

STATE BOARD OF REGENTS MEETING
UTAH VALLEY UNIVERSITY, OREM, UTAH
JULY 16-17, 2009

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JOINT MEETING OF THE STATE BOARD OF REGENTS
AND STATE BOARD OF EDUCATION
UTAH VALLEY UNIVERSITY, OREM, UTAH
JULY 16, 2009

Minutes

Regents Present

Jed H. Pitcher, Chair
Bonnie Jean Beesley, Vice Chair
Brent L. Brown
France A. Davis
Meghan Holbrook
David J. Jordan
Nolan E. Karras
Robert S. Marquardt
Anthony W. Morgan
Teresa Theurer
Marlon O. Snow
John H. Zenger

Regents Excused

Jerry C. Atkin
Rosanita Cespedes
Katharine B. Garff

State Board of Education Members Present

Debra Roberts, Chair
Dixie Allen, Vice Chair
Kim Burningham
Leslie Castle
David Crandall
Greg Haws
Michael Jensen
Shelly Locke
Charlene Lui
Carol Murphy
Mark Openshaw
David Thomas

SBE Members Excused

Laurel Brown
Janet Cannon
Denis Morrill

Office of the Commissioner

William A. Sederburg, Commissioner of Higher Education
David L. Buhler, Associate Commissioner for Public Affairs
Joyce Cottrell, Executive Secretary
Carrie Beckman, Policy and Special Projects Manager
Andrea Cox, Program Specialist
Joseph Curtin, Director, Institutional Research
David Feitz, Associate Commissioner and Executive Director, UHEAA
Spencer Jenkins, Assistant Commissioner for Public Affairs
Andrew Jensen, Utah Student Association Coordinator
Melissa Miller Kincart, Assistant Commissioner for Outreach and Access
Cameron K. Martin, Associate Commissioner for Economic Development

Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Gregory Stauffer, Associate Commissioner for Finance and Facilities
Lucille T. Stoddard, Associate Commissioner for Academic Affairs
Gary S. Wixom, Assistant Commissioner for Academic Affairs
Lynne S. Ward, Director, Utah Educational Savings Plan

Office of the Superintendent

Larry Shumway, State Superintendent for Public Instruction
Martell Menlove, Deputy Superintendent
Brenda Hales, Associate Superintendent for Student Achievement and School Success
Judy Park, Associate Superintendent for Data, Assessment and Accountability
Twila Affleck, Secretary to the State Board

INSTITUTIONAL REPRESENTATIVES:

University of Utah

David W. Pershing, Senior Vice President for Academic Affairs

Utah State University

Stan L. Albrecht, President
Michelle B. Larson, Assistant Provost

Weber State University

Michael Vaughan, Provost

Southern Utah University

Rodney Decker, Interim Provost

Snow College

Scott L. Wyatt, President

Dixie State College of Utah

Stephen D. Nadauld, Interim President
Donna Dillingham-Evans, Academic Vice President

College of Eastern Utah

Mike King, Interim President

Utah Valley University

Matthew S. Holland, President
Cory Duckworth, Vice President for Student Affairs
Kathy Debenham, Interim Dean, School of the Arts

Vincent Fordiani, Special Assistant to the President for Constituent Relations
Val Hale, Vice President for Institutional Advancement
Joseph Watkins, 2008-2009 Student Body President
Janette Hales Beckham, Chair, UVU Board of Trustees

Salt Lake Community College

Dennis Klaus, Vice President of Administrative Services

Representatives of the Media

Kim Burgess, *Logan Herald-Journal*
Wendy Leonard, *Deseret News*
Brandon Loomis, *Salt Lake Tribune*

Other Guests

Steve Avery, Department of Workforce Services
Randall J. Merrill, Superintendent, Provo School District
Charles Nelson, Superintendent, Uintah School District
Allison Nicholson, Office of Legislative Research and General Counsel
Carl Nielson, Utah Early College High School
Spencer Pratt, Office of the Legislative Fiscal Analyst
Connie Steffen, Office of Legislative Research and General Counsel
Richard L. White, President, Utah College of Applied Technology

At noon, President Holland welcomed everyone to the Utah Valley University campus and invited them to help themselves to the buffet tables.

SBR Chair Pitcher greeted the assembly and called the meeting to order at 1:00 p.m. He asked everyone around the table to introduce themselves. SBE Chair Allen expressed her board's appreciation for the opportunity to get together and for the opportunity to work with higher education in the K-16 Alliance. Chair Pitcher outlined the meeting agenda.

Statewide Perspectives

Superintendent Shumway said he appreciated the honor to serve as Superintendent and to work with the members of the State Board of Education and the staff of the State Office of Education as well as others who are influential in the field of education.

Reflecting on the last stanza of Robert Frost's poem, Stopping by Woods on a Snowy Evening ("...I have promises to keep, And miles to go before I sleep"), Superintendent Shumway asked the group to consider the promises educators need to keep. One of the most important promises is literacy; educators have promised to teach our citizens to read. The second promise is to ensure that every student has high-quality instruction in the classroom every day. Third, students are being assessed to comply with the accountability requirements. However, there are no data informing instruction. The teachers need to know what needs to be taught at that particular time, and more research is in progress. The SBE and SOE are looking at studies and practices being done across the country to see what can be used or adapted to Utah.

