

STATE BOARD OF REGENTS MEETING
 UNIVERSITY OF UTAH, SALT LAKE CITY, UTAH
 DECEMBER 5, 2008

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MEETING OF THE STATE BOARD OF REGENTS
UNIVERSITY OF UTAH, SALT LAKE CITY, UTAH
DECEMBER 5, 2008

Minutes

Regents Present

Jed H. Pitcher, Chair
Bonnie Jean Beesley, Vice Chair
Jerry C. Atkin
Janet A. Cannon
Rosanita Cespedes
France A. Davis
Katharine B. Garff
Greg W. Haws
Meghan Holbrook
Nolan E. Karras
Robert S. Marquardt
Anthony W. Morgan
Basim Motiwala
Marlon O. Snow
Teresa Theurer
Joel D. Wright
John H. Zenger

Regents Excused

David J. Jordan

Office of the Commissioner

William A. Sederburg, Commissioner of Higher Education
David Buhler, Associate Commissioner for Public Affairs
Joyce Cottrell, Executive Secretary
Troy Caserta, Accounting Officer
Joseph Curtin, Director of Institutional Research
Richard O. Davis, Deputy Executive Director, UHEAA
David A. Feitz, Executive Director, UHEAA
Spencer Jenkins, Assistant Commissioner for Public Affairs
Darren Marshall, Manager of Audit and Financial Services
Cameron K. Martin, Assistant Commissioner for Administration and Planning
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Gregory Stauffer, 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 for Academic Affairs

INSTITUTIONAL REPRESENTATIVES

University of Utah

Michael K. Young, President
David W. Pershing, Senior Vice President for Academic Affairs and Provost
Theresa Ashman, Controller/Director, Financial Management

Paul T. Brinkman, Associate Vice President for Budget and Planning
John G. Francis, Senior Associate Vice President for Academic Affairs
Stephen H. Hess, Chief Information Officer
Laura Snow, Special Assistant to the President and Secretary of the University

Utah State University

Stan L. Albrecht, President
Raymond T. Coward, Executive Vice President and Provost
David Cowley, Associate Vice President for Business and Finance
Michelle B. Larson, Assistant Provost
Sydney J. Peterson, Chief of Staff

Weber State University

F. Ann Millner, President

Southern Utah University

Michael T. Benson, President
Rodney Decker, Interim Provost

Snow College

Scott L. Wyatt, President
Marvin Dodge, Vice President of Business Administration
Bradley A. Winn, Academic Vice President

Dixie State College

Stephen D. Nadauld, Interim President
Scott Talbot, Executive Director, Business Services

College of Eastern Utah

Mike King, Interim President

Utah Valley University

Elizabeth J. Hitch, Interim President
Jack R. Christianson, Executive Director, Center for Engaged Learning
Vincent T. Fordiani, Special Assistant to the President for Constituent Relations
J. Karl Worthington, Interim Vice President for Academic Affairs

Salt Lake Community College

Cynthia A. Bioteau, President
Dennis Klaus, Vice President of Business Services
Kimberly Henrie, Senior Budget Officer
Joe Peterson, Vice President of Instruction

Utah College of Applied Technology
Richard L. White, President

Representatives of the Media
Wendy Leonard, *Deseret News*
Rochelle McConkie, *Daily Utah Chronicle*
Jennifer Napier-Pierce, KUER Radio

Other Guests
Thomas C. Anderson, Office of the Attorney General
Carson Howell, Governor's Office of Planning and Budget
Spencer Pratt, Office of the Legislative Fiscal Analyst

Following a breakfast meeting with President Young and the University of Utah Board of Trustees, the State Board of Regents convened in Committee of the Whole at 9:30 a.m. Chair Jed Pitcher called the meeting to order. He welcomed everyone and excused Regent David Jordan.

