Michael T. Benson, President
Rod Decker, Acting Provost
Greg Stauffer, Chief of Staff

Snow College

Scott L. Wyatt, President
Rick Wheeler, Vice President of College Relations
Rick White, Executive Vice President, Richfield Campus
Bradley A. Winn, Academic Vice President

Dixie State College

Lee G. Caldwell, President
Donna Dillingham-Evans, Academic Vice President
Shandon Gubler, Chair, DSC Board of Trustees
Don Hinton, Dean of Education, Humanities, Arts and Social Sciences
Steve Johnson, Director of Public Relations
Philip Lee, Associate Dean of Business
Brenda Sabey, Associate Dean of Education, Family Studies, and PEHR

College of Eastern Utah

Kevin Walthers, Vice President of Financial and Administrative Services

Utah Valley State College

J. Karl Worthington, Associate Academic Vice President

Linda Makin, Director of Budgets
Cameron Martin, Assistant to the President
Jim Michaelis, Associate Vice President for Facilities

Salt Lake Community College

Cynthia A. Bioteau, President
John Morgan, Manager of Media Presentations
Joe Peterson, Academic Vice President
Gordon Storrs, Master Planning Coordinator

Utah College of Applied Technology

Jared A. Haines, Acting President
Kirt Michaelis, Vice President, Administrative Services

Representatives of the Media

Wendy Leonard, *Deseret Morning News*

Other Guests

Steve Allred, Office of the Legislative Fiscal Analyst
Tom Anderson, Assistant Attorney General
Michael A. Petersen, Executive Director, Utah Education Network
Spencer Pratt, Office of the Legislative Fiscal Analyst

Following a closed meeting of the Board, the Regents reconvened in Committee of the Whole at 9:15 a.m. Chair Pitcher welcomed everyone and excused Regent Sinclair, who was out of town, and Regent Harrington, who was ill.

Capital Development Projects

The institutional presidents gave individual presentations on their top-priority capital development projects. Those projects were:

University of Utah – David Eccles School of Business
University of Utah – Pharmacy Building
Utah State University – College of Agriculture Replacement/Classroom Building
Weber State University – Professional Programs Classroom Building and Central Plant, Davis Campus
Southern Utah University – Science Building Addition
Dixie State College – Centennial Commons
College of Eastern Utah – Fine Arts Complex
Utah Valley State College – Science Building Addition
Salt Lake Community College – Digital Design and Communications Center/South City Campus

Student Life Center

Snow College chose not to submit a capital development project for funding this year; rather, they requested funds to pay off bonds and to buy out the local school district's interest in the Sevier Valley Center.

Regent Karras urged the Regents to give more attention to the private educators coming into Utah. Students are willing to pay a much higher tuition because of the demand for programs.

Associate Commissioner Spencer referred to Tab O, Institutional Capital Development Projects for 2008-2009, and explained briefly UCAT's capital development priorities, and the USHE institutions' land bank acquisition proposals.

Dr. Spencer referred to Tab P, USHE Non-State Funds Capital Development Projects for 2008-2009. He briefly explained some projects that were not constructed or acquired with state funds but may be eligible for state-funded O&M or capital improvement funding. Those projects were:

- University of Utah – Neuropsychiatric Institute (UNI) Expansion
- University of Utah – State Arboretum Visitors Center Renovation and Addition
- University of Utah – Northwest Campus Parking Structure
- University of Utah – Huntsman Cancer Hospital, Phase II-B
- Utah State University – Vernal Entrepreneurship and Energy Research Center
- Utah State University – Business Building Addition
- Utah State University – Early Childhood Education and Research Center
- Utah State University – Hydraulics Laboratory Addition to the Water Lab
- Utah State University – Structures Lab Enclosure

He noted the following updated figures for some of USU's projects:

- Vernal Entrepreneurship Center – 48,000 GSP, \$522,400 estimated O&M
- Business Building Addition – 50,000 GSP, \$522,500 estimated O&M
- Early Childhood Education Center – \$498,475 estimated O&M
- Hydraulics Lab Addition – 7800 GSF
- Structures Lab Enclosure – 5000 GSF

Regent Atkin moved approval of the non-state funded capital development projects. Regent Cespedes seconded the motion, which carried unanimously.