Commissioner Sederburg thanked President Holland and his staff for the wonderful arrangements and the bountiful lunch. He thanked the Trustees and representatives of the institutions for their attendance. The Commissioner responded to the promises set out by Superintendent Shumway and said higher education would work closely with public education to address these issues.

The Commissioner reported the Utah System of Higher Education is a network of outstanding institutions serving more than 150,000 Utah students. The Regents have established three strategic goals: (1) Increase participation rates. (2) Increase completion rates. (3) Enhance and sustain our colleges and universities as engines of economic development. He briefly explained each of the three goals. For higher education to be successful in meeting these goals, a partnership with public education, workforce services, and the K-16 Alliance is necessary. To be successful in college, a student needs first to be successful in public education (K-12). The two systems must work closely together to make this happen. The Commissioner showed a brief YouTube clip called "Did You Know?" that demonstrated graphically the rapidly changing world in which we live, including the challenges facing education.

National Perspective

Commissioner Sederburg introduced Jennifer Dounay from the Education Commission of the States. She has been active in the K-16 movement and was invited to give a national perspective of the issues facing education and the various strategies used throughout the country. *[Her presentation can be found at <http://www.ecs.org/html/educationissues/HighSchool/UtahK-16.ppt>.]* Ms. Dounay explained that ECS was a non-profit organization located in Denver, Colorado, that works closely with legislators and their staffs, higher education and public education leaders and their staffs. She noted that in 2007 Utah had withdrawn its statutory language dealing with ECS affiliation. She encouraged education leaders to keep in touch with ECS and to renew their memberships, if possible.

K-16 or P-20 organizations have been established in many states. Ms. Dounay briefly explained the areas some other states were addressing, many of which are also being addressed by Utah's K-16 Alliance. She identified the three "keys to success" as actors/agenda, benchmarks, and appropriation of resources (financial and human). Following her presentation, she offered to respond to questions. Commissioner Sederburg suggested the group talk briefly about areas in which public education and higher education could work together. The following questions/suggestions were offered:

1. Incorporate effective and meaningful information on assistance programs
2. Determine what we need to do to get a competitive edge and be an exemplary system nationally
3. Administer adaptive testing to determine where a student is throughout the year and how educators can help them
4. Ensure that every student learns how to read
5. Enlist the help of business in meeting our objectives
6. Determine how to teach math; this is essential for STEM programs
7. Be cognizant of the changing ethnic mix in Utah's population
8. Remedy the disconnect with high school students who take their rigorous math classes prior to the 11th or 12th grade years. They need a math class in their junior or senior year of high school, or they are not prepared for college.
9. Educate the students and parents of the importance of thinking of K-16, rather than K-12. The cost of a college education is increasing much more rapidly than the increase in income. Financial aid is also in a precarious situation.
10. Direct students into the classes they really need to be prepared for college or the workplace. Grades 13-20 need to be made more affordable, especially for minorities.
11. Increase the number of ethnic minorities teaching so the minority students can identify with them. Actively recruit minority students to become educators.
12. Present a standardized curriculum should be presented to parents so they have involvement in their students' curriculum. Parents would have to "opt out" with any changes.
13. Ensure quality instruction – teacher preparation in the colleges of education
14. Coordinate between and among both boards, administrators, district superintendents/college and university presidents and faculty
15. Educate parents on the importance of a rigorous curriculum
16. Create the expectation that all students will attend college
17. Become a P-16 Alliance, not just a K-16 Alliance (Preschool is not yet under the jurisdiction of the State System.)
18. Convince employers not to hire high school students until they have checked their school attendance records

Discussion With Utah's Next Governor

Chair Allen introduced Lieutenant Governor Herbert, who said the purpose of his coming to the meeting was to hear the concerns of the members of the educational community so we can work together to improve

the opportunities for the citizens of Utah. He stated he understood and appreciated the role of the State Board of Regents, the State Board of Education, institutional presidents and local school boards, as well as the role of the Governor and the Legislature. We need to improve the quality of life through growing the economy and enhancing people's lives. Education is crucial to economic growth. We cannot be competitive in a global economy without the educational component. Utah has unique challenges, such as a large land mass that we do not control. Our large families cause the per-pupil spending to shrink. We must raise the bar so that the United States – and especially Utah – is competitive with other nations. Lieutenant Governor Herbert committed to be a friend and advocate of education.