Report of the Commissioner

Commissioner Sederburg reported, in an effort to improve efficiencies, he was in the process of reorganizing and streamlining the Commissioner's Office. The mandated budget cut has impacted higher education, including the Commissioner's Office, as well as other agencies of the state. Assistant Commissioner Cameron Martin is working on a Voluntary System of Accountability to coordinate efforts with the institutions and to gain greater credibility with the Legislature and Governor's Office. Candidates have been interviewed for an Assistant Commissioner in the Finance and Facilities Department, and a selection will be made in the next few days.

Measuring Up 2008. Commissioner Sederburg referred to the most recent Measuring Up report and noted 49 of the 50 states had received an "F" in Affordability; California received a "C-." Two years ago Utah received an "A" and things have improved since then, so we are disputing this "grade." Utah also dropped by 14 percent in Participation. In addition, Utah has the largest gap in the country between Hispanic and non-Hispanic students. Two factors are key: High tuition rates at our community colleges (150 percent of the Western state average) and programming for Hispanic students.

Budget Update. The state has been asked to cut \$1.1 billion from its budget over two years – this fiscal year and the next. The Governor's staff has also requested scenarios of 5 percent and 7½ percent cuts for this year and 10 percent and 15 percent cuts from next year's budget. The Governor's budget recommendation for higher education includes an additional 1½ percent cut for this fiscal year (for a total of 5½ percent cut). This could be accomplished by bonding for capital facilities and using cash to reduce the impact on budgets. President Benson asked about the size of a possible bond. Carson Howell said a \$25 million bond is proposed this year for the Utah Museum of Natural History. The Governor also will propose an additional 7 percent

reduction for the next fiscal year, with 3½ percent being “back filled” with one-time money. In addition, the Governor is proposing that the state continue to cover health insurance increases for employees, using the 75/25 percent split. Governor Huntsman is not recommending any salary increases for state employees. He is committed to fund O&M expenses for non-state funded buildings; however, his budget request did not include any new buildings this year. The Governor supports institutional flexibility in dealing with the budget cuts. He also proposed using some of the state’s “Rainy Day Funds” to cover the decreased revenues.

The legislative staff has requested a plan for an additional 5 percent cut in this fiscal year and 10 percent additional cuts from next year’s budget. A 5 percent cut for higher education would amount to \$36.8 million, and a 10 percent cut would be \$73.7 million. The Legislative Fiscal Analyst is now requesting scenarios for cutting an additional 7½ percent from this year’s budget and an additional 15 percent from next year’s budget. A 10 percent budget cut, if it came from tuition only, would require a tuition increase of 31 percent. We do not support that; we are trying to protect our students as much as possible.

The budget cuts are exacerbated by the fact that enrollments are up by 8½ percent this year. Commissioner Sederburg encouraged the Regents and institutional Trustees to speak with legislators about the importance of funding higher education. We want to preserve tuition flexibility but realize that some mandatory cuts will have to be covered by tuition increases. While this is not a pleasant experience, Utah is in a better fiscal condition than many other states.

State Board of Regents Organizational Plan

Chair Pitcher asked Regent Morgan to lead the discussion on strategic planning (Tab A). Regent Morgan said the proposed organizational plan focused on the core role and functions of the Regents, following on the discussions at the October Board meeting. A second part of this work will be the development of a new strategic plan. This was put “on hold” until the new Commissioner was hired. A third discussion was the restructuring of Board meetings. Collectively, Chair Pitcher, Vice Chair Beesley, Regent Morgan, Regent Zenger, and Commissioner Sederburg agreed to do these three things simultaneously. Regent Morgan thanked Assistant Commissioner Martin for preparing the proposed strategic and operational plan, which he noted is actually an organizational plan and not a strategic plan.

Regent Morgan reviewed the outcomes of the discussions in October: The Regents agreed to focus more on strategic issues, be more of an advocate for higher education, and actively participate in economic development. The document (Attachment to Tab A) included a very short summary of a proposed strategic plan. This discussion is intended to focus on the organizational plan. This is only the beginning of an ongoing process. The proposal is that during regular Board meetings, the morning session will focus on strategic issues. The afternoon session will consist of committee meetings to deal with substantive issues. There will continue to be three major committees, each of which may have subcommittees, as appropriate.

