

MEETING OF THE STATE BOARD OF REGENTS
UTAH STATE UNIVERSITY, LOGAN, UTAH
OCTOBER 26, 2007
Minutes

Regents Present

Jed H. Pitcher, Chair
Bonnie Jean Beesley, Vice Chair
Janet A. Cannon
Rosanita Cespedes
Amy Engh
Katharine B. Garff
Meghan Holbrook
James S. Jardine
Nolan E. Karras
Anthony W. Morgan
Josh M. Reid
John H. Zenger

Regents Excused

Jerry C. Atkin
Patti Harrington
Greg W. Haws
David J. Jordan
Sara V. Sinclair
Marlon O. Snow

Office of the Commissioner

Richard E. Kendell, Commissioner
Joyce Cottrell, Executive Secretary
Amanda Covington, Director of Communications
Richard Davis, Deputy Executive Director, Utah Higher Education Assistance Authority
David S. Doty, Assistant Commissioner and Director of Policy Studies
Carrie F. Beckman, Policy and Special Projects Coordinator
David Feitz, Executive Director, Utah Higher Education Assistance Authority (UHEAA)
Kimberly Henrie, USHE Budget Director
Melissa Kincart, Executive Director, Utah Campus Compact and Associate Program Director, Utah Scholars
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
Gary S. Wixom, Assistant Commissioner, Academic Affairs
Andrea Worthen, Education Policy and Accountability Director

INSTITUTIONAL REPRESENTATIVES

University of Utah

Michael K. Young, President
Michael G. Perez, Associate Vice President for Facilities
Laura Snow, Special Assistant to the President and Secretary to the University
Alice Whitacre, Associate General Counsel
Chuck Wight, Associate Vice President for Academic Affairs and Undergraduate Studies

Utah State University

Stan L. Albrecht, President

Lee H. Burke, Assistant to the President and Secretary to the University
Gary Chambers, Vice President for Student Services
Raymond T. Coward, Provost
Dave Cowley, Associate Vice President for Business and Finance
Taya Flores, Fiscal Analyst
Darrell Hart, Assistant Vice President for Facilities
Steven H. Hanks, Vice Provost for International Affairs
Fred R. Hunsaker, Interim Vice President for Business and Finance
David Johnson, Member, USU Board of Trustees
Joyce Kinhead, Associate Vice President for Research
Michelle B. Larson, Assistant Provost
Peter McChesney, Student Body President
Sydney Peterson, Chief of Staff
Suzanne Pierce-Moore, Vice Chair, USU Board of Trustees
Whitney J. Pugh, Director, Budget Office

Weber State University
F. Ann Millner, President

Southern Utah University
Gregory Stauffer, Chief of Staff

Snow College
Scott L. Wyatt, President

Dixie State College
Lee G. Caldwell, President
Donna Dillingham-Evans, Academic Vice President

College of Eastern Utah
Ryan L. Thomas, President

Utah Valley State College
William A. Sederburg, President
Elizabeth J. Hitch, Provost
Linda Makin, Director of Budgets
Cameron Martin, Assistant to the President
Val Peterson, Vice President for Administration and External Affairs
J. Karl Worthington, Associate Academic Vice President

Salt Lake Community College
Cynthia A. Bioteau, President
Dennis Klaus, Vice President of Administrative Services

Joe Peterson, Vice President of Academic Services

Utah College of Applied Technology

Jared A. Haines, Interim President

Kirt Michaelis, Vice President of Administrative Services

Representatives of the Media

Kim Burgess, *Herald Journal*

Wendy Leonard, *Deseret Morning News*

Roxana Orellana, *Salt Lake Tribune*

Amy Stewart, *Ogden Standard Examiner*

Other Guests

Tom Anderson, Assistant Attorney General

Boyd Garriott, Utah Education Network

Tyler Harvey, Wells Fargo

Michael A. Petersen, Executive Director, Utah Education Network

Paul Wozniak, UBS Financial Services

Following a breakfast meeting with the Utah State University Board of Trustees and President Albrecht and meetings of the Board committees, Chair Pitcher greeted everyone and called to order the Committee of the Whole at 10:45 p.m. He excused Regents Atkin, Harrington, Haws, Jordan, Sinclair, and Snow.