A roundtable discussion with Governor Herbert produced the following comments/suggestions:

1. Education is necessary to improve our families' incomes; 75 percent of the people seeking work do not have a college degree.
2. How do we improve all the young people in our community in terms of education? Do we know the problems, and are we willing to talk about them and find solutions?
3. A recommendation was made that the Governor not appoint a special task force on education. Instead, initiate a round-table committee made of public education and higher education, with representatives of the Governor's Office and the business community. We need to incorporate some of the best practices, not just talk about them.
4. We need to engage the parents so their children get good advice.
5. We need to help parents learn English when this is not their native language. Then they will feel more comfortable interacting with educators.
6. Math readiness is vital; often high school seniors do not take math classes in their junior or senior year. The Governor was asked to help the two boards "rally the political will" to require a more rigorous curriculum.
7. We must challenge our young people with talent. We need to cultivate people with aptitudes in the STEM areas and challenge them to think about scientific fields. At the same time, we must pay teachers so that we can attract the best and brightest.
8. Education must be seen as a value in and of itself. It is not always cost-effective to educate children. The purpose of education is to improve society, make happier people, better voters, and better members of society. Just as virtue is its own reward, so is education. But there are practical applications. Art, for example, has made us a better society. Taxpayers must realize how education benefits society.
9. We need to work closely with the Governor to improve the quality of education for all students in an increasingly competitive global economy. When the Legislature meets, higher education is often seen as a discretionary item. The legislators gave lip service to higher education but did not consider it a priority when it came to funding.
10. Tuition is increasing at a rapid rate. Utah's community college tuition is above national averages. This is a concern because it is a barrier to access, especially for lower income and minority students. Need-based financial aid is a key policy issue in this state. One suggestion was to reconsider the idea of making K-12 education free.

11. The State Board of Education has had a rocky relationship with the Legislature. SBE members encouraged a partnership with the Governor's Office in moving public education's vision forward in working with the Legislature.
12. We need to create incentives for the business sector to encourage them to support education. It was recognized that higher education would be in a different situation without the significant help of the private sector. We need to collaborate and to close the disconnect or misperceptions between the business community and education.
13. We like to think of ourselves as being pro-education as a state. College education rates do not bear this out. Priorities are revealed by the way we spend our money. Higher education's percentage of the state appropriations has continued to decline. That suggests that education is not a high priority. Can we find a way to prevent our share of the state budget from declining further?
14. The current political movement, both state and federal, is troubling. No one knows yet the ramifications of what is taking place in Washington. In addition, state expenditures are still growing, but income is not.
15. The National Governors Association has signed a Memorandum of Understanding with the Army. The Governor's support was requested for some state appropriations to support this movement, or at least a chance to understand why it is not supported. The U.S. Secretary of Education has been invited to come to Utah, and a unified voice (public education/higher education/Governor's office) is desired.
16. The new movement is to look at data in making legislative decisions. We need to get away from relying on anecdotal data. As decisions are made on the state budget, certain things cannot wait until the economy improves. Education cannot wait.

Lieutenant Governor Herbert expressed his appreciation for the efforts of the entire educational community. Utah has great people who sacrifice their time and talents for the good of society. He pledged to work with the boards to find the solutions to the problems facing education. He committed to be available and to work together for improvement.

Chair Pitcher thanked the Lieutenant Governor for taking the time from his busy schedule to attend this meeting.

K-16 Alliance Report

Christine Kearl extended greetings from Governor Huntsman. She also thanked Lieutenant Governor Herbert for his participation. His schedule is extremely during this time of transition, and his presence today demonstrated his commitment to education.

Ms. Kearl said the K-16 Alliance was formed in 2006 under the leadership of Governor Huntsman. Its goals were unification (minimize the boundaries between public and higher education) and to assist students with the transition from high school into college. The Governor has been extremely supportive of the K-16 Alliance, and he recognizes and appreciates the efforts of all who have been working on the Alliance during the past three years. The Alliance has greatly improved the lines of communication. It was to improve the communication between public education and higher education that caused the Governor to appoint district superintendents to the USHE boards of trustees.

Dr. Stoddard reported the dream of the K-16 Alliance was high quality public education and higher education, aligned and integrated. Its mission was to create a system approach from kindergarten through college graduation. Its goal is to facilitate the transition from high school to college, to ensure that students are prepared for college, and to educate more students for productive careers and enriched lives. Associate Commissioner Stoddard reviewed the USHE strategic directions (access and participation, retention and completion, and economic development), and said the goals of public education and higher education mesh completely. K-16 Alliance subcommittees are set up to work toward ways to fulfill these goals. We are not making progress in the area of minority and disadvantaged populations, however. This must also be a priority.

Associate Superintendent Park reviewed successes of the K-16 Alliance, one of which is the common student identifier. A Utah transcript exchange will be started this fall and extend throughout the state next year. This program will provide a common transcript for public education and higher education. Associate Superintendent Park said the cooperation and collaboration of the Alliance is a model for other states. She also discussed the new testing program currently being piloted that reflects ACT admission requirements with Accuplacer placement standards. So far, the results are very positive.

Vice Chair Allen summarized the discussion and thanked everyone for their participation. The meeting adjourned at 5:00 p.m.