Regent Zenger said attention was paid to the comments made in the last meeting. Board meetings will be all-day meetings so that the Regents and Presidents can deal with meaningful issues. Commissioner

Sederburg said the discussions have also included the possibility of the Regents delegating additional responsibilities to the institutional Boards of Trustees. This organizational plan will move in that direction.

Assistant Commissioner Martin divided the group into five breakout groups and asked each to appoint a spokesperson to report back to the entire group. Following lively discussions of the five breakout groups, the Board reconvened in Committee of the Whole at 11:00 a.m.

Group 1. President Wyatt reported that his group was in favor of the proposed plan. There was good support for putting more focus on broader issues. Most of the discussion centered around meetings and Trustees. There was agreement to move forward with full-day meetings as outlined in the document. The Regents need to be on the campuses to actually experience what is going on at each institution. The group also raised the question of whether four meetings a year would be adequate and whether momentum could be maintained. Would a four-meeting annual schedule limit the Regents' ability to be on campus? There was considerable discussion on what could be delegated to the Trustees and what should not be delegated. The ultimate conclusion was that this was a good direction for the Board.

Group 2. Regent Karras reported a wide-ranging discussion in his group. There was agreement that this would be a public document that will go out to a much larger audience. The group discussed moving assessment issues from the Programs Committee to the Strategic Planning and Communications Committee and agreed that the Regents should look at functions horizontally and step back from the administrative functions. More responsibilities could be assigned to the Council of Presidents and the institutional Trustees. The Regents need to analyze the system as a whole and be advocates for higher education and its benefits. They may also include outsiders with expertise to force discussions on issues such as demographic trends and issues, for example. The group preferred six meetings a year rather than four. The Finance Committee description was deficient on budget issues. The Finance Committee should have access to the proposed budget before it is approved. The same is true for tuition increases. What is the Regents' role with the overall budget? The group suggested that existing committees look at the document to see what is working. Are all issues covered that should be covered?

Group 3. Joe Curtin reported that his group discussed committee structure. Is it sufficient? The group noted no mention of student affairs in the document. This could be a subcommittee of one of the major committees. Subcommittees might be beneficial to ensure that key issues are not overlooked. The Regents should provide statewide coordination of issues (campus security, economies of scale, statewide recruitment of students, etc.). Should the Regents and Commissioner's Office work fill a supervisory role or a supportive role? There should be a taxonomy of roles so that the Regents and the institutions are giving the same message to the Legislature on who is responsible for making what types of decisions. The Planning Committee should coordinate with the Programs Committee. With regard to the issue of holding fewer meetings, the group suggested the possibility of holding Board meetings electronically, working with subcommittees to ensure that the lighter meeting schedule would work.

Regent Holbrook moved that the Regents move forward in a conceptual direction, with the next Board meeting being an all-day meeting, beginning with three committees to shape the focus and

process of those committees, with the provision for change as the document evolves. Regent Atkin seconded the motion, which carried.

Regent Motiwala moved that the Board meet in executive session after the committee meetings to discuss personnel issues and/or real estate issues. Regent Morgan seconded the motion, which was adopted unanimously.

The Regents went to their respective committee meetings.

Following meetings of the Board committees and lunch, the Regents reconvened in Committee of the Whole at 2:25 p.m. Chair Pitcher apologized for the delay due to the Regents' meeting in executive session.

Utah Business Roundtable Update

President Millner reported that Regents, Presidents, and members of the business community will meet on December 11. She recognized Dr. Dennis Jones, who will facilitate the roundtable discussion. Dr. Jones said the purpose of the Utah Business Roundtable is to discuss the future of the state and how higher education contributes to the needs of the state in economic development and other areas. It is often difficult to get members of a roundtable who are willing to actually implement the agenda it has set. Much of that responsibility will likely fall to the Regents and Presidents. President Millner said she was excited to have the support of the Governor to pull together these important people to discuss the future of Utah and its economic prosperity.