State of the University

President Albrecht welcomed everyone to Utah State University on a beautiful fall day. He paid tribute to Dr. Lee Burke, a 30-year employee of the University and 28-year Secretary to the University and its Board of Trustees. President Albrecht invited everyone to a retirement reception for Lee and his wife, to be held in the Alumni House following the Board meeting.

President Albrecht gave a PowerPoint presentation on the current programs, students, and faculty at Utah State University, including some of its innovative and entrepreneurial programs. He concluded his presentation with a quote from Thomas Wolfe: "Cache Valley is the most lovely and enchanted place I have ever seen." (*Notes on a Journey Through the West*, 1938)

2008-2009 USHE Budget Request

Commissioner Kendell referred to Replacement Tab Q and remarked that this was the largest budget request of his tenure as Commissioner. Combined with the compensation package, it will total over \$100 million for higher education. The Commissioner presented his budget request through a PowerPoint presentation

entitled, "What Higher Education Does for Utah." He pointed out higher education is not only a tremendous asset, but it is a solid investment in the state's future. An educated workforce results in self-sustaining adults whose earning capacity increases proportionately with level of education. Self-sustaining adults are also more likely to have employee benefits, retirement programs, and healthier lifestyles; and they are also more apt to be involved in their own communities.

The Commissioner reviewed the institutional priorities, compensation, mandated costs and other items in the budget request, including one-time and supplemental increases. Commissioner Kendell noted he had added a budget item for Regents' Scholarships, equivalent to giving every 8th grader a \$1000 promissory note for his/her college education upon graduation from high school, provided they follow the suggested rigorous course of study. Regent Morgan commended the Commissioner and Council of Presidents for substantially increasing the budget request for partnerships and retention and for the various initiatives.

Commissioner Kendell said he had met the previous week with the Governor and two former Presidential Cabinet Secretaries. They stated, in effect, the economy is changing and every young person simply must go to college. Chair Pitcher asked about the Governor's budget proposal. The Commissioner said the Governor's first draft appeared to be quite a bit lower than our budget request. He did agree with the importance of the investment in higher education and said he would go back and try to find more money for higher education. Regent Karras said he anticipated budget cuts this year and encouraged Commissioner Kendell to plan a strategy for that possibility. The Commissioner said his staff and the Presidents were prepared to prioritize the higher education budget. Regent Reid asked about institutional priorities and partnerships. Commissioner Kendell explained what had been done last year in the Legislature Session to fund partnerships.

Regent Karras moved approval of the 2008-2009 Higher Education Budget Request. Regent Reid seconded the motion, which was adopted unanimously.

Utah Education Network (UEN) Budget Presentation

Commissioner Kendell referred to Tab R and reminded the Regents that neither the UEN budget nor the UCAT budget require their approval. These reports were for information only.

Dr. Michael A. Petersen, Executive Director, presented the UEN budget request, which had been approved by the UEN Steering Committee the previous week. Three critical networking infrastructure projects were listed on page 2 of the request. Dr. Petersen noted traffic on the UEN network doubles every 18-24 months, so capacity must be increased. A separate research connection is needed for USU and the University of Utah that does not go through the UEN backbone. This is critical for those universities to be able to continue their research roles. UEN now has the capability for every faculty member, in every classroom, face-to-face or online, to receive current course content to strengthen the instructional offerings. Public schools and libraries have the same capability. Every USHE institution now has interactive capability, as do some schools in the K-12 system. The capacity of interactive conferencing rooms must be expanded to be able to provide this technology to the schools for online courses. Dr. Petersen offered to respond to questions.

UCAT Operating Budget and Capital Facilities Requests

Interim President Jared Haines referred to the UCAT operating budget request and summary of capital facilities requests, which were provided at the end of Tab Q. The budget request had been approved by the UCAT Executive Board and the Board of Trustees and followed the format used in the Regents' budget request. The budget categories were also consistent with the other USHE institutions. President Haines said UCAT sees itself as one of the ten institutions in the Utah System of Higher Education, with a focus on industry response and workforce training. Regent Reid asked about the BATC/CEU partnership. President Haines said the partnership offered UCAT students an opportunity to progress to degree programs. He reported UCAT's current enrollment at 5.3 million membership hours (5000 FTE). UCAT's base budget was \$55 million; this request was for a 20 percent increase. College officials are projecting a 5 percent membership growth.