Approval of the Q&P Priority List (Tab R). Associate Commissioner Spencer explained that there was a tie for the first priority, based on the Q&P (qualification and prioritization) formula. In response to a question, he said the Q&P would not be recalculated to accommodate for increased costs. The priority order for capital development projects, based on the Q&P formula, was:

1. University of Utah – School of Business
1. Utah State University – College of Agriculture Replacement/Classroom Building
3. Salt Lake Community College – Digital Design and Communications Center/South City Campus

Student Life Center

4. Southern Utah University – Science Building Addition
5. Utah Valley State College – Science Building Addition
6. College of Eastern Utah – Fine Arts Complex
7. Weber State University – Professional Programs Classroom Building and Central Plant
8. University of Utah – Pharmacy Building
9. Dixie State College – Centennial Commons

Regent Atkin moved approval of the Q&P Priority List. Regent Jardine seconded the motion. Vice Chair Beesley moved to add to the motion that the Regents instruct the Commissioner to work with CEU officials to establish partnerships and other support to facilitate its project. The amendment was accepted by Regents Atkin and Jardine. Vote was taken on the amended motion, which carried unanimously.

Utah Education Network (UEN) Status Report (Tab Q). Dr. Michael Petersen, Executive Director of the Utah Education Network, gave an oral presentation to the Regents. He pointed out that UEN plays a very important function within the Utah System of Higher Education at no cost to the System. The network infrastructure is vital to the entire state. Dr. Petersen called attention to the graph on page 2 of the attachment to Tab Q. Public schools are also involved in the UEN network, which allows UEN to qualify for a federal grant to subsidize this program. All distance learning is possible because of UEN. He pointed out the three key “next steps” for UEN: First, increase selectively the capacity of the network backbone from one to ten gigabits per second to support the growing traffic demands of our education partners. Second, build a state-based, world-class research network for the research universities, independent of the production network managed for public and higher education. Finally, develop and implement with public education a strategy to increase network capacity to all elementary and charter schools in Utah.

Chair Pitcher thanked Dr. Petersen for his presentation.

General Consent Calendar

On motion by Regent Jordan and second by Regent Zenger, the following items were approved on the Regents’ General Consent Calendar (Tab S):

- A. Minutes –
 1. Minutes of the Special Board Meeting held July 19, 2007, at Snow College in Ephraim, Utah
 2. Minutes of the Regular Board Meeting held July 20, 2007 at Snow College in Ephraim, Utah
- B. Grant Proposals (on file in the Commissioner’s Office)
- C. Grant Awards
 1. University of Utah – National Science Foundation; “STEP: Utah’s Engineers”; \$1,205,351. Cynthia M. Furse, Principal Investigator.

2. University of Utah – Sports Medicine Research and Testing; “Sports Medicine Research and Testing Laboratory at the UN”; \$1,760,455. Matthew H. Slawson, Principal Investigator.
3. Utah State University – NASA Jet Propulsion Laboratory; “Wide-Field Infra-red Survey Explorer (WISE);” \$1,992,863. John Elwell, Principal Investigator; Scott Schick, Co-Principal Investigator.
4. Utah State University – US Department of Defense/US Navy; “SHARC and SDS-CIB Sustainment, Modification, and Acquisition;” \$1,849,000. Niel Holt, Principal Investigator.
5. Utah State University – National Science Foundation; “National Center for Engineering and Technology Education;” \$2,199,927. Christine Hailey, Principal Investigator. Kurt Becker, Daniel Householder, Maurice Thomas, Co-Principal Investigators.
6. Utah State University – NASA Jet Propulsion Laboratory; “Wide-Field Infra-red Survey Explorer (WISE);” \$1,534,573. John Elwell, Principal Investigator; Scott Schick, Co-Principal Investigator.
7. Utah State University – US Department of Agriculture; “Implementation of Western Region Sustainable Agriculture Research and Education (SARE) Proposal;” \$2,635,858. V. Rasmussen, Principal Investigator.

Reports of Board Committees

Programs Committee. Regent Garff was excused to keep a previous commitment; Vice Chair Beesley reported for the committee.

Weber State University – Master of Science in Nursing (MSN) Degree (Tab A). Vice Chair Beesley said the intent of this proposal was to address an increasing nursing shortage and the corresponding shortage of nursing faculty. The program is designed for nurse administrators, college-level nursing faculty, and nurse educators in health care institutions. The requirement of some Utah hospitals for more nurses with a Bachelor of Science in Nursing (BSN) degree has increased the demand for nursing faculty with graduate nursing degrees. University officials assured the committee that the new MSN program would not detract from the undergraduate nursing program. **Vice Chair Beesley moved approval of Weber’s request for a MSN Program. Regent Zenger seconded the motion, which was adopted unanimously.**

Weber State University – Mission Statement (Tab B). Vice Chair Beesley said concern had been expressed at the previous meeting regarding the term “traditional research” in WSU’s Vision Statement. The Vision Statement was revised to say “scholarly, applied and community-based research.” The committee was satisfied with that change. **Vice Chair Beesley moved approval of Weber State University’s Mission Statement and its inclusion in Policy R312, *Configuration of the Utah System of Higher Education and***

Institutional Missions and Roles. Regent Zenger seconded the motion, which was adopted unanimously.