Assistant Commissioner Martin pointed out that the meeting on December 11 would be held at the State Capitol. Another meeting is planned on December 12 at the Regents' offices to strategize on implementation of the vision and plan created the previous day. It is hoped that each institution will have a representative at that meeting. He asked the Presidents to let him or Secretary Cottrell know the name of the person who will be attending the December 12 meeting.

State of The University of Utah

Senior Vice President Pershing presented a PowerPoint presentation. He noted the University is the largest producer of four-year and graduate degrees in the Utah System of Higher Education. The U connects faculty with students via high-engagement programs through its Honors College, undergraduate research, Study Abroad, and other programs. State funding for University facilities is modest by USHE standards; the University constructs most (approximately 88 percent) of its facilities with non-state funds. Taxpayers pay only a small share of the cost of educating students at the University. Dr. Pershing discussed USTAR and its benefits to the University and to the state economy. It has been a wonderful support system for the University of Utah and Utah State University, particularly in the information technology and biotechnology areas. He noted that in 2006 national rankings, the University of Utah ranked first in efficiency in starting companies, second in overall number of companies started, second in inventions generated per research dollar, and ninth in revenue generated per research dollar. For several years, the University of Utah has averaged more than 20 start-up companies per year.

Commissioner Sederburg asked about taking research and making it applicable to the undergraduate levels. Dr. Pershing said the University believes the best way to achieve technology transfer is to move the student from the laboratory into the company.

General Consent Calendar

On motion by Regent Snow and a second, the following items were approved on the Board's General Consent Calendar (Tab O):

- A. Minutes – Minutes of the Regular Board Meeting held October 24, 2008, at Utah Valley University in Orem, Utah
- B. Grant Proposals – On file in the Commissioner's Office
- C. Grant Awards
 - 1. University of Utah – U.S. Department of Energy; "Clean & Secure Energy"; \$3,306,319. Philip J. Smith, Principal Investigator.
 - 2. University of Utah – Research Partnership to Secure; "Tight-Gas Reservoirs"; \$1,068,862. Milind Deo, Principal Investigator.
 - 3. University of Utah – National Highway Traffic; "NEMSIS Tech. Assistance Center"; \$1,614,576. Newell C. Mann, Principal Investigator.
 - 4. University of Utah – Bioenergenix LLC; "PAS Kinase and Diabetes Therapy"; \$1,179,888. Jared P. Rutter, Principal Investigator.
 - 5. University of Utah – National Institutes of Health/National Institute for Child Health and Human Development; "National Children's Study Wave-1"; \$1,000,000. Edward B. Clark, Principal Investigator.
 - 6. University of Utah – National Park Service; "Assistance for the University of Utah Museum of Natural History"; \$4,965,000. Sarah B. George, Principal Investigator.
 - 7. University of Utah – Lignin Biofuels LLC; "Lignin-to-Fuels"; \$1,981,063. Wlodzimierz Zmierczak, Principal Investigator.
 - 8. University of Utah – National Institutes of Health/National Institute of Neurological Disorders and Strokes; "Prevention of Epilepsy"; \$5,574,406. H. Steve White, Principal Investigator.

9. Utah State University – Utah State Office of Education; “EBLS Charter School Fund”; \$2,081,835. Sue McCormick, Principal Investigator.
10. Utah State University – U.S. Naval Research Laboratory; “Naval Research Laboratory (NRL) Advanced Ground, Air, Space, Systems Integration (AGASSI) Task Order 0001”; \$2,752,215. Niel Holt, Principal Investigator.

Reports of Board Committees

Strategic Planning and Communications Committee – Regent Meghan Holbrook, Chair

Campus Retention Plan Reports – University of Utah and Salt Lake Community College (Tab L). Chair Holbrook asked Regent Morgan to comment on the committee discussion. Regent Morgan said these were the last retention reports to be reported to the Board of Regents. Institutional representatives were asked to summarize briefly their efforts.