REGULAR MEETING OF THE STATE BOARD OF REGENTS
UTAH VALLEY UNIVERSITY
JULY 17, 2009

Following the Regents' breakfast meeting with the UVU Board of Trustees, Chair Pitcher called the meeting to order at 9:10 a.m. He excused Regents Atkin, Cespedes and Garff.

Commissioner's Report

Commissioner Sederburg expressed his gratitude for the productive conversation the previous day with the State Board of Education and Lieutenant Governor Herbert. Quoting the Lieutenant Governor, the Commissioner said he also was interested in getting our "do-how" up to our "know-how."

He reported that a Community College Task Force had been appointed, chaired by President Bioteau, with representatives from each of the institutions. The task force has been meeting and determining its goals. He noted that earlier in the week President Obama had submitted his proposal to fund community colleges.

Enrollment. Commissioner Sederburg asked each President to report how enrollments were looking on their respective campuses. Most institutions reported enrollment increases ranging from 10 percent to 33 percent. The schools are under pressure to plan for this kind of enrollment increase in the fall, with a more modest budget.

The Commissioner welcomed Kim Healey, who has joined the Finance and Facilities staff. Dr. Stoddard reported that the Lumina Grant would enable a study of transfer and articulation processes. Budget: Revenue estimates are on target, but expenses are higher, creating fiscal uncertainty. We are still assuming a budget cut of 17 percent for the next fiscal year. Another issue facing us is the sizeable increase in applications for the New Century and Regents' Scholarship programs and the decreased funding level during the 2009 Legislative Session.

Commissioner Sederburg asked the Associate Commissioners to report briefly on the three strategic goals.

Participation. Associate Commissioner Buhler referred to Tab S and noted that the largest percentage of participation was not in the counties where our colleges and universities were located. Another key fact is that Utah's ethnic participation was considerably lower than most other states.

Retention. Associate Commissioner Stoddard referred to Tab Y. She reported that much research and reporting had been done in the area of retention and completion. We are at the point where we can start benchmarking. Each institution is different, as is each student. We need to look to the various factors involved – ethnic minorities, availability of financial aid, stop-outs for missionary service, etc. Regent Karras commended Dr. Stoddard for her outstanding work with the K-16 Alliance. Chair Pitcher added his thanks as well.

Economic Development. Associate Commissioner Martin referred to Tab S. He reported that the strategic directions discussion in the afternoon would include a discussion facilitated by Craig Bott, president and CEO of Grow Utah Ventures. A recent study rated Utah as the second-most productive state in terms of bachelor's and master's degrees per capita. Dr. Curtin will forward that report to the Regents.

The Regents were dismissed to their respective committees at 9:30 a.m. and reconvened in Committee of the Whole at 11:15 a.m.

Proposed Operating Budget for 2010-2011

Commissioner Sederburg referred to Tab W and explained the attached document entitled Budget Preparations. The first page of the attachment listed several conclusions drawn by the Presidents after discussing the proposed budget. The second page listed four policy considerations for the Regents' discussion and response. He invited the Regents to comment.

It was pointed out that some of the institutions had discontinued programs which resulted in the termination of faculty members and a program loss of students. When the economy recovers, it will take years to rehire faculty and fill the classes again. This has a direct impact on employment. Also, some legislators think higher education can absorb budget cuts easily while continuing to take on enrollment growth through tuition increases. When do we reach the point where we say we cannot continue to take additional enrollment without adequate funding? The possibility was raised of a property tax for higher education. It was noted the President had come out in favor of putting more money into community colleges.

Commissioner Sederburg said a proposal would be submitted to the Regents for approval in August. He noted a revenue section would be included in the budget request. There may be some incentives for businesses to contribute to fund higher education.

Technology Initiative Advisory Board (TIAB) Recommendations

Chair Pitcher referred to Tab X and introduced Dr. John Sutherland, Chair of the TIAB. Dr. Sutherland said he appreciated the opportunity to meet with the Regents. He explained briefly the background of the Engineering, Computer Science and Technology Initiative. Utah has not yet achieved the goal of doubling enrollment in the engineering programs, but enrollment has increased. It created an interesting challenge this year to distribute the appropriation of \$2 million in one-time funds, taking into consideration the budget cuts mandated by the Legislature. At the same time, there is still great need. This year's allocation was based on the original 2008 allocation. A minimum floor of \$20,000 was established, with the balance going toward the schools with the greatest need. Dr. Sutherland noted the allocation was the result of the federal stimulus package, as graduating more engineers would help the economy.

Regent Karras moved approval of the TIAB's funding recommendations. Regent Zenger seconded the motion, which was adopted unanimously.