Dixie State College – Bachelor of Science Degree in Aviation Management (Tab C). Vice Chair Beesley explained that this program had been developed in partnership with SkyWest Airlines. The program will initially be offered to SkyWest employees, with subsequent offerings available to students who qualify for the adult completion program and who are interested in a career in aviation management. Regent Beesley explained this was a “degree completion” program, which is a new type of offering at Dixie. A revised experiential learning policy is being proposed at the college as an option for some of the credit requirements. Since the program is offered through the Business Division, College officials will seek accreditation through the Association to Advance Collegiate Schools of Business (AACSB). **Regent Beesley moved the Commissioner’s recommendation: approval of Dixie’s proposal for a BS Degree in Aviation Management, with the expectation that College officials will provide a copy of the experiential learning policy to the Commissioner’s Office as soon it has received institutional approval, and that a formal progress report be submitted to the Commissioner’s Office at the conclusion of the first year. Regent Cespedes seconded the motion, which was adopted unanimously.**

Dixie State College – Associate of Applied Science, Associate of Science, and Associate of Arts Degrees in Early Childhood Education (Tab D). Regent Beesley said the committee expressed appreciation for Dixie’s efforts to ensure that the College fulfill its community college mission. This program will articulate well with other institutions in the state. Dixie State College already offers a baccalaureate program in elementary education. However, changes in professional child care requiring associate degrees in early childhood studies have prompted the demand for the lower-division programs. University of Utah officials have invited program completers to transfer to the University’s Early Childhood Certificate program. **Regent Beesley moved the approval of the associate degree programs. Regent Cespedes seconded, and the motion was adopted unanimously.**

Consent Calendar, Programs Committee (Tab E). **On motion by Regent Beesley and a second by Regent Jordan, the following items were approved on the Programs Committee’s Consent Calendar:**

- A. University of Utah – Confucius Institute
- B. Weber State University – Graduate-level Certificate in Quality and Lean Manufacturing
- C. University of Utah – Third-year Progress Reports
 - i. International Studies Major/Minor
 - ii. Doctor of Physical Therapy
 - iii. Entrepreneurship
 - iv. Doctor of Audiology

Information Calendar, Programs Committee (Tab F). Regent Beesley said the committee had received reports of program reviews from Salt Lake Community College and had discussed programs under consideration/development at USHE institutions, including those being proposed for the next 12-36 months. No action was required; however, Regent Beesley urged all of the Regents to read this report.

Vice Chair Beesley mentioned the Chief Academic Officers (CAOs) had met with the Program Review Committee (PRC) the previous day. Changes will likely be made to Policy R401. If institutions present well-written proposals and follow the R401 process, those proposals should move smoothly through the System.

Finance and Facilities Committee

USHE – Long-term Enrollment Scenarios (Tab G). Chair Atkin said it was noted in committee that the material provided in Tab G was one single scenario, based on 20-year projections. Caveats to the projections were noted on pages 3 and 4 of the Commissioner's cover memo. **Chair Atkin moved adoption of the report, with a request for the addition of a second, baseline scenario. The motion was seconded by Regent Reid and adopted unanimously.**

University of Utah – 2007-2008 Budget for the University Hospital and Clinics (Tab H). Chair Atkin said the UUHC System was a viable operation whose budget is reviewed by several other bodies before it is presented to the Regents for approval. **Regent Atkin moved approval of the UUHC Budget for 2007-2008. Regent Karras seconded the motion, which was unanimously adopted.** Chair Pitcher congratulated Dr. Betz for UUHC's very small operating margin (4.2%). President Young introduced David Entwistle, the new Chief Executive Officer for the University Hospital System. Dr. Entwistle briefly explained his background.

University of Utah – Huntsman Cancer Hospital II-B Bond (Tab I). Chair Atkin explained this was the second phase of the Huntsman Cancer Hospital. The hospital already has 50 beds in use, and this will allow for another 50 beds. The total project cost is estimated to be \$110 million, with the state bonding \$90 million of that figure. Debt service has been paid down, and that will continue. **Chair Atkin moved approval of the bond for expansion of the Huntsman Cancer Hospital, Phase II-B. Regent Morgan seconded the motion, which was adopted unanimously.**

Consent Calendar, Finance Committee (Tab J). Chair Atkin called attention to Replacement Tab J. **On motion by Chair Atkin and second by Regent Jordan, the following items were approved on the Finance Committee's Consent Calendar:**

- A. USHE – Spring Semester and End-of-Year Enrollment Reports
- B. UofU and USU – Capital Facilities Delegation Reports

USHE – Preliminary Draft, Estimated Operating Budget Request Summary (Tax Funds Only), FY 2008-2009, and Supplemental FY 2007-2008 (Tab K). Chair Atkin said the attachment to Tab K was a template only; the final budget request will be considered at the October Regents' meeting. This item was for information only and required no action at this time.