University of Utah – Associate Vice President Paul Brinkman said University officials pay attention to the faculty and how well they are doing. They pay attention to the students, as well, and how well they are doing in their educational pursuits. Plans have been implemented to coordinate efforts; a committee has been formed. It has been critical to get the students engaged with their education. This is being done in several ways. The University provides basic help (tutoring, orientation, etc.), and progress is being made. Student retention has been increased from the freshman year to the sophomore year by 8 to 9 percent in the past few years.

Salt Lake Community College – Vice President Joe Peterson referred to the Attachment to Tab L, which was in the agenda materials. SLCC is participating in the National Community College Benchmark Project. The college is in the 95th percentile in granting degrees. Students who complete a course in developmental English then complete a college course in English at the 75th percentile. However, there is still progress to be made in developmental math. Commissioner Sederburg asked if SLCC had a policy requiring attendance on the freshman level. This could improve retention. He then asked if the college provided mid-semester feedback so that the students know how they are doing. Dr. Peterson said SLCC has an early alert system for intervention. Regent Morgan said SLCC presented impressive data on retention of ethnic minority groups while being low in participation rates.

USHE Legislative Priorities for 2009 (Tab M). Associate Commissioner Dave Buhler referred to the written report in the agenda. He mentioned a possible bill to change border waivers to allow schools to use an FTE basis and share waivers between institutions. Regent Karras stated he was personally opposed to the proposed bill to remove UCAT from the Utah System of Higher Education, particularly in light of the current economic conditions. Commissioner Sederburg suggested that the UCAT bill and the concurrent enrollment bill be pulled from the list of bills getting higher education support until draft language is available. Chair Holbrook remarked that this was a conditional list which will change frequently, especially after the Legislature convenes. She suggested that discussion of legislative priorities be tabled until the January meeting. Regent Karras suggested that the Commissioner’s staff reconsider some of the proposed bills in light of the current budget cuts. **Regent Morgan moved to table this agenda item until January. Chair Holbrook seconded the motion, which was adopted unanimously.**

USHE Legislative Advocacy Plan for 2009 (Tab N). Associate Commissioner Buhler referred to Replacement Tab N. He noted the objectives on the attachment. The following teams of advocates will coordinate activity: (A) Regents and Trustees Team, chaired by Regent Bob Marquardt, will include Regents Holbrook, Karras and Snow as well as two trustees from each institution. A proposal was made in committee to have the Council of Presidents review the tradition of hosting a legislative luncheon at the Capitol and that the Presidents come back with a proposal. (B) Business Leaders Team, chaired by Regent Marquardt, will include Regents Karras and Atkin as well as business leaders who are supportive of higher education goals and causes. Regent Marquardt will coordinate with the Salt Lake Chamber and other business groups as appropriate. **Regent Morgan moved approval of the proposed Legislative Advocacy Plan. Regent Zenger seconded the motion, which was adopted.**

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

University of Utah – Non-state Funds Capital Development Projects for 2009-2010 (Tab H). Chair Atkin said Board approval was required prior to the beginning of the 2009 General Legislative Session so these projects will be eligible for state-funded O&M or capital improvement funding: (1) The Beverly Taylor Sorensen Arts and Education Complex, (2) Ambulatory Care Complex, (3) David Eccles School of Business Replacement and Expansion, (4) Kennecott Building Renovation, and (5) South Campus Housing. **Chair Atkin moved approval of the University's request, seconded by Vice Chair Karras. The motion carried.**

University of Utah – Authority to Pursue Issuance of Revenue Bonds (Tab I). Chair Atkin said these revenue bonds would finance two construction projects previously approved by the Board. The first is a bond not to exceed \$44 million, plus amounts required for debt service reserves, issuance costs, and capitalized interest, if necessary. This bond would be used for the infrastructure development of the University "green field" site and the construction of a central chilled water plant. Debt service would be paid from research overhead funds, with infrastructure fees being used to help pay down the bond at a later date. The second project is the expansion of the University Neuropsychiatric Institute (UNI). This will expand the UNI to accommodate increasing demand and to better accommodate economies of scale. Expansion costs would be covered by a \$45 million revenue bond, with an additional \$5 million coming from other internal sources. **Chair Atkin moved approval of the purchase of these revenue bonds. Vice Chair Karras seconded the motion, which was adopted unanimously.**