Reports of Board Committees

Academic, CTE and Student Success (Programs) Committee

University of Utah – Ph.D. Degree in Metropolitan Planning, Policy and Design and the Establishment of the Metropolitan Research Center (Tab A). Acting Chair Jordan commended University officials for this well thought-out program with high demand; in fact, the demand exceeds the available space. The programs are interdisciplinary and involve several units across the university. Consequently, no additional faculty will be needed. The doctoral program will be managed by faculty members with terminal degrees in the Department of City and Metropolitan Planning. **Chair Jordan moved approval, seconded by Vice Chair Beesley. The motion was adopted.**

Utah State University – Interdepartmental Revised Bachelor of Science Degree in Geography (Tab B). Chair Jordan stated Regents' policy reads that if more than 50 percent of a program is modified, it is treated as a new program and brought to the Regents for approval. This program has been updated to provide a high-quality education in the tools and disciplinary knowledge for Geography related to careers in the 21st Century. The revision modified the existing core and made changes in each of the three existing areas of emphasis. **Chair Jordan moved its approval, seconded by Regent Zenger. The motion carried.**

Utah Valley University – Bachelor of Arts/Bachelor of Science Degrees in Finance, Minor in Finance, and Emphasis in Integrated Studies in Finance (Tab C). Chair Jordan noted the proposal continued the evolution and development of UVU's role as a regional university. The finances and physical facilities are already in place. **Chair Jordan moved approval of the program, seconded by Regent Snow. The motion was adopted.**

Utah Valley University – Master of Business Administration Degree (Tab D). Chair Jordan said this was the third master's degree program line-item funded by the Legislature when the school achieved university status. Faculty were hired with the money identified by the Legislature. This program has been taught by USU for many years, so there is already a full cohort of students and the program is fully matured. **Chair Jordan moved approval, seconded by Regent Snow. The motion carried.** Chair Jordan pointed out that the committee had an interesting discussion about the development of future master's programs. The committee discussed the role of a comprehensive regional university, which principally was to offer baccalaureate programs, with some community college programs and a limited number of master's degrees that meet the needs of that particular service area. Master's programs require financial capability as well as student and market demand.

Consent Calendar (Tab E). Chair Jordan pointed out SLCC's program discontinuances were the immediate result of the budget cut. **On motion by Chair Jordan and second by Vice Chair Beesley, the following items were approved on the Programs Committee's Consent Calendar:**

Salt Lake Community College – Program Discontinuances

1. Electronics Technology Programs
2. Associate of Science Degree and Certificate of Completion in Environmental Technology

Information Calendar (Tab F). Chair Jordan said the Information Calendar included program reviews of a number of programs at the University of Utah. He referred to page 10 of the attachment, and noted all of the reviewers of the Physics Department were distinguished faculty with Ph.D. degrees. UVU's program review began on page 20. Many of those programs are no longer in existence. The committee was interested to learn how much these programs had grown and how quickly they had become obsolete.

Finance, Facilities and Accountability Committee

University of Utah – Huntsman Cancer Hospital Improvements (Tab G). Acting Chair Karras said the request was for approval of a site lease and sublease agreement. The Hospital expansion project and its funding source were previously approved by the State Board of Regents, State Building Board, and the 2008 Legislature. **Upon motion by Chair Karras and second by Regent Davis, the request was approved.**

University of Utah – Approval of Investment Policy Revisions and Updates (Tab H). Chair Karras said Policy R541 allows the institutions to develop and revise their own endowment investment policies, subject to Board approval. The University revised and updated its Investment Policy, which now requires Regent approval. The committee reviewed and was comfortable with the changes. **Chair Karras moved approval of the University of Utah's revised Investment Policy. Regent Davis seconded the motion, which was adopted.**

Utah Valley University – Property Exchange with the Utah College of Applied Technology (Tab I). Chair Karras said UVU proposed to trade its Geneva Building, located in the Orem Business Park, with ten acres of property owned by UCAT in the Thanksgiving Point Business Park. The transaction would be beneficial to both UVU and Mountainland ATC. It would allow Utah Valley University to develop a location next to the light rail system and close to MATC. The transaction includes a lease agreement wherein UCAT would lease certain space in and on the Geneva property, as stipulated in the property transfer agreement. **Chair Karras moved approval of the property exchange, seconded by Regent Davis. The motion was adopted.**

Revisions to Policy R207, Institutional Residences for Colleges and Universities in the Utah System of Higher Education (Tab J). Chair Karras reported that the policy had been revised following the sale of the CEU institutional residence to ensure adequate time for advertising and bid time. **Chair Karras moved approval of the revised policy, seconded by Regent Davis. The motion was adopted.**

Revisions to Policy R562, Non-lapsing Balances (Tab K). Chair Karras said the policy had been revised to comply with legislation enacted during the 2009 Legislative Session. The revised policy includes a mandatory reporting deadline for fund balances. **Chair Karras moved approval of the revised policy. Regent Davis seconded the motion, which was adopted.**

UHEAA – Approving Resolution for Student Loan Program Line of Credit (Tab L). Executive Director Feitz reported that because many of the banks no longer offer direct student loans, UHEAA had become a direct lender. The requested line of credit was to enable UHEAA to continue to finance student loans. Last year UHEAA lost money, but the organization is projected to gain \$9 million this year with the opportunity to place the owners with the federal agency. Regent Jordan, chair of the UHEAA Board of Directors, explained that the board had made the decision to put the loans through the Secretary of Education. However, there is a lag time so the line of credit will be used as a float during the time we are awaiting approval. **Chair Karras moved approval of the line of credit. The motion was seconded by Regent Brown and adopted unanimously.**

Consent Calendar (Tab M). **On motion by Chair Karras and a second by Regent Davis, the Regents approved SUU's request to sell the Stevenson Property, as detailed on the agenda.**

Financial Ratios (Tab N). Chair Karras this report was the beginning of a dashboard approach to monitor institutions. Weber's model was done very well. The committee requested more current numbers. Chair Karras invited the other Regents to look at the report. This is a good start, but there is more to be done.

