

STATE BOARD OF REGENTS MEETING
REGENTS' OFFICES, SALT LAKE CITY, UTAH
OCTOBER 16, 2009

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Minutes

Regents Present

Jed H. Pitcher, Chair
Bonnie Jean Beesley, Vice Chair
Jerry C. Atkin
Brent L. Brown
Rosanita Cespedes
Katharine B. Garff
Meghan Holbrook
Nolan E. Karras
Jeffrey Kinsel
Robert S. Marquardt
Anthony W. Morgan
Carol Murphy
William H. Prows
Teresa Theurer
John H. Zenger

Regents Excused

France A. Davis
Greg W. Haws
David J. Jordan
Marlon O. Snow

Office of the Commissioner

William A. Sederburg, Commissioner
David L. Buhler, Associate Commissioner for Public Affairs
Joyce Cottrell, Executive Secretary
Carrie Beckman, Policy and Special Projects Coordinator
Troy Caserta, Accounting Officer
Andrea Cox, Program Specialist
Joseph Curtin, Director of Institutional Research
Stephanie Davis, Assistant Commissioner for Administrative Services
David Feitz, Associate Commissioner and Executive Director, UHEAA
Spencer Jenkins, Assistant Commissioner for Public Affairs
Andrew Jensen, Executive Director, Utah Student Association
Melissa Miller Kincart, Assistant Commissioner for Outreach and Access
David Ma, Institutional Research Officer
Cameron Martin, Associate Commissioner for Economic Development
Darren Marshall, Manager of Audit and Financial Services
Paul C. Morris, Assistant Commissioner for Budget and Planning
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Paul Shupe, Institutional Research Analyst
Greg Stauffer, Associate Commissioner for Finance and Facilities
Lucille T. Stoddard, Associate Commissioner for Academic Affairs
Gary S. Wixom, Assistant Commissioner for Academic Affairs
INSTITUTIONAL REPRESENTATIVES

University of Utah

Michael K. Young, President
Paul T. Brinkman, Associate Vice President for Budget and Planning
Arnold B. Combe, Vice President for Administrative Services
Gordon Crabtree, Chief Financial Officer, University of Utah Hospitals and Clinics

Utah State University

Stan L. Albrecht, President
David Cowley, Vice President for Business and Finance
Raymond T. Coward, Executive Vice President and Provost

Weber State University

F. Ann Millner, President
Brad L. Mortensen, Vice President for University Advancement

Southern Utah University

Bradley J. Cook, Provost/Vice President for Academic Affairs
Dorian G. Page, Vice President for Finance and Facilities

Snow College

Scott L. Wyatt, President
Marvin Dodge, Vice President of Finance and Administrative Services

Dixie State College

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
Val Peterson, Vice President for Administration/External Affairs

Salt Lake Community College

Troy Justesen, Vice President of Workforce, Professional and Literacy Development
Denise Anderson, Administrative Assistant to Vice President Justesen

Representatives of the Media

Wendy Leonard, *Deseret News*
Brian Maffly, *Salt Lake Tribune*

Cleon Wall, KSL News Radio

Other Guests

Representative Kory Holdaway

Kelly Murdock, Wells Fargo

Spencer Pratt, Office of the Legislative Fiscal Analyst

Blake Wade, Ballard Spahr

Chair Pitcher called the Regents to order at 8:30 a.m. and welcomed Jeff Kinsel, the new Student Regent from SUU. **Regent Garff moved that the Regents move into closed session. Regent Morgan seconded the motion, which was adopted unanimously.** All items discussed were personnel-related.

The Regents reconvened at 9:30 a.m. in Committee of the Whole. Chair Pitcher excused Regents Jordan, Snow, Haws and Davis, all of whom were out of town. He announced that Regent Garff had been reappointed for another six-year term. Regents Holbrook and Jordan will continue to serve until they are reappointed or replaced. Chair Pitcher congratulated President Holland on his recent inaugural activities. He also recognized Dr. Brad Cook, SUU Provost, who was sitting in for President Benson, and welcomed him back into the Utah System of Higher Education.

Administration of Oath of Office

Chair Pitcher administered the Oath of Office to Jeffrey Kinsel, new Student Regent, and asked him to introduce himself. Regent Kinsel said he was a student at Southern Utah University, majoring in broadcasting and advertising. He said he was excited to see how higher education works as a system and to learn from the other Regents.