2008-2009 First-Tier Tuition Range

Commissioner Kendell referred to Tab S and asked Associate Commissioner Spencer to comment. Dr. Spencer said the Legislature and Legislative Fiscal Analyst have requested a preliminary estimate of tuition increases prior to each legislative session. The Commissioner's recommendation was to increase tuition by the amount needed to fund next year's compensation package. Increases of 4, 5, 5½, and 6 percent were illustrated in the Commissioner's memo. **Regent Karras moved approval of the first-tier tuition at the rate necessary to fund the FY 2009 compensation package. Regent Morgan seconded the motion.** Regent Karras expressed concern about the trend of increasing tuition every year. Associate Commissioner Spencer noted the recommendation was not to approve an exact percentage of increase, but the amount necessary to fund compensation. He pointed out second-tier tuition can be adjusted accordingly. **Regent Karras amended his motion so that first-tier tuition increases be considered when institutions request increases for second-tier tuition, and Regent Morgan agreed to the amendment. Vote was taken on the amended motion, which was adopted unanimously.**

President Young recommended that the Commissioner's recommendation be based on data. The Presidents may also want to fund scholarships based on data. He spoke of "discount rates," which he defined as the amount of grants and scholarships available, and said the discount rate is very high at most USHE institutions. President Sederburg said the institutions are allowed to give back 10 percent in tuition waivers. This would make a 4 percent tuition increase a net increase of 3.6 percent. President Young requested a comparative analysis of where the money is allocated. President Wyatt asked that the data include demographics. Some categories of students are fully funded. He asked for data on participation rates for the various counties; that would reveal the students for whom barriers would be created and those who would not be impacted at all.

General Consent Calendar

On motion by Regent Karras and second by Regent Reid, the following items were approved on the Regents' General Consent Calendar (Tab T):

- A. Minutes – Minutes of the Regular Board Meeting held September 13-14, 2007, at the Regents' Offices in Salt Lake City, Utah
- B. Grant Proposals – On file in the Commissioner's Office
- C. Grant Awards
 - 1. University of Utah – National 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.

Reports of Board Committees

Finance, Facilities and Accountability Committee

Chair Pitcher thanked Regent Karras for chairing the Finance Committee in the absence of Chair Atkin and Vice Chair Sinclair.

UHEAA – Approving Resolution, SBR Student Loan Revenue Bonds, 2007 Series Y (Tab E). Regent Karras said the proposed resolution would ensure uninterrupted access of Utah's students and families to

acquire affordable student loans through June 2008. It would also allow program officers to more closely track the federal government's annual resetting of borrower interest rates and quarterly resetting of special allowance payments. Not-to-exceed parameters were set out in page 2 of the Commissioner's cover memo. **Regent Karras moved approval of the resolution. Regent Reid seconded the motion, which was adopted unanimously.**

University of Utah – Update on Entrada Ranch Property (Tab F). Regent Karras reported University officials had made a presentation to the committee. A donor has offered to extend the time required to buy the Entrada Ranch. Apple Lane, LLC will purchase the property and lease it to the University for one dollar (\$1.00) per year for ten years, with a ten-year option to purchase the property at the same purchase price. If the University elects not to purchase the property from Apple Lane during the ten-year period, at the expiration of that period, the University will relinquish all further rights to the property and Apple Lane will reimburse the University the book value, less amounts depreciated, of any improvements the University made to the property during the lease period. The property will be used to conduct scientific research and to provide educational opportunities in a variety of disciplines. **Regent Karras moved approval of the transaction, seconded by Regent Reid. The motion was adopted unanimously.**

Utah State University – Campus Master Plan (Tab G). Regent Karras reported University officials had presented a five-year plan of institutional priorities that included a USTAR facility and the following additional new buildings: College of Agriculture and Agriculture Research Service Building (COA/ARS); Early Childhood Education and Research Center; Animal Science Building; expansion of the Business Building; Biology Natural Resources (BNR) Building; and Health, Physical Education, and Recreation (HPER) Building. He commended University officials for their strategic planning. **Regent Karras moved approval of Utah State University's Campus Master Plan. Regent Reid seconded the motion, which was adopted unanimously.**

Utah Valley State College – Property Purchase (New Agenda Item). Regent Karras said UVSC had submitted a proposal to purchase .29 acres of property and a home contiguous to the campus. The purchase price of \$187,000 exceeds the appraised value, but it is the last undeveloped parcel of land contiguous to the campus. **Regent Karras moved that UVSC's property purchase be added to the agenda as an information item and that it be forwarded to the Regents' Executive Committee with a positive recommendation, for action as soon as possible. Regent Morgan seconded the motion, which was adopted unanimously.**