UHEAA – Approving Resolution, SBR Student Loan Revenue Bonds, Senior Series 2008A (Tab J). Chair Atkin reported UHEAA staff had been able to obtain a letter of credit from Wells Fargo Bank for approximately \$200 million to retire old bonds. The differential between interest rates on existing bonds and expected interest rates on new bonds will result in an approximate savings of \$5.7 million annually. Chair Atkin remarked that this credit is very highly sought after. He commended UHEAA officials for this achievement. **Chair Atkin moved approval of the approving resolution. Vice Chair Karras seconded the motion, which was adopted unanimously.**

UHEAA Update (Tab K). UHEAA Executive Director David Feitz reported no significant change since the October Board meeting. UHEAA officials have been able to fund all student loans this year without delay. Director Feitz said Senator Orrin Hatch had been in the UHEAA offices earlier in the week; he is very supportive

of the local student loan program. Utah has been able to reduce its student default rate from 4.3 percent to 2.8 percent.

Academic, CTE and Student Success ("Programs") Committee – Regent Katharine B. Garff, Chair

University of Utah – Bachelor of Science Degree in Athletic Training Education (Tab B). Chair Garff reported this request was in response to a 2007 review by the Commission on Accreditation of Athletic Training Education, in which accreditors said that for the University to keep the Athletic Training Education Program's accreditation, the program would need to be its own major. The degree will allow graduates to become eligible to sit for the national certification exam, become licensed to practice in Utah, and meet the expectations and requirements of the national accrediting agency. **Chair Garff moved approval of the Bachelor of Science Degree in Athletic Training Education. Regent Karras seconded the motion, which was subsequently adopted.**

University of Utah – Doctor of Philosophy (Ph.D.) Degree in Rehabilitation Science (Tab C). Chair Garff said the proposed program would prepare researchers and scholars to determine the best scientific bases of rehabilitation practices and the effectiveness of those clinical practices. Shortages in trained faculty support the need for this program. **Chair Garff moved approval of the Ph.D. Degree in Rehabilitation Science. Regent Karras seconded the motion, which was adopted.**

Consent Calendar, Programs Committee (Tab D). **On motion by Chair Garff and second by Regent Karras, the following items were approved on the committee's Consent Calendar, with Regent Wright voting in opposition:**

Southern Utah University –

- A. The Utah Center for Arts Administration
- B. Certificate in Speech Writing
- C. Endorsements in Gifted and Talented Education, Elementary Mathematics and Educational Technology

Information Calendar, Programs Committee (Tab E). Chair Garff did not present an oral report because of time constraints.

Utah State University/College of Eastern Utah – Consultants' Final Report (Tab F). Commissioner Sederburg reported that the three consultants did not recommend a merger of the two schools at this time.

Weber State University – Progress Report for a Bachelor of Science Degree in Engineering (Tab G). Commissioner Sederburg said there was a need for an engineering program in the WSU area. A three-member committee was appointed several months ago to study the issue and make a recommendation. Their recommendation was not to put an engineering program at Weber. However, Weber officials feel there is a strong need. A meeting has been scheduled with USU President Stan Albrecht and WSU President Ann Millner to work out a collaborative agreement. Chair Garff expressed her appreciation to the presidents, vice presidents, and their respective staffs for their excellent work.

Report of the Chair

Chair Pitcher referred to his written report in the Regents' folders. He thanked President Young and his staff for their hospitality and wished everyone a very Merry Christmas.

Adjournment

The meeting adjourned at 3:00 p.m.

Joyce Cottrell CPS, Executive Secretary

Date Approved