University of Utah – Hospitals and Clinic Proposed Budget for FY 2010-2011 (Tab O). Chair Karras expressed the Regents' appreciation to Senior Vice President Betz and his team for the outstanding job they had done with the University Hospital system. In accordance with recent policy changes, the operating budget was presented to the Regents for information only.

Update on USHE Information Technology Strategic Plan (Tab P). Chair Karras commended Dr. Steve Hess and his staff for keeping up with the rapid changes in technology. He commended the institutions and the system office for their cooperation.

UHEAA Update – Student Loan Program (Tab Q). Chair Karras referred to the report and noted that student loan volume continued to increase. Commissioner Sederburg said Executive Director Feitz had been very active in meeting with officials in Washington, DC. Many of the successes in this area are attributable to Dave and his work. Regent Jordan commented that Senator Hatch had arranged for Dave to meet with Senator Kennedy's staff; that meeting was useful as changes are considered in the federal student loan program.

Strategic Planning and Communications Committee

Awards for New Century and Regents' Scholarships (Tab R). Chair Holbrook explained that the number of qualified applicants for these scholarship programs outpaced the available state funding. To stay within the amount appropriated, it was recommended that the amount of the awards be limited. Associate Commissioner Buhler explained that the only two options were to limit the number of awards or to reduce the amount of the awards. This was a difficult decision. After lengthy discussion, the committee approved the Commissioner's recommendation, with a new #1:

1. **The Board officially asks the Legislature to provide \$1.7 million in one-time money to enable the Board to fully fund the awards. Otherwise:**

2. For Fiscal Year 2009-2010, all qualified New Century Scholarships (both continuing and new awards) will be awarded at 40 percent of tuition.
3. For Fiscal Year 2009-2010, all newly qualified Regents' Scholarships will be awarded as follows:
 - a. Base Award: \$1000
 - b. Exemplary Award: 55 percent of tuition
 - c. UESP Match: Fully funded (up to \$400 maximum)
 - d. Priority Deadline: To encourage and reward students for applying by the priority deadline, an additional \$80 incentive in the base award will be granted for those who met the priority deadline, for a total base award of \$1080.
4. Authorize the Commissioner's Office to reduce 2009-2010 awards by a maximum of five additional percentage points if that becomes necessary due to the volume of eligible recipients between now and when awards are disbursed.
5. For Fiscal Year 2010-2011, announce that the awards will be as follows (assuming no additional state appropriation and assuming no statutory changes to the programs):
 - a. For New Century: 25 percent of tuition
 - b. For Regents' Scholarships: \$1000 base award and an additional Exemplary Award at a level to be determined, based on the number of qualified applicants and available funding. UESP match would remain at a maximum of \$400.
6. Direct the Commissioner's Office to develop a sustainability plan for both scholarships and to present this plan to the Board at a future meeting for consideration and approval.

Associate Commissioner Buhler briefly explained the recommendation and clarified that the supplemental would be for the current year. Vice Chair Beesley said the purpose of these awards was to encourage young people to take a rigorous high school curriculum to prepare to be successful in college. She suggested the possibility of asking businesses to help fund the shortfall. **Chair Holbrook moved the Commissioner's recommendation, as amended above. Regent Morgan seconded the motion, which was adopted unanimously.**

Strategic Goals Progress Report (Tab S). Chair Holbrook, on behalf of the committee, thanked the Associate Commissioners for the work they had done in the areas of participation, completion and economic development. She referred to the report and said the committee had recommended a clarity of purpose as well as dates of expectation. **Chair Holbrook moved the adoption of the progress report. Regent Marquardt seconded the motion, which carried.**

Overview of 2010 Messaging (Tab T). This report was provided for information and required no action.

Advocacy Report – Friends of Utah Higher Education (Tab U). Regent Marquardt reported that a breakfast meeting was held in June to thank legislative leadership for their help in the 2009 Legislative Session. President Waddoups and Speaker Clark related personal stories about their experiences. It was recognized that revenues are low and not everything could be funded. Regent Marquardt is making an effort to legally organize the group into an official PAC.

Future Agenda for Strategic Planning and Communications Committee (Tab V). This was discussed in committee.

