

STATE BOARD OF REGENTS MEETING
SALT LAKE COMMUNITY COLLEGE, SALT LAKE CITY, UTAH
STUDENT CENTER
JANUARY 19, 2007

Minutes

Regents Present

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

Regents Excused

Marlon O. Snow

Office of the Commissioner

Richard E. Kendall, Commissioner of Higher Education
David L. Buhler, Associate Commissioner for Public Affairs
Joyce Cottrell, Executive Secretary
Amanda Covington, Director of Communications
Carrie Flamm, Executive Director, Utah Student Association
Brian Foisy, Assistant Commissioner for Budget and Finance
Kimberly Henrie, Director of USHE Budget and Planning
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 N. Ward, Director, Utah Educational Savings Plan
Gary S. Wixom, Assistant Commissioner for Academic Affairs

INSTITUTIONAL REPRESENTATIVES

University of Utah

A. Lorris Betz, Senior Vice President for Health Sciences
Paul T. Brinkman, Associate Vice President for Budget and Planning
Arnold B. Combe, Vice President for Administrative Services

John G. Francis, Associate Vice President for Academic Affairs
Cory Higgins, Director, Facilities Management
Michael Perez, Associate Vice President for Facilities Management
Laura Snow, Special Assistant to the President/Secretary of the University

Utah State University

Stan L. Albrecht, President
David Cowley, Associate Vice President for Financial Services
Moisés Diaz, Director, Multicultural Student Services
Sydney Peterson, Chief of Staff

Weber State University

F. Ann Millner, President
Michael B. Vaughan, Provost

Southern Utah University

Michael T. Benson, President
Abe Harraf, Provost
Gregory L. Stauffer, Vice President for
Steve Kiisel, Student Body President

Snow College

Bradley A. Winn, Provost

Dixie State College

Lee G. Caldwell, President
David Colegrove, Student
Donna Dillingham-Evans, Academic Vice President
Shandon Gubler, Trustee
Stanley J. Plewe, Vice President of College Services
Lance Adams, Student Body President
M. Aaron Merrill, Student

College of Eastern Utah

Ryan L. Thomas, President

Utah Valley State College

William A. Sederburg, President
Betsy Fowler, Legislative Intern
Linda Makin, Director of Budgets
Val Peterson, Vice President for Administration and External Affairs
Karl J. Worthington, Associate Vice President of Academic Affairs

Salt Lake Community College

Cynthia A. Bioteau, President
Katherine Boswell, Vice President for Institutional Advancement
Julie Ann Curtis, Assistant to the Vice President of Academic Services
Kent Ferrel, Business Manager/Controller
Deneece Huftalin, Vice President for Student Services
Dennis Klaus, Vice President of Business Services
David Richardson, Vice President of Academic Services
Dana VanDyke, Budget Director
Gordon Wilson, Director, Administrative/Auxiliary Services, Student Center
Whitney Kevern, Student Body President

Utah College of Applied Technology

Robert O. Brems, President

Representatives of the Media

Roxana Orellana, *Salt Lake Tribune*
Erin Stewart, *Salt Lake Tribune*

Others

Thomas C. Anderson, Attorney General's Office
Kelly Murdock, Wells Fargo Public Finance
Tjama Tjivikua, President, Polytechnic University of Namibia
Nick Travis, Energy Strategies
Blake Wade, Ballard Spahr

Chair Jed Pitcher welcomed everyone to the Salt Lake Community College Redwood Campus and called the meeting to order at 9:15 a.m. He excused Regent Snow, who was recovering from knee replacement surgery.

Chair Pitcher congratulated Regent Jardine, who had been named Distinguished Lawyer of the Year by the Utah Chapter of the National Bar Association.

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

Reports of Board Committees

Programs Committee – Regent Michael R. Jensen, Chair

Dixie State College – Bachelor of Science Degree Completion in Dental Hygiene (Tab A). Chair Jensen said Dixie officials had conducted an in-depth outside study to ascertain the need for this program. This is a "2+2" program with two tracks – public health and education. Dental Hygienists with an associate degree will

be able to articulate into the proposed program, which has been accredited by the American Dental Association's Commission on Dental Accreditation (ADACDA). Associate degree graduates may also enter graduate programs, possibly via distance education. College officials have received donations of more than \$400,000 for scholarships and to construct a mobile dental hygiene clinic to deliver community health training to B.S. Dental Hygiene students and to provide community service to the under-served in southern Utah. **Chair Jensen moved approval of Dixie's request. Regents Garff and Beesley seconded the motion, which was adopted unanimously.**