Consent Calendar, Finance Committee (Tab H). **On motion by Regent Karras, and second by Regent Morgan, the Regents approved the University of Utah and Utah State University Capital Facilities Delegation Reports, as listed on the Committee's Consent Calendar.**

USHE – Expanded Long-term Enrollment Projections (Tab I) and Fall 2007 Enrollment Report (Tab J). Regent Karras said these reports were submitted for information only and required no action. Vice Chair Beesley said she was concerned about the participation rates of Utahns in higher education. She asked the Commissioner if he could get enrollment data of the private institutions. Associate Commissioner Spencer said he would request that information. Regent Karras requested a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis in January.

USHE – Annual Report on Leased Space (Tab K). Regent Karras said the committee had reviewed the leased space costs and were satisfied with the recommendations.

Annual Report on Institutional Residences (Tab L). Regent Karras referred to the report and stated the large increase in SLCC's costs included some planned renovations.

Utah Educational Savings Plan (UESP) – Update on Record-Keeping Strategy (Tab M). Regent Karras reported UESP officials had submitted an RFP for outsourcing its record-keeping software program. After reviewing the responses, they determined to keep that function with a local company. UESP is moving forward with action steps to update its existing software.

Academic, CTE and Student Success (Programs) Committee

Consent Calendar, Programs Committee (Tab A). Chair Garff said the committee had discussed the University of Utah's requests and heard an in-depth presentation from Dr. Martha Bradley regarding the Urban Planning Program in its College of Agriculture and Planning. She thanked Dr. Bradley for her excellent presentation and noted former Regent Daryl Barrett's daughter, Janie, had been Dr. Bradley's student in this very successful undergraduate program. **On motion by Chair Garff and second by Regent Beesley, the following items were approved on the Programs Committee's Consent Calendar:**

University of Utah – Master's and Doctor's Degrees in Computing
University of Utah – Urban Planning Program, College of Architecture and Planning

Information Calendar, Programs Committee (Tab B). Chair Garff said the University of Utah's decision to move its Honors Program to an Honors College would be an important name change. The Honors College will not have power to authorize its own degrees or programs. Rather, it will convey Honors status in the context of students' majors. It will also be an important fund-raising tool for the University and will allow the University to create an alliance with other universities through the National Collegiate Honors Council. The other item on the committee's Information Calendar was Southern Utah University's three-year program reviews. Chair Garff reported the committee had learned of the challenges facing the University, how the University officials are addressing those challenges, and the strategies used to meet those needs.

Updating Policy R401, Approval of New Programs, Program Changes, and Discontinued Programs (Tab C). Chair Garff said the committee discussion had centered around how the institutions should prepare programs for approval by the Regents. The current policy includes a Letter of Intent (LOI). This is being revised in cooperation with the Chief Academic Officers (CAOs). The policy is not yet in final form, so it was pulled from the agenda for presentation at a later meeting.

Criteria for General Studies Baccalaureate Degrees (Tab D). Utah State University officials expressed their desire to offer a baccalaureate degree in General Studies, as an alternate to graduation for those students who had amassed credits and needed additional credits to graduate. Chair Garff reported this proposal had been reviewed by consultants and a statewide task force. USU is trying to offer flexibility to students who do not have an academic focus. The criteria attached to Tab D was the result of the consultants' findings and the work of the task force. The report was presented for information only and did not require any action.

Strategic Planning and Communications Committee

Legislative Update (Tab N). Commissioner Kendell reported it had been a busy summer, filled with meetings of the Higher Education Task Force, Higher Education Appropriations Subcommittee, and a joint meeting of the Higher Education and Public Education Appropriations Subcommittees. A report made to the Executive Appropriations Committee regarding carry-forward (non-lapsing) balances was attached to Tab N. The Commissioner pointed out every institution needs some reserves to take care of operating expenses and emergencies that might occur. A reasonable range of reserves is 5 to 7 percent of the total operating budget. Institutions also must carry funds forward from year to year for major expenses that cannot be paid in a single year.