General Consent Calendar

Upon motion by Regent Holbrook and second by Vice Chair Beesley, the following items were approved on the Regents' General Consent Calendar:

- A. Minutes – Minutes of the May 29, 2009 Board meeting at Weber State University in Ogden, Utah
- B. Grant Proposals – On file in the Commissioner's Office
- C. Grant Awards
 - 1. University of Utah – National Institutes of Health/National Library of Medicine; "National Network of Libraries of Medicine NL/LM) Service"; \$1,354,127. Jean Pugh Shipman, Principal Investigator.
 - 2. University of Utah – Southern California Edison; "Entrada Deep Saline Deployment Project"; \$4,594,674. Brian J. McPherson, Principal Investigator.
 - 3. University of Utah – National Institutes of Health/National Cancer Institute; "Natural Anticancer Agents"; \$1,115,725. Chris M. Ireland, Principal Investigator.
 - 4. University of Utah – National Institutes of Health/National Institute on Drug Abuse; "Methamphetamine and Cocaine"; \$1,025,411. James W. Gibb, Principal Investigator.
 - 5. University of Utah – Army Medical Research Acquisition; "Treating Vascular Eye Diseases"; \$2,989,476. Dean Y. Li, Principal Investigator.
 - 6. Utah State University – U.S. Naval Research Laboratory; "Naval Research Laboratory (NRL) Advanced Ground, Air, Space, Systems Integration (AGASSI), Task Order 0001"; \$1,561,000. Niel Holt, Principal Investigator.

Resolution of Appreciation

Commissioner Sederburg thanked Dr. Elizabeth Hitch for her work as Interim President of Utah Valley University. **Regent Jordan moved adoption of the Resolution of Appreciation for Dr. Hitch, seconded by Regent Brown. The motion carried, and the resolution was adopted.** A copy of the resolution is on file in the Commissioner's Office.

Report of the Chair

Chair Pitcher reminded the Regents that the next Board meeting would be on August 28 at Utah State University. The primary agenda items will be the budget request and capital facilities prioritization. We are still awaiting the appointment or reappointment of some Regents. When that occurs, committee appointments and assignments to the institutional Resource and Review Teams will be made. He noted that as of July 1, the Regents would no longer serve on UCAT Campus Boards of Directors.

Also effective July 1, William H. Prows became a non-voting member of the Board, representing UCAT. He was unable to be present at this meeting. Chair Pitcher welcomed the appointment and said Regent Prows would be a good addition to the Board.

State of Utah Valley University

Following lunch, President Holland showed a brief video of events that transpired at UVU during the past year. He thanked Commissioner Sederburg and Dr. Hitch for their valuable service to the institution and said he and his family were very pleased to be at UVU. President Holland announced that Dr. Jack Christianson had been appointed Special Assistant to the President for Engaged Learning. UVU identifies itself as engaged, inclusive, serious, and large. He acknowledged Dr. Val Peterson and Linda Makin, who were recognized as Co-CFOs of the year in Utah Business Magazine. Following his remarks, he invited the Regents to tour some of the university's newest facilities.

Report and Recommendations of the College of Eastern Utah Task Force

Regent Jordan, chair of the CEU Task Force, briefly explained the process that led the Regents to this point. Following the May 29 Board meeting, meetings were held with various constituencies in Price and Blanding. USU President Stan Albrecht and members of his staff participated, along with the task force. During those meetings, the task force made it clear that their goals were to preserve and strengthen the comprehensive community college programs in southeastern Utah; expand educational opportunities for the residents of southeastern Utah by increasing baccalaureate, graduate and research opportunities; preserve the identity, history, traditions, and achievements of the College of Eastern Utah; and improve the long-term financial viability and vitality of higher education in southeastern Utah. Chair Jordan reported challenges had been discussed openly and candidly.

The following four options for CEU were discussed at the meetings: (1) Phase out CEU, (2) continue the status quo, (3) become a regional campus of the USU multi-campus system, and (4) become a comprehensive regional college within the USU system. During the discussions, some people argued strongly for option 2. The CEU community did not like the idea of surrendering any measure of autonomy; rather, they wanted to maintain local control. The campus and community are divided on this issue. As a land-grant institution, USU has the capacity and opportunity to seek federal grants, which could be a benefit for CEU.

It was the recommendation of the task force that the College of Eastern Utah become a comprehensive regional college of Utah State University, with the following provisions:

- Utah State University will be charged with responsibility for the governance, personnel, finances and facilities management of the College of Eastern Utah through statutory amendments and Regents' policy changes.
- CEU will be led by a Chancellor, who will be the resident chief executive officer of USU/CEU and will report directly to the President of USU.
- CEU will be overseen by the USU Board of Trustees. The current CEU Board of Trustees will transition to a regional advisory council.
- The Governor will be encouraged to appoint a southeastern Utah resident to be a member of the USU Board of Trustees and, if necessary, the size of the current USU Board will be increased to facilitate that representation.
- Lower community college tuition rates for lower-division and career and technical education programs will be maintained.
- A diverse range of student activities, cultural, social and athletic programs will be supported.