Consent Calendar, Programs Committee (Tab B). Chair Jensen reported the only item on the committee's consent calendar was SUU's Hispanic Center for Academic Excellence. This is the first Hispanic Center at any of our campuses. Several partners are assisting with this project, including Beaver County School District, Wells Fargo Bank, Circle Four Farms, and AAA Credit Foundation. Chair Jensen commended Provost Harraf and others for their vision, with special appreciation to Regent Cespedes for her expert guidance and counsel. **Chair Jensen moved approval of SUU's Hispanic Center. Regent Garff seconded the motion, which was adopted unanimously.**

Information Calendar, Programs Committee (Tab C). Chair Jensen reported the committee had spent most of its time on the Programs Under Consideration/Development (Item B). He noted UCAT had proposed A.S. and A.A.S. Degrees in Mortuary Sciences. This was in error and should have been listed under SLCC. Regent Jardine said when he chaired the Program Review Committee, it was that group's hope that the Regents would consider each program carefully before approving it. Chair Jensen said the committee had carefully reviewed each institution's proposed offerings as well as comments from the Chief Academic Officers (CAOs) and from the committee. It was a very healthy discussion.

Finance, Facilities and Accountability Committee – Regent Jerry C. Atkin, Chair

University of Utah – Refinancing of Certain Capital Equipment Leases (Tab D). Chair Atkin said the existing short-term bonds have expiration dates of 2008 and 2010. By refinancing, the University will be able to issue long-term bonds for its heating, cooling, plumbing and electrical equipment (the "East Campus Project"). The University will benefit from the present competitive interest rates. No new state appropriations will be needed; rather, the bonds will be payable from legally available monies of the University, including energy savings from the project. A Request for Proposal will be issued to determine the underwriter, at a discount not to exceed one percent (1%). **On motion by Chair Atkin, and second by Regent Reid, the motion was adopted unanimously.**

University of Utah – High-Temperature Water and Co-Generation Equipment (Tab E). Chair Atkin said the proposed operation would produce heat from turbines and byproducts of electricity to power 20% of the total electricity used by the institution and more than 40% of the electricity used by the Main Campus. The \$13 million investment is expected to yield net present value savings of \$2.7 million, based on assumptions of the cost of electricity. The committee examined the best- and worst-case scenarios and recommended approval. Vice President Combe said this was an interesting project for the University. A great deal of time has been spent bringing in experts to help analyze and do due diligence. He noted the projections for the equipment did not include the Health Sciences facilities (upper campus). The equipment is environmentally friendly. If the

electrical rates do not increase as anticipated (60% increase by 2015), net value savings would be come a net present value loss. However, 80% of the campus would be getting electricity at a lower rate. University officials recognize there is some risk involved, but they appreciate the benefits provided to the campus.

Regent Jordan asked for assurance that the University had done the modeling necessary to arrive at a sound decision. Have other comparable institutions been consulted? Chair Atkin noted it was a \$13 million risk, whereas a conventional boiler replacement would cost \$6 million. Mike Perez said the University had exhausted extensive due diligence in consulting specialists regarding co-generation, design, benefits and risks. USU officials were consulted, as well as others who have installed co-generation equipment. Exhaust normally released into the atmosphere would mostly go into heat exchangers to produce hot water and reduce emissions into the air. This will enable the University to be a 'greener' campus. He offered to report back on actual emissions, once the equipment has been installed. **Chair Atkin moved approval of the purchase, seconded by Regent Sinclair. The motion carried. Regent Karras declared a conflict of interest and abstained from voting.**

Salt Lake Community College – Campus Master Plan (Tab F). Chair Atkin reported College official had informed the committee of updates to the Campus Master Plan, as described in the attachment to Tab F. **Chair Atkin moved approval of the SLCC Campus Master Plan. Regent Sinclair seconded the motion, which carried unanimously.**

Proposed New Policy R588, *Delegation to Institutions to Establish Debt Policies* (Tab G). Chair Atkin explained the policy would allow institutions to adopt a written "debt policy" through its Boards of Trustees. Policy R588 is an "umbrella policy" for those institutions that do not wish to adopt their own. **Chair Atkin moved approval of policy R588. Regent Grant seconded the motion, which was adopted unanimously.**

Consent Calendar, Finance Committee (Tab H). Chair Atkin reported the only item on the committee's consent calendar was a report of the Commissioner's discretionary funds account. This is from interest accrued on non-state funds. Typical transactions have included floral arrangements for hospitalizations, funerals, etc. The committee was satisfied with the report, noting that the Commissioner had spent very little of the available funds. **Chair Atkin moved approval of the Consent Calendar. The motion was seconded by Regent Grant and carried unanimously.**

USHE – Annual Report of Institutional and System Bonded Indebtedness (Tab I). Chair Atkin said the Regents had requested an annual update of outstanding bond obligations within the System. He noted college and university bonds are not counted as an official "debt of the state," but some bond covenants carry a "moral obligation" pledge stating that, in case of potential default, the Regents will formally request financial assistance from the Governor and Legislature. The Regents have never needed to exercise such a clause. The report was provided for information only and did not require approval.