Strategic Planning and Communications Committee

Legislative Update (Tab L). Chair Jardine said Commissioner Kendell had reported to the committee on a number of items. It has been a very busy summer, with the Higher Education Task Force meetings, audits, and interim meetings.

Audit. The original legislative audit reported a potential early retirement liability of \$930 million, projected over a period of 30 years. An independent actuarial analysis reduced that amount to \$132 million for the plans in place in FY07. Both the University of Utah and Utah State University instituted policy changes for FY08 which reduce the early retirement liability (GASB 45) to \$1.7 million for employees currently approved for the program. The system liability for standard deferred compensation (GASB 47) is estimated to be \$17.7 million. This adjustment has been reported to the Higher Education Task Force and the Higher Education Appropriations Subcommittee. Chair Jardine commended the Commissioner's Office and the Presidents for working through that situation. It was also noted that the Commissioner is in the process of providing a comprehensive explanation regarding unfilled positions and so-called "Non-lapsing Funds."

UCAT. Chair Jardine referred to the attachment to Tab L, Recommendations to the Higher Education Task Force Regarding the Utah College of Applied Technology. He urged the Regents to read this document. There is consensus between the Regents and the UCAT Board of Trustees on these recommendations. Commissioner Kendell agreed to proceed with a space utilization study with UCAT, as well as a master plan for facilities, and the UCAT Board has agreed. There was also agreement that partnering efforts need to be made with public education, USHE institutions, and UCAT campuses. All new capital facilities requests should be regarded with that vision of a shared partnership. UCAT Trustees have agreed to bring their budget request and capital facilities request to the Regents for discussion and review, not for approval. The USHE institutions are also partnering with UCAT campuses on programs and degrees. Chair Jardine commended the Commissioner's Office for the amount of progress this represents.

Budget Priorities. The Regents will develop an outline of legislative priorities for the 2008 General Session and how they fit into our theme of Preparation, Participation and Completion. Chair Jardine reported that Dr. Darrell White is filling in for Dave Buhler so there is continuity in preparations for the next legislative session.

Utah Scholars Update (Tab M). Assistant Commissioner Dave Doty presented to the committee on how well this program has been received in Utah. We have had successes in persuading 8th graders to participate in this program. Chair Jardine commended Dr. Doty for his excellent work.

Chief Academic Officers (CAOs) Report: The Community College (Tab N). Chair Jardine said the paper attached to Tab N had been written by President Cynthia Bioteau and Associate Commissioner Lucille Stoddard. There was positive coverage of the report in the *Deseret Morning News*. Regent Jardine asked President Bioteau to summarize key points and then requested comments from Dr. Stoddard.

President Bioteau said the paper had been written in conjunction with the CAOs, highlighting the benefits to a robust economy of a comprehensive community college. The paper was written as a catalyst for thinking and talking. In addition to the comprehensive community colleges, the state colleges have a tiered approach to retain their comprehensive community college role while providing degrees at the upper level.

Some states are underwriting the first two years of an undergraduate degree, which is an interesting concept. This is not being recommended as a priority to the Legislature. However, the paper does recommend that the Regents and Presidents consider the various ways to open up a pipeline into higher education.

Associate Commissioner Stoddard said she and President Bioteau had looked at ways to underwrite tuition for students. As a result of the GI Bill following World War II, the country got a jump start back into higher education. It may be time for another jump start, both in our state and nationally. Dr. Stoddard commended CEU for providing scholarship opportunities for families of the miners lost in the recent Crandall Mine disaster. Those families are very fearful of what will happen to them if the mines close. She noted 64 percent of SLCC students are first-generation students, and less than 20 percent are minorities. More access is needed for minorities at the community college level. The total price for underwriting tuition at the state's community colleges would be less than \$40 million. This is tuition only for Utah residents.

Chair Jardine thanked President Bioteau and Associate Commissioner Stoddard for their insightful comments. This paper is a good starting point for the Regents to think more about participation.

Resolutions

Rick Wheeler. Commissioner Kendell commended Rick for doing an outstanding job as Interim President of Snow College. This was the second time he accepted that assignment. Combined with his church duties and his work as a State Legislator, this was a remarkable achievement. Commissioner Kendell read from the Resolution of Appreciation and expressed his appreciation to Rick. **Regent Holbrook moved adoption of the Resolution of Appreciation to Rick Wheeler. Regent Garff seconded the motion, and the resolution was adopted by unanimous vote of the Board.**

Jim Ginos. Commissioner Kendell said Jim had been Chief Operating Officer of UHEAA and had worked in the UHEAA organization for nearly 20 years. Regent Karras paid tribute to Jim as an outstanding leader. He was nationally recognized for his expertise in student loan operations and computer systems, and for implementing innovative and efficient technologies. **Regent Jordan moved adoption of the Resolution in Memory of Jim Ginos. Regent Snow seconded the motion, and the resolution was adopted by unanimous vote of the Board.**

Report of the Chair

Chair Pitcher referred to his written report which chronicled outstanding stories of student success. He thanked Amanda Covington for her excellent work in preparing this report each month.