A second issue that has received considerable legislative attention is the "\$500 degree." Higher education was requested to reduce a program to 20 percent of its lowest existing program. Commissioner Kendell responded that the direct cost of instruction would still exceed \$500 and would likely be \$2500 or more. The Commissioner looked at the cost of programs at non-profit and proprietary schools and reviewed the cost of four-year degree programs at some of the larger private schools. He noted students are willing to pay a higher tuition for the convenience of scheduling classes when they are able to take them. A \$500 degree probably is not possible; however, we will look at less expensive ways to offer programs while preserving quality.

Research Universities in Utah: University of Utah and Utah State University (Tab O). Chair Jardine said this paper had been prepared by Dr. John Francis (University of Utah) with the assistance of Dr. Steven Hanks (Utah State University). He called attention to the chart on page 2 of the attachment which summarized revenues at both universities in FY2007. The committee had a good discussion about the possibility of undergraduate students participating in research. This goes back to preparation in the K-12 schools. Chair Jardine urged all of the Regents to read the report.

Regent Jardine noted the impact to the University of Utah and to the state of having a Nobel Prize winner on the University faculty. President Young stated the recognition of Dr. Capecchi emphasized the worthwhile class work being done at the University. It has also galvanized conversations about ways in which the University can expand the research into other related areas. The University of Utah has discovered intergenetic causes of more diseases than any other university in the world. The press conferences have been very productive. Dr. Capecchi always begins by saying why he chose to come to the University of Utah to do his research. He also thanks individuals and foundations that have helped him continue his work and to do world-class research. President Young noted the University of Utah is only the seventh public university to receive the Nobel Prize.

Chair Jardine thanked President Young for his remarks. The entire state should be very proud of this accomplishment.

K-16 Alliances, Part I: Building the Pipeline Through Rigorous High School Curricula and College-School District Partnerships (Tab P). Chair Jardine said this report was important reading. One of Commissioner Kendell's enduring legacies will be this coalition with public education. No action was required, but Chair Jardine urged all of the Regents to read the report.

Resolutions

Calvin L. Rampton. Commissioner Kendell commented briefly on the contributions Governor Rampton had made to higher education, including the establishment of the State Board of Regents and passage of a \$60 million bond for higher education buildings – a very significant amount in the 1960s (probably \$600 million in today's dollars). Most USHE institutions have facilities that can be attributed to that bond. As the state's Governor to serve a full three terms, he was widely liked and respected.

J.D. Williams. Commissioner Kendell remarked on the qualities of Dr. Williams, a 40-year professor at the University of Utah, and of his influence on students and others. He was a remarkable man and an amazing teacher.

Regent Holbrook moved the adoption of the resolutions in memory of Governor Rampton and Dr. Williams. Regent Karras seconded the motion, which carried unanimously.

Commissioner's Report

Hospitality. Commissioner Kendell thanked President Albrecht and his staff for their hospitality. He remarked that coming to Utah State University is always a pleasant experience.

Nobel Prize. The Commissioner commented that he had been at a Board of Trustees meeting at the University of Utah when the announcement was made that Dr. Capecchi had been awarded the Nobel Prize. It was a very moving experience. He congratulated Dr. Capecchi and President Young for that achievement.

Institutional Accomplishments. Commissioner Kendell commented briefly on his written report of institutional highlights.

Recognition of President Sederburg. The Commissioner noted that President Sederburg had been named the 2007 Parry D. Sorensen Communicator of the Year by the Public Relations Society of America. He congratulated President Sederburg on this prestigious honor.

University of Utah/St George. Commissioner Kendell said there had been an exchange of documents between the University of Utah and Dixie State College, resulting in an agreement that the two institutions would enter into a planning relationship. Many issues need to be resolved. This will take some time and it will be a work in progress for several months. A detailed plan will be presented to the Regents at the appropriate time.

Report of the Chair

Chair Pitcher referred to his written report and commended the institutions and students for their meritorious achievements. He congratulated President Sederburg for his recognition by the Public Relations Society.

Calendar Items. Chair Pitcher noted the reception immediately following for Lee Burke in the Alumni House and called attention to the following events:

- November 9 – Installation of Scott Wyatt as President of Snow College
- November 13 – Governor’s Education Summit at Salt Lake Community College
- December 14 – Board of Regents meeting at The Gateway
- December 14 – Weber State University Winter Commencement

Adjournment

Regent Reid moved that the Regents move into closed session to discuss personnel issues. Regent Karras seconded the motion, which was adopted unanimously. The Regents went into closed meeting at 1:00 p.m. and adjourned from there.

Joyce Cottrell CPS, Executive Secretary

Date Approved