USHE – Annual Report of the Audit Review Subcommittee (Tab J). Regent Grant referred to Replacement Tab J and reported, as Chair of the Audit Review Subcommittee. The committee has been successfully implementing the Regents' policy of establishing institutional audit committees. Several institutions

have instituted "hotlines" for reporting problems. The Commissioner's Office is providing IT audit support. The relationship between Trustees and Regents has been enhanced through this process. Institutional boards are better Trustees because of this added responsibility. Regent Grant expressed special appreciation to Dan James, the non-Regent financial expert on the committee. The committee identified several actions to be taken during the coming year; these were described on the Commissioner's cover memo and attachment to Replacement Tab J. The committee suggested a Trustee succession plan to assist future audit committees. Some institutions had deficits in their scholarship account, and the committee recommended a review of the scholarship policy. There are vacancies in some of the institutional audit committees.

Last year the Regents committed to try to obtain funding for additional audit budgets. The committee suggested Commissioner Kendell meet with legislators during this session to suggest a budget change for money to supplement the auditing staff. The State Board of Education has been unsuccessful in getting audit funding for several years. Commissioner Kendell noted this was not in the current budget request, but it could be added. He suggested this be discussed with the co-chairs of the appropriations committee to ensure this would not harm other funding. **Regent Karras moved that the Commissioner and Board Chair come up with a proposal to obtain funding for increasing the budget for audit staff. Regent Grant seconded the motion, which was adopted unanimously.**

Chair Pitcher thanked Regent Grant for his excellent leadership with the Audit Committee. He reported he had spent six hours with the Trustee Audit Committees and it was very worthwhile.

USHE – Auxiliary Enterprises Funds Report (Tab K). Chair Atkin said this report was provided for information only and required no action. Regent Jardine noted there is a connection between audit committees and auxiliary services. He asked if the audit teams considered auxiliary functions as well as other funds. Chair Grant said they did.

University of Utah – Action of Regents' Executive Committee to Extend Purchase Option for Land in Grand County (Tab L). Chair Atkin referred to the material in the agenda and said the Regents' Executive Committee had authorized the extension of the purchase option through the end of this calendar year.

Southern Utah University – Replacement of Campus Housing (New agenda item). Chair Atkin reported University officials proposed to replace some older campus housing (Juniper Hall and Manzanita Court) because they of significant safety issues. They propose to do this through a bond arrangement of \$17.5 million. University officials asked the Regents' Executive Committee to act so the Legislature can be asked for bonding authority during the 2007 General Session. The bond resolution would still require the normal Regents' approval process.

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

Commissioner's Goals (Tab M). Chair Jardine said the committee thought it would be valuable to look back at the Regents' priorities, to make sure everything is being correlated correctly. The Board adopted specific strategic directions in April 2006, which were summarized in the Commissioner's cover memo to Tab M. These continue to be the Regents' strategic direction. In addition, the committee wanted to make sure the

Commissioner's goals correlate with the Regents' strategic directions and themes. The committee generally agreed and approved those goals, with one addition. Because of recent developments in Washington, the Commissioner must also respond to federal initiatives. **The committee added "...and with respect to federal education initiatives" to the end of the first sentence under Goal #3. Chair Jardine moved approval of the Commissioner's goals, as amended. Regent Holbrook seconded the motion, which carried. Commissioner Kendell agreed that this was a good addition.**

Chair Jardine noted the K-16 Alliance goals and progress report were attached to the agenda materials. They were very informative documents. He asked that this be included regularly with the Regents' agenda materials. In addition, Regent Jordan asked Commissioner Kendell to report regularly on the progress of the Alliance. The Commissioner agreed to provide a quarterly progress report, following each formal meeting of the Alliance. He reported the K-16 Alliance was making good progress. The concurrent enrollment bill, currently in the House, is a product of the Alliance. The change in high school curriculum requirements and alignment are also the result of discussions in the Alliance.

Education Initiative (Tab N). Chair Jardine said Dr. David Sperry, USHE Scholar in Residence, had conducted a study and presented a report describing the increasing gap between the number of teachers needed in Utah public education and the number being produced by Utah schools of education. The report was very rich in data. A task force has been created by the K-16 Alliance, chaired by Dr. Sperry, to develop specific proposals to address the circumstances described in the study. Those recommendations will be presented to the Regents in March. Commissioner Kendell said this study was an outgrowth of the K-16 Alliance. The report included five or six recommendations for addressing the shortage of teachers. An Education Initiative is supported by the Governor. We are grateful for the attention that has been given to this issue throughout the session. Chair Jardine said the report also discussed efficiencies of a trimester (three-semester) system.