2008 Meeting Schedule. Chair Pitcher reported no conflicts had been reported with the proposed meeting schedule presented last month. He announced it would be the official meeting schedule for next year. The schedule is attached to these minutes and is also on file in the Commissioner's Office.

Training. Two letters sent recently announced training sessions for new Regents, Trustees and Presidents. All Regents and Presidents are invited to attend. The meetings will be held on September 26 from 8am to 1pm in the Regents' offices in Salt Lake City, and on October 29 at Southern Utah University in the Hunter Conference Center.

Report of the Commissioner

Commissioner Kendell referred to his written report, which provided a remarkable commentary on the quality of higher education in our state.

University of Utah/Dixie State College Affiliation. Commissioner Kendell responded to articles in the newspapers during the past week. This alliance was initiated by the Dixie Trustees and by southern Utah legislators. In preliminary discussions, the Regents' office was represented by Commissioner Kendell, Chair Pitcher and Vice Chair Beesley. Dixie was represented by Trustee Chair Shandon Gubler and Tim Anderson, who serves on the University of Utah Board of Trustees. University of Utah representatives were Senior Vice President Dave Pershing and Associate Vice President Paul Brinkman. The small group reviewed several methods of providing greater program offerings for southern Utah residents. This was never intended to be a formal proposal, but merely a springboard for discussion. Chair Gubler, in response to rumors in St George, put this item on the agenda for discussion at the Dixie Board of Trustees meeting the previous week.

Several points need to be worked out, starting with the name of the academic unit. Governance also needs to be determined, including the status of the Dixie Board of Trustees. Several interesting ideas have been presented, but agreement has not been reached. One of the greatest challenges is the cost for such an affiliation and the funding source. Much work needs to be done before this is presented to the Regents as a formal proposal. Commissioner Kendell remarked residents of St George have a great interest in this partnership. At the same time, there is also interest from the University of Utah community (alumni, donors, faculty and staff), who have not had an opportunity to review the papers and learn the facts. There is also a question on the impact of such an alliance on the Utah System of Higher Education.

The Commissioner said this needs to be a thoughtful, deliberative process which allows for broad input. The Commissioner suggested this cannot be moved forward without a formal written plan, with agreement among all of the parties (University of Utah, Dixie State College, and their larger communities, and the Board of Regents). Commissioner Kendell recommended that the plan move forward on a collaborative basis, resulting in a single proposal that answers all of the critical questions. The consequences of this issue are very broad in scope.

Regent Reid moved that the Regents go into closed meeting to review personnel issues and potential litigation. Regent Snow seconded the motion, which was unanimously adopted.

The meeting ended at 12:48 pm. The Regents went into closed session and adjourned from there.

Joyce Cottrell CPS, Executive Secretary

Date Approved

R993, Records Access and Management (Draft Replacement)

R993-1. Purpose

To provide policy related to State Board of Regents and Office of the Commissioner records access and management matters pursuant to the Government Records Access and Management Act (GRAMA), Utah Code Title 63, Chapter 2.

R993-2. References

- 2.1. Utah Code [§63-2-204\(2\)](#) (Rules for Requests for Records)
- 2.2. Utah Code [§63-2-904\(2\)](#) (Rulemaking Authority)
- 2.3. Utah Code [Title 53B, Chapter 16](#), Part 3 (Higher Education - Restricted Records)
- 2.4. The Family Educational Rights and Privacy Act of 1974 (Buckley Amendment), [20 U.S.C. Section 1232g](#)
- 2.5. Policy and Procedures [R132](#), Government Records Access and Management Act Guidelines