Commissioner's Report

State Issues. Commissioner Sederburg said the major state issue was the budget. Legislative leaders have suggested that the expected budget revenues have deteriorated more than expected. However, the official statement is that the state is staying with the current estimates. We are expecting a revenue shortfall of \$150 million to begin FY 2010. In addition, \$400 million of last year's shortfall was "backfilled" from one-time funds. Estimated new mandated costs total approximately \$300 million, for a total of \$850 million (with the anticipated 17 percent reduction) that will have to be cut from the budget or received from other sources, such as tax increases or the state's Rainy Day Fund. Commissioner Sederburg reported that he and a few members of his staff have been visiting each campus to review implications of present and future budget cuts. He stressed the importance of giving each president the flexibility to decide how those cuts should be made for his/her respective institution.

Commissioner Sederburg reported a significant increase in the number of cases of the H1N1 ("swine flu") during the past two weeks. Associate Commissioner Cameron Martin worked with the Student Services Vice Presidents and reported that all of the USHE campuses were being pro-active. The Commissioner welcomed Regent Kinsel, who was currently serving as the SUU Student Chief of Staff.

OCHE Issues. The Commissioner announced that a new web site (UtahFutures.org) would replace UtahMentor. This web site will be used by both K-12 and higher education. All students from grades 8 to 12 will use this site for assessments and career planning. It will also be a powerful tool for placement and recruitment. As Chair of the WEEDA Committee, Commissioner said he would meet with the committee to oversee policy issues. The Salt Lake Chamber has proposed to work with higher education leaders and key business leaders on an education advocacy initiative. This will fit well with the work of the Friends of Utah Higher Education, chaired by Regent Marquardt. Commissioner Sederburg said the USHE Presidents had agreed to help finance the initiative for three years.

"Race to the Top" is part of the ARRA stimulus package to identify four core reform areas for K-12: standards, teacher quality, assessment systems, and improving the lowest-performing schools. Higher Education was asked to provide a clear definition of college readiness.

Commissioner Sederburg asked the Associate Commissioners to report on their respective areas of the Regents' strategic goals.

Access and Participation. Associate Commissioner David Buhler referred to the 2009-2010 Student Guide, which was distributed at the meeting. Publication was funded in part by federal grant, overseen by Assistant Commissioner Melissa Miller Kincart. A Participation Task Force is being assembled to work with the institutions to develop measurable goals on participation. The Strategic Planning and Communications Committee will later receive a report on the College Access Challenge Grant regarding the number of students eligible for Pell and academic competitiveness grants. Staff is working with legislators on changes to the New Century and Regents' Scholarship legislation. Although the New Century Scholarship is a legislative program, it is administered by the Utah System of Higher Education. Because of a greater number of applicants than expected last year, combined with inadequate state appropriations, several options have been considered, including tightening eligibility requirements, increasing funding, and reducing the number of awards. The Commissioner's recommendation is to tighten the eligibility requirements, effective Fall 2010. Staff also proposed a change to current policy (R604, see Tab U) to add an application deadline.

Economic Development. Associate Commissioner Cameron Martin reported that the Cluster Acceleration Program (CAP) was a partnership between higher education, the Department of Workforce Services, and the Governor's Office of Economic Development. Weber State University is the lead institution in the area of aerospace, Utah Valley University leads on digital media, and Salt Lake Community College is leading out on energy efficiencies. President Millner reported great interest, support and faculty engagement in this effort. President Holland gave a brief update of the efforts in the field of digital media. Commissioner Sederburg is trying to ensure that the higher education institutions and the Commissioner's Office be seen as partners in the economic development of this state through interagency coordination and partnerships. A K-16

Alliance Workforce Development Initiative has been formed to ensure stronger collaboration between higher education, public education, and workforce services.

Completion and Retention (Tab A). Associate Commissioner Stoddard called the Regents' attention to Attachment 1 of Tab A, and said she had called every institution to see how many of the most effective retention and completion practices identified in the Commissioner's cover memo were being implemented in their respective schools. She was happy to report that all of our institutions use some form of those practices. Three excellent conferences have recently been held which focused on faculty, administrators and staff, respectively. Economic and financial problems are the two primary reasons students leave school. Each institution has established benchmarks for retention. Given the economic climate, the growth in enrollment, and the financial need of some students, a conservative enrollment increase is projected, using IPEDS data. She cautioned the institutions to be sure the data sent to IPEDS was completely accurate for their respective institutions. Regent Morgan requested that another column be added on future tables for retention benchmarks.