Institutional Reports on Campus Programs and Initiatives Relative to Minority and Disadvantaged Students (Tab O). Chair Jardine said the Regents had requested, at their last meeting, institutional reports on programs for minority and disadvantaged students. Utah State University and Salt Lake Community College representatives presented their reports to the committee this month. The committee agreed a single template did not fit all institutions. Reports were to include best practices that could be shared by the institutions. Committee members were heartened to see what is already happening on our campuses. The mentoring of minority and disadvantaged students in feeder high schools and junior highs has been remarkable. SLCC focused its report on the importance of academic advising. Frequently minority and disadvantaged students spend a year or a semester on campus but do not return. The focus of the advising is to make these students feel welcome and to retain them so they graduate. Regent Cespedes requested written reports from the institutions prior to the Board meetings.

Quality Counts 2007: From Cradle to Career, Connecting American Education from Birth to Adulthood (Tab P). Chair Jardine reviewed the *Education Week* publication and said it contained some interesting data. He noted Utah was often ranked just above average, so there is much room for improvement.

Legislative Priorities of the Salt Lake Chamber (Tab Q). Chair Jardine said Chamber President Lane Beattie had made a presentation to the committee. The Chamber has taken great care in deciding which priorities it will endorse. They have been quite effective with this approach. Last year the Chamber prioritized the USTAR Initiative, which helped ensure its passage in the 2006 General Legislative Session. Principal priorities this year are transportation and education. Chair Jardine said the Chamber is higher education's ally in discussions with legislators and others. He noted the Salt Lake Chamber owns the State Chamber license and is working hard to coordinate statewide priorities. The committee asked that the Commissioner be invited to speak with their group when all of the chambers from throughout the state are in Salt Lake City. The Chamber will be important in helping the Regents advance our legislative priorities.

Legislative Update (Tab R). Associate Commissioner Dave Buhler said he would e-mail a summary every Monday of the Legislature's actions the previous week, along with a status report of the bills of interest to higher education. Several bills are being tracked by the legislative representatives of our institutions. He encouraged each Regent to come to at least part of one meeting of the Higher Education Appropriations Subcommittee. The annual luncheon for legislators, sponsored by higher education, will be on Friday, February 9, in the State Office Auditorium. All Regents, Presidents, and Trustee chairs or vice chairs are invited to meet with legislators. The size of the auditorium necessitates a limited number of seats. Regent Reid requested higher education's position on the various bills in Associate Commissioner Buhler's report. Dave said his report would indicate support or opposition for each proposed bill. If nothing is shown, the default is neutral (neither support nor oppose).

Report of the Commissioner

Appreciation. Commissioner Kendell thanked President Bioteau, her staff and the SLCC Trustees for their wonderful job of hosting the Regents. He noted that Lane Beattie and Keith Rattie, President and Chair of the Salt Lake Chamber, respectively, have been very supportive of higher education. We anticipate this will be a major agenda item for the Chamber, statewide. They have indicated they will focus much more of their attention on higher education this year.

Commencement Schedule. Commissioner Kendell referred to the 2007 Commencement Schedule, provided to the Regents in their folders, and noted a change of SLCC's date to May 11.

Notable Accomplishments. The Commissioner reviewed the institutional accomplishments included in his written report and commended the presidents for what was happening on their campuses.

Utah Campus Compact. Commissioner Kendell expressed his appreciation to Linda Dunn for her tireless efforts as Executive Director of the Utah Campus Compact for the past few years. Melissa Kincart has been chosen as the new UCC Executive Director. Commissioner Kendell congratulated Ms. Kincart on her appointment and expressed his support.

Report of the Chair

Chair Pitcher said his written report was included in the materials provided in the Regents' folders. He asked the Regents to let Secretary Cottrell know which commencement exercises they will be attending.

President Bioteau welcomed everyone and thanked the Regents for meeting on the Redwood Campus. She expressed her appreciation for the Regents' support of Salt Lake Community College and gave each of the Regents and Presidents a savings bank and chocolate "coins" to help them remember that education is a savings, not an expense, and that it pays dividends. President Bioteau reported each legislator had also received a bank chocolate coins. Each week, college officials will give them additional "coins."

President Sederburg introduced Dr. Tjama Tjivikua, president of the Polytechnic University of Namibia, Africa, who has been visiting the UVSC campus this week.

General Consent Calendar

On motion by Regent Jardine and second by Regent Jordan, the following items were approved on the Regents' General Consent Calendar:

- A. Minutes – Minutes of the Regular Meeting of the State Board of Regents held December 8, 2006, in the Regents' offices in Salt Lake City, Utah
- B. Grant Proposals (on file in the Commissioner's Office)

Regent Reid moved that the Regents move into executive session to discuss personnel matters and pending litigation. Regent Atkin seconded the motion, which carried unanimously.

Adjournment

Following the Regents' executive session luncheon, the meeting was adjourned at 1:20 p.m.

Joyce Cottrell CPS
Executive Secretary

Date Approved