R993-3. Definitions

- 3.1. **Active Records** – Records that are required for day-to-day business and are subject to frequent use; generally referred to more than once per month per file drawer.
- 3.2. **Administrative Value** – In appraisal, the usefulness of records for the conduct of current and/or future administrative business needs.
- 3.3. **Agency** – An organizational entity of government, either executive, legislative or judicial, that is defined by law and has decision making authority. An agency can be an office, department, board, commission, or other separate unit.
- 3.4. **Appraisal** – The process of determining the value and thus the disposition of records based on their current administrative, fiscal and legal value; informational value; their arrangement and condition; their evidential and their intrinsic value; and their relationship to other records.
- 3.5. **Arrangement** – The order or relationship of individual files within a record series to each other, frequently reflecting the function of the record series to the organization, e.g., alphabetical, numerical by case number, alphabetical by address, or chronological.
- 3.6. **Business Unit Specific Schedule** – Retention schedule established by a records steward which specifies the approved disposition of a record series unique in purpose and function to its creating business unit.
- 3.7. **Classification** - "Classification," "classify," and their derivative forms mean determining whether a record series, record, or information within a record is public, private, controlled, protected, or exempt from disclosure under GRAMA Section 201(3)(b).
- 3.8. **Conversion of Records Formats** – The process of transferring records from one physical format to another. Conversion includes changing paper into microfilm, imaging, optical disks, or another electronic format.
- 3.9. **Custody** – The guardianship of records and manuscripts which may include both physical possession (protective responsibility) and legal title (legal responsibility).
- 3.10. **Designation** - "Designation," "designate," and their derivative forms mean indicating, based on the Records Officer's familiarity with a record series, the primary classification that a majority of records in a record series would be given if classified.
- 3.11. **Data Administration** – developing and administering policies, procedures, practices, and plans for defining, organizing, protecting and efficiently utilizing data.

3.12. Disposition – The final action that puts into effect the results of an appraisal decision for a series of records. Transfer to an archival repository, retain permanently in the agency, or destruction, are among possible disposition actions.

3.13. Evidential Value – In appraisal, the value of a record that documents the activities of an organization or agency.

3.14. Exempt Records - "Exempt records" are records to which access is restricted pursuant to court rule, another state statute, federal statute, or federal regulation, such as, for higher education institutions, Restricted Sponsored Research/Technology Transfer Records (Utah Code Title 53B, Chapter 16, Part 3); and The Family Educational Rights and Privacy Act of 1974 (Buckley Amendment), 20 U.S.C. Section 1232g.

3.15. Fiscal Value – In appraisal, records required until a financial audit is completed or financial obligations are fulfilled.

3.16. General Records – Records that are common to many agencies within the same organization or type of government.

3.17. General Schedule – Retention schedule which specifies the approved disposition of certain series of general records common to many agencies and serves as a model for agencies to evaluate similar record series.

3.18. GRAMA – The Government Records Access and Management Act (GRAMA) is a comprehensive law dealing with management of government records. GRAMA states who has access to records and how the law is enforced. It is an attempt to balance the public's constitutional rights of access to information concerning public business, the individual's constitutional right to privacy when the government gathers personal data, and the public policy interest in allowing a government to restrict access to certain records for the public good.

3.19. Historical Value – In appraisal, the value that documents the history of an organization. Sometimes referred to as, archival, continuing, or enduring value. Secondary Historical Value does not document the history of an organization, but recognizes a record containing information that is useful for conducting historical research.

3.20. Imaging – Means electronic or "Digital" imaging; the ability to capture, store, retrieve, display, process, distribute, and manage information as a digitized representation of the original.

3.21. Inactive Records – A series of records with a reference rate of less than one search per file drawer per month.

3.22. Information Management – The application of planning and standards to the creation, use, retrieval, retention, conversion, disposition, and preservation of information resources in any format.

3.23. Information Systems – A system which provides input, storage, processing, communication, output, and control functions in relation to information and data. This term is normally used to describe computer systems.

3.24. Informational Value – In appraisal, the value of a record that provides unique and permanent information for purposes of research.

3.25. Inventory – A survey of agency records and non-record materials that is conducted primarily to develop retention schedules and also identify various records management problems, such as, improper applications of record-keeping technology.

3.26. Legal Value – In appraisal, the usefulness of records containing evidence of legally enforceable rights or obligations. Also refers to retentions specified by statute, rule, or regulation.

3.27. Permanent Records – Indicates a disposition other than "destroy." Specifically, records would either be transferred to the State Archives or maintained permanently in office.

3.28. Record Series – A group of identical or related records, files, documents and/or other media created by a business unit or records division that are normally used, indexed, or filed together, and that permit evaluation as a unit for retention and disposition purposes.

3.29. Records – all books, papers, letters, documents, maps, plans, photographs, sound recordings, management information systems, or other documentary materials, regardless of physical form or characteristics, made or received, and retained by any public office under state law or in connection with the transaction of public business by the office under state law or in connection with the transaction of public business by the offices, agencies, and institutions of the state and its counties, municipalities, and other political subdivisions.

3.30. Records Coordinator – The work unit or individual who implements the policy defined by the Records Steward and has responsibility

for a business unit's records management daily operations.

3.31. Records Copy – The original file copy of a record series maintained by the creating agency, sometimes referred to as the designated original.