K-16 Alliance Progress Report (Tab B). Dr. Stoddard said the K-16 Alliance was one of the best partnerships the Regents could have made. She briefly reported the progress of each of the Alliance's committees (See Tab B). Assistant Commissioner Stoddard referred to Attachment 2 of Tab B and reported the recommendations of the Governor's Blue Ribbon Assessment Committee. One recommendation was to eliminate the UBSCT and replace it with the ACT exam in the 11th grade, with assessment in the 8th and 10th grades via Accuplacer. This has been approved by consultants. The committee also wanted to make sure developmental/remedial education is taken care of in the public education system. Their goal is to have each USHE institution work with the school district(s) in its respective area.

Policy Workshop Summaries, CAO Position Papers, and Academic Research Reports (Tab C). Dr. Stoddard distributed a bound copy of the CAO reports to each of the Regents and Presidents and pointed out they resulted from the Regents' planning meeting at Dixie State College. Associate Commissioner Stoddard remarked that one of the papers had laid the groundwork for the formation of the K-16 Alliance. A committee was scheduled to meet later in the month to discuss minorities and disadvantaged students. Regent France Davis, Regent Rosanita Cespedes, and Dr. Pam Perlich will be involved. Dr. Stoddard pointed out that the annual State Report Cards had given Utah an "F" in advising minorities for the past two years. She encouraged the Regents to read the papers and study the information carefully, including the research provided by Dr. Jorie Colbert.

Regent Cespedes noted each institution had a different program to address minority needs and issues. It was felt that each institution's program should include a mid- to high-level administrator who is responsible for and who monitors the effectiveness of those programs.

Retirement. Associate Commissioner Stoddard announced that she had submitted her resignation, effective 12/31/09, and would retire for the third (and final) time. She expressed her appreciation for being able to work with the Regents and said she was very happy to have worked in the system office as well as at the institutional level. She told the Regents she had great respect for their professionalism and sophistication. This position was a perfect "capstone" for her long academic career. She also expressed her appreciation to the

Academic Affairs staff and to the Commissioner and his staff. She quoted the Dalai Lama who said teaching is a holy experience and agreed that working in higher education was truly a holy experience. Chair Pitcher thanked Dr. Stoddard for a job very well done. On behalf of the entire Utah System of Higher Education, Commissioner Sederburg thanked her for her invaluable contributions to higher education.

Report on 2009 Utah Public Opinion Survey

Associate Commissioner Buhler referred to Tab D and reported on the recent survey of public opinion. He reviewed some of the highlights of the survey and stated it would be hosted on the Regents' web site. He made note that 100 adults who identified as Hispanic were included in the survey group, in an effort to get more reliable data from that demographic. Not surprisingly, the economy was identified as the most important issue facing Utah; of all other issues, education led by an impressive margin. When asked to make "either/or" choices regarding state appropriations, most respondents said they would rather have more funding go toward education than prisons, roads, or health care. Nearly everyone (99 percent) indicated a college education was important for them and their families, yet in 2007 just over half of Utah's high school graduates enrolled in a college or university immediately following their graduation. Most respondents indicated they thought higher education was accessible to all Utahns; however, 51 percent of the Hispanics believed it was not accessible. Interestingly, 75 percent of those surveyed felt high schools should have the same graduation standards for the college-bound as for those going right into the workforce.

Regent Marquardt commented that legislators do not necessarily support these conclusions. Regent Cespedes agreed that income was largely a factor in Hispanics' academic choices. There are other barriers, too.

Community College Task Force

SLCC Vice President Troy Justesen extended the greetings of President Bioteau and requested the Regents' input and suggestions on the direction the task force was going. The task force was charged to determine the key challenges facing the system and recommend to the Regents options to ensure that the crises of access and affordability at Utah's community college functions be addressed for future generations. Dr. Justesen pointed out community colleges are the largest point of access for students, regardless of their educational ability or their financial circumstances. He said a final recommendation would be presented at the next Board meeting.