Chair Jordan said this transition would take several months. A Memorandum of Understanding (MOU) will be developed between USU and CEU by December 2009, in anticipation of legislative action during the 2010 General Session. It is hoped that the MOU would become a working document to lead the Regents through this process. The task force was appreciative of the participation from community and legislative leaders in the area. Chair Jordan clarified that the CEU Chancellor would not be included in the Council of Presidents but would function as a senior or executive vice president.

Regent Morgan emphasized that a key factor was to ensure that the community college role (particularly the CTE role) would flourish in southeastern Utah. This is very important for that area. He cautioned that mergers do not save money; USU particularly will incur some transition costs which we cannot ask President Albrecht to absorb.

Regent Davis expressed his appreciation for the clarity of the document and asked if any consideration had been given to an alliance with Snow College. Regent Jordan responded that it had been considered by the Commissioner's office and Dr. Mike Petersen. Snow cannot offer the opportunity for four-year programs which would be beneficial at CEU. Regent Karras asked about a fiscal note to the required legislation. President Albrecht said it would take some due diligence to determine what costs would be required. Vice President Hunsaker has been asked to make that determination.

Representative Patrick Painter suggested more input was needed from the community, faculty and staff. Input into the MOU would also be extremely helpful. He said he had opened a bill file and was willing to help get the necessary legislation through the Legislature, as was Senator David Hinkins.

Regent Jordan reviewed the recommendation. There was some anxiety over the MOU, but interested parties were comforted by the fact that the Commissioner's office would oversee the project and that the Regents would continue to monitor the MOU. Chair Pitcher asked Regent Jordan and the other members of the task force to remain in force and to act as another overseer of the MOU. Regent Jordan agreed. He said this had been a very difficult, painful process. It would not have been possible to get to this point without the sensitivity of President King in the way he has handled this issue.

President King expressed his appreciation for the work of the task force and said the process had been a challenge for everyone. He said Regent Jordan had accurately conveyed the feelings of the community. The most important factor is what is best for the students and citizens of southeastern Utah. Education in rural areas will always be more expensive, but it is worth it. This will be beneficial to southeast Utah on an economic level as well as an educational level.

President Albrecht committed to look forward with the CEU community to make the transition successful. He thanked Regent Jordan and the task force for their sensitivity. He expressed his appreciation to President King, who organized the agenda and the groups with whom they met. He was also appreciative of the faculty, staff and community who received the USU staff graciously. CEU has a long history as a community college. USU will make sure that mission is retained.

Regent Brown asked what would happen in the coming year before this is implemented. President Albrecht responded there were already things taking place that would need to continue, independent of the transition. Regent Brown asked that everything possible be done to address the fear felt by the CEU community. President King said this was being done as much as possible.

Commissioner Sederburg reminded the Regents that even if they approve this resolution, the Legislature would still make the final decision. He recommended that if this recommendation is approved, the Regents move forward to seek for a transition director – someone who can reassure the local community and help campus personnel understand that this is not a fire sale. The future will be positive and strong. He asked for suggestions of individuals who are knowledgeable about this type of issue and who could be seen as a neutral party. There are many issues to be addressed. The staff of both institutions will be needed.

Regent Zenger moved acceptance of the task force's recommendation. The motion was seconded by Regent Snow, and the motion carried. Chair Pitcher thanked the task force for doing a difficult job very well.

Associate Commissioner Martin referred to Tab BB and said an update would be provided from the institutions on three pilot programs at the next meeting: Aerospace (WSU), Digital Media (UVU), and Energy (SLCC). The institutions with expertise in a particular area were chosen as the lead for each area, but the expectation is that every institution would participate in at least one of these programs. He reported Workforce Services had committed \$900,000 to this venture. The Commissioner's office is excited about this partnership. Dr. Martin thanked President Millner for her leadership of the program.

Craig Bott, President and CEO of Grow Utah Ventures, spoke about the concept of economic clusters. He briefly reviewed the history of the clusters program and his own experience. He thanked higher education for taking the lead to expand these industries. Other states have had great success with clusters. Higher education is all about talent and ideas, which are necessary to growing cluster acceleration. Applied research can also create new ideas and new companies.

President Millner said to do the things necessary in the area of higher education, we need to grow our economy. To do that, we focus on high-wage jobs that will drive the economy and work with what is already being done by companies. This provides an exciting perspective. Associate Commissioner Martin thanked President Millner and Mr. Bott for their work. He requested an opportunity to report on the three pilot programs at a later meeting(s).

Commissioner Sederburg thanked Dr. Martin for his work in this area. He also thanked Dr. Gary Carlston, Dr. Mike Petersen and others who had worked long and hard on the CEU project during the past year.

Chair Pitcher reminded the Regents who had not submitted their self-evaluations to do so as quickly as possible. He asked the Board if they would prefer to meet in closed session to hear the reports of the Resource and Review Teams at the conclusion of this meeting or wait until the August meeting in Logan. **It was moved and seconded that the Regents go into executive session at the conclusion of this meeting.**

The Board moved into closed session at 3:12 p.m. and adjourned from there.

Joyce Cottrell CPS, Executive Secretary

Date Approved