3.32. Records Management – The application of management techniques to the creation, utilization, maintenance, retention, preservation, and disposition of records, undertaken to reduce costs and improve efficiency in record keeping. This includes management of filing and micro-filing equipment and supplies: filing and information retrieval systems; files, correspondence, reports, and form management; historical documentation; micrographics; systems applications; retention scheduling; and vial records protection.

3.33. Records Officer – The individual appointed by the Commissioner whose responsibilities include the development and oversight of records management programs and who serves as OCHE's contact person with the state archives and State Records Committee.

3.34. Records Steward – The individual who has policy level responsibility for determining how records will be created, used, maintained and stored by his/her business unit.

3.35. Records User – Any person, including members of the OCHE staff, and anyone else such as contractors, consultants, interns, and temporary employees, who accesses and uses OCHE records.

3.36. Retention Period – The period of time during which records are kept in the custody of the creating agency (including Records Center storage) before disposition occurs; usually in terms of years or contingent upon an event, such as an audit.

3.37 Retention Schedule – A list or other instrument describing record series and their minimum retention periods.

3.38 State Archives - The agency responsible for selecting, preserving, and making available, records determined to have permanent or continuing value. The building in which an archival repository is located. The Utah State Archives is a division within the Department of Administrative Services. The division name encompasses both the main offices on Capitol Hill and the Records Center in West Valley.

3.39. State Records Center – A facility especially designed and constructed to provide low-cost, effective storage and retrieval service on inactive records, pending ultimate disposition. The Utah State Records Center is located at 2341 South 2300 West in Salt Lake City, UT. Their phone number is (801) 975-4016 and fax is (801) 974-0336. This facility is not open to the general public.

3.40 State Records Committee - The State Records Committee has final authority for promulgating regulations and standards relating to the care of Utah government records. Created by the Public Records Act of 1953, the committee consists of representatives of: Local Government, State History, Media, Governor's Designee, Private Records Manager, State Auditor's Designee and a Citizen Member.

3.41 Vital Records – Records essential to the continued functioning or reconstruction of an organization during and after an emergency and also those records essential to protecting the rights and interests of that organization and of the individuals directly affected by its activities. These are also called essential records. It is recommended that there be duplicates located off-site.

R993-4. Policy

4.1. Safeguarding Records - Records users are responsible for safeguarding the integrity and confidentiality of all records to which they have access.

4.1.1. Access to OCHE records is based on an OCHE business need to know. Users must preserve the confidentiality of personal data and other OCHE information, and access records only in a manner consistent with their job function.

4.1.2. Users must report suspected violations to this policy to their manager, Records Steward or the Records Officer.

4.2. Records Divisions in the Office of the Commissioner - There shall be three records divisions within the Office of the Commissioner: the State Board of Regents/Commissioner's Office Records Division, the Student Financial Aid Records Division, and the Utah Educational Savings Plan Trust Records Division.

4.2.1. Records Coordinator – Each records division shall have an identified OCHE Records Coordinator, to provide for the physical care, maintenance, scheduling transfers of records to and from the State Records Center, disposition of inactive records within the business unit, and transfer of permanent records to the State Archives.

4.3. Records Ownership and Classification – All records shall have an identified OCHE Records Steward, who is responsible for the identification of records within their business units, they shall provide to the Records Officer pertinent information regarding the records, such as, the purpose, description, arrangement, classification, appraisal, and format of the record copy.

4.4 Records Officer - The Commissioner shall appoint a Records Officer to develop and implement an agency records management program, provide training and coordinate with business unit Records Stewards and Records Coordinators to comply with the agency records program, conduct an annual inventory of agency records to determine compliance to approved retention schedules and to act as the contact for the State Archives.

4.5. Responsibility to Undertake the Various Requirements of GRAMA – The Records Officer shall undertake the various requirements of GRAMA, as follows:

4.5.1. Designation of Records - The Records Officer shall designate each record or record series in OCHE's custody, as either public, private, controlled, protected, restricted under Utah Code §53B-16-302, or otherwise exempt from disclosure under GRAMA 201(3)(b). The Records Officer shall report the designations to State Archives. (See GRAMA Section 306.)

4.5.2. Statement of Purpose for Collecting Information - When the Records Officer designates a record as private or controlled, the Records Officer must also file a statement with State Archives explaining the purposes for which the records are collected and used. (See GRAMA Section 601.) The Office may use the record only for the purposes listed in that statement. However, sharing of records with other governmental entities is allowed, subject to the restrictions of GRAMA Section 206.

4.5.3 Written Requests for Access to Records - All requests must be in writing and directed to the Records Officer, 60 South 400 West, Gateway Building 2, Salt Lake City, UT 84101. Requests must include: the requestor's name, mailing address, daytime phone number, if available; and a description of the record requested that identifies the record with reasonable specificity. (See GRAMA Section 204.)