Dr. Justesen commented on the trend toward community colleges evolving into regional colleges and/or universities, the recent UCAT reorganization with the merger of SLCC and the Salt Lake ATC, the delineation of UCAT as a separate system apart from the USHE, advances in new technology and education, greater access – regardless of location, and the need for more access for a larger number of Utahns. He

pointed to demographic changes in Utah: (1) the aging population, (2) heavier tax burden, and (3) the majority of foreign-born workers are concentrated in low-wage jobs. The task force agreed that Utah should take steps to provide foreign-born residents with the highest possible level of education. They also recognized the need to promote the value of community college functions in Utah; continue flexibility, increase responsiveness and access, and keep community colleges affordable; and preserve the community college component within the Utah System of Higher Education.

Vice President Justesen briefly reviewed the process and the progress of the task force as well as its four subcommittees. He noted that President Obama's message was similar to that of Presidents Bush and Clinton, which indicated a consistent focus. The task force considered strategies to serve the community college functions, and recognized that the status quo measures do not work. He noted the primary barriers were the community college mission, organization, funding, and performance indicators. He pointed out there were no measures of success in CTE on a national basis. He suggested transfer measures and compatibility of data among community college programs as possible performance measures. Dr. Justesen offered some possible solutions, including restructuring the community colleges, developing differential tuition, and developing statewide performance indicators.

Regent Morgan and President Millner suggested more emphasis on the state universities that also serve a community college function in their respective areas. Regent Prows recommended that the task force include at least one representative from UCAT. President Wyatt, a member of the task force, pointed out the task force had been appointed by the Regents and charged to look at the USHE institutions only. Commissioner Sederburg commended the task force for its work, and Chair Pitcher thanked Dr. Justesen for his report.

USHE Mission-Based Funding Task Force

Associate Commissioner Stauffer reported task force members had been given an executive summary of what had been done around the country. Early recommendations were sent to the Commissioner, to go to the Council of Presidents for their input. Final recommendations will be made to the Board of Regents at a future meeting. The task force agreed on the following basic premises: Recommendations should be equitable, easy to understand, include differentiation, responsive to the Regents' goals, and compelling; they must make sense to decision makers. The task force also identified mission-based values for discussion by the Presidents.

Commissioner Sederburg commented on both task forces. The goal of the Mission-Based Funding Task Force is to present a report in greater detail in January. The Community College Task Force would welcome input through Assistant Commissioner Wixom, President Bioteau, or the Commissioner. Their report will come to the Commissioner, then be discussed in the Strategic Planning Committee at the appropriate time. He noted that Dr. Justesen had been recognized recently by Utah State University as an Outstanding Alumnus.

The Regents recessed for lunch at 1:10 p.m. and reconvened in Committee of the Whole at 2 o'clock.

Resolutions

Chair Pitcher called attention to the resolutions behind Tab CC and in the Regents' folders:

- George C. Hatch, one of the founding members of the State Board of Regents (Remembrance)
- Representative Kory Holdaway (Appreciation)
- Rick White, President of UCAT (Appreciation)
- Sue Marie Young, former member and chair of the State Board of Regents (Remembrance)

Regent Atkin moved adoption of the four resolutions, seconded by Regent Holbrook. The motion was approved unanimously. Copies of the resolutions will be kept on file in the Commissioner's Office with the official minutes of the meeting.

Commissioner Sederburg presented the Resolution to Representative Holdaway and expressed his appreciation for the Representative's support of education during his tenure as a state legislator. He invited Representative Holdaway to address the group. Representative Holdaway said he had enjoyed his legislative journey, but the experience of serving on the Higher Education Appropriations Subcommittee had been most meaningful to him. The work being done in higher education is extremely important. He thanked the Regents and Presidents for a job well done.

College of Eastern Utah/Utah State University

Commissioner Sederburg referred to Tab DD and asked Dr. Cory Duckworth, Transition Director, to report on his progress. Dr. Duckworth said people on both campuses had been very helpful. He met with representatives (faculty, staff, trustees, students and community representatives) in Price, Blanding and Logan. He commended President Albrecht and his staff for their efforts to create the right kind of atmosphere in southeast Utah. This has offered a great opportunity to partner and for those partnerships to grow and develop. In addition to a Transition Executive Committee, five working subcommittees were appointed. Dr. Duckworth referred to his report, which outlined transition procedures and identified the various committees and their progress.

One significant issue to be addressed was defining a comprehensive regional college with a community college mission. Another issue was the name and "marks" or identity of the new institution. A third issue was accreditation and certification. Faculty rank, tenure and promotion was yet another issue being addressed. Dr. Duckworth thanked President Albrecht and his staff for their willingness to offer maximum flexibility in the rank and tenure process, which would allow each CEU faculty to be able to negotiate a specific role statement regarding teaching, research and service. Dr. Duckworth pointed out that employee benefit packages were substantially different on both campuses, which is another issue to be resolved. He noted the dual reporting structure had raised many questions.

The Transition Director's charge was to enable the two campuses to move forward together without providing exact detail on every issue. Dr. Duckworth noted the discussion would not end with the Memorandum of Understanding (MOU). These transitions generally take several years to complete. Everyone is working well together. The focus is on resolution of the big issues. The essence of the MOU is unfolding.

A final issue is extent of legislative involvement. Minimum adjustments will be needed to current legislation, and bill files have been opened for the 2010 Legislative Session in both the House and the Senate. Leaders have also had conversations with the Governor and legislative leadership.

President Albrecht said the group was dealing with a large number of issues. Everyone went into the discussions with an openness and a willingness to move forward in a way to best serve the students. He thanked Dr. Duckworth for his outstanding job and President King and his staff, as well as the USU staff. President King reflected this had been an interesting process. He reported he and his staff had only good experiences working with USU. He expressed his gratitude for these discussions and seeing a resolution to a situation that had gone on for several years. He said he was very pleased with the progress being made and that he appreciated the work of everyone involved.

Commissioner Sederburg commended the leadership of President Albrecht and President King, as well as their respective staffs. He announced the Regents' CEU Task Force would be meeting again in the next few weeks and would continue to work as the MOU develops. He anticipated that the MOU would be ready for the Regents' approval in December or January.

Legislative Outlook

Chair Pitcher asked Representative Holdaway to speak about the 2010-2011 state budget. Representative Holdaway said the state was facing a \$750 million deficit. \$400 million had been or should have been realized through the federal stimulus (one-time) money. He encouraged Regents and Presidents to empathize this point with legislators. The Rainy Day fund must be tapped this year. Regent Karras asked about potential tax increases to help with some of the deficit. Representative Holdaway said Governor Herbert was very opposed to increasing taxes, and the Legislature would not get out in front of him. Regent Karras asked if the general feeling among legislators was that the Regents' budget request would be dead on arrival because it was unrealistic. Representative Holdaway responded that the Higher Education Committee considers seriously the Regents' proposed budget. He recommended that budget requests be related to how academic programs are being affected and how the students are being affected.

President Wyatt recalled he had once served on the same legislative committee as Representative Holdaway, whose background was in public education. President Wyatt attested that Representative Holdaway believes in and supports higher education. He has been a great advocate and has sometimes taken some "flak" for his support.

Reports of Board Committees

Strategic Planning and Communications Committee

USHE Legislative Messaging and Priorities for 2010 (Tab S). Regent Holbrook referred to the Attachment to Tab S, which summarized higher education's legislative priorities for the 2010 Legislative General Session. As budget cuts continue to be implemented, there is danger of diminishing both the quality of and access to higher education in the USHE institutions. **Regent Morgan moved approval of the Commissioner's recommendation. Regent Marquardt seconded the motion, which was adopted unanimously.**

The Current Configuration of the Utah System of Higher Education (Tab T). Associate Commissioner Martin reported the configuration statement (Attachment to Tab T) had been discussed by the Regents, Presidents, institutional Boards of Trustees and others, with agreement that it was accurate. He said the document had been prepared to reflect a consensus about the overall configuration of the USHE and to clarify the direction and coordination of USHE institutions. The statement reaffirmed the Board's commitment to the community college function and its support of the Community College Task Force and will be used to guide the Board in its role to support USHE institutions to fulfill their missions and meet the educational needs and opportunities of their respective service regions. **Regent Marquardt moved, and Regent Morgan seconded, approval of the Current Configuration of the USHE document. The motion was adopted unanimously.**

Proposed Revisions to Policy R604, *New Century Scholarship* (Tab U). Associate Commissioner Buhler said the proposed changes would bring the policy into compliance with the legislation enacted earlier this year (SB104). It also added a deadline for the scholarship application. He noted a scheduled conference

with the schools about the New Century Scholarship on October 28. **Chair Holbrook moved approval of the proposed changes to Policy R604. The motion was seconded by Regent Morgan and adopted.**

Proposed Revisions to Policy R609, *Regents' Scholarship* (Tab