4.5.4 Fees - If duplication, or compilation of records in a form other than that maintained by the agency, is necessary, the Records Officer may charge a fee to the requester of the records to cover the actual cost of duplicating or compiling the records. (See GRAMA Section 203 (3).)

4.5.5 Segregation – The Records Officer may choose to segregate records or redact information within records that a future requester will be entitled to inspect, from records or information within records that the requester will not be entitled to inspect, in order to simplify the segregation process at the time the request for access is made. (See GRAMA Section 307.)

4.5.6. Access for Research Purposes - The Records Officer may make determinations regarding requests for access to records for research purposes, as provided by GRAMA Section 202(3).

4.5.7 Written Claim of Business Confidentiality - The Records Officer may accept a written claim of business confidentiality in a form specified by the Records Officer and subject to the Records Officer's review of the claim for reasonableness. (See GRAMA 304(2) and 308.)

4.6 Appeals of the Accuracy or Completeness of Personal Records - An individual may contest the accuracy or completeness of records concerning him or her. Appeals from such decisions are governed by the Utah Administrative Procedures Act (UAPA). (See Utah Code Title 63, Chapter 46b.) Appeals from such decisions shall be conducted informally rather than formally pursuant to R134, Informal Adjudicative Proceedings, under the Utah Administrative Procedures Act. (See GRAMA Section 603.)

4.7 Anonymity of Donors and Prospective Donors - A donor or prospective donor may request anonymity in writing. The written request shall be submitted to the Records Officer and shall be accompanied by a written statement which does not reveal the identity of the donor or prospective donor but which contains any terms, conditions, restrictions, or privileges relating to the donation, which information may not be classified protected by the Office of the Commissioner under GRAMA Section 304(36).

4.8 Appeals to the Commissioner - Appeals regarding questions of access to records shall be directed to the Commissioner. (See GRAMA Section 401.)

4.8.1 Weighing of Privacy and Access Interests – The Commissioner may weigh privacy interests against access interests and allow access to specific private or protected records if the interests favoring access outweigh the interests favoring restriction of access. (See GRAMA Section 201(5)(b).)

4.8.2 Intellectual Property Rights - The Commissioner shall make determinations regarding the duplication and distribution of materials held by all Records Divisions and for which the State Board of Regents or Office of the Commissioner owns the intellectual property rights, as permitted by GRAMA Section 201(10).

4.8.3 Sponsored Research and Technology Transfer - The Commissioner may restrict access to portions of technology transfer and sponsored research records for the purpose of securing and maintaining proprietary protection of intellectual property rights, or for competitive

or proprietary purposes as a condition of actual or potential participation in a sponsored research or technology transfer agreement, as provided by Utah Code Title 53B, Chapter 16.

4.9 Records Officer Responsibilities - The Records Officer reports directly to the Information Security Officer (ISO). The Records Officer is responsible for coordination, review and approval of procedures used to provide access, store and maintain records. The Records Officer is responsible for coordinating compliance with this policy and shall:

4.9.1. Develop and maintain the records management policy, procedures, best practices and minimum requirements.

4.9.2. Educate and provide assistance in complying with this policy to Records Stewards, Records Coordinators and users. Provide guidelines consistent with OCHE policies, consultation, and assistance to work units and individuals regarding the use, maintenance, storage, and disposition of records.

4.9.3. Implement and enforce records management practices required by federal, state and local laws.

4.9.4. Conduct annual records management audits to ensure compliance, identify unscheduled records, assess format viability and appropriate retention schedules.

4.9.5. Assist OCHE and third party auditors in the analysis of work unit records management to further ensure policy compliance.

4.9.6. Monitor compliance with records management policy and procedures and report compliance violations to the relevant cognizant authority.

4.9.7. Act as the direct contact for the State Archives.

4.10 Records Coordinator Responsibilities – The Records Coordinator for each business unit is charged with the responsibility of coordination of records transfer to and from the State Records Center (SRC), and maintenance of the Retention Schedule Tracking spreadsheet.

4.11. Records Steward Responsibilities – The Records Steward is designated by the cognizant authority of the relevant group or work unit, is familiar with records issues, law and regulations, and shall:

4.11.1. Determine the purpose and function of the record.

4.11.2. Determine the level of security based on the content of the record.

4.11.3. Determine the level of criticality of a record.

4.11.4. Determine accessibility rights to records.

4.11.5. Determine the appropriate method of providing business continuity for Critical Records (e.g., records needed to continue service at an alternate site).

4.11.6. Specify adequate records retention, in accordance with OCHE policies, state and federal laws relating to records management.

4.12. Disciplinary Action – Violation of this policy may result in disciplinary action, including termination of employment. Staff members may appeal disciplinary action taken against them pursuant to policy R951.

(Approved June 19, 1992; amended January 24, 1997, proposed replacement October 26, 2007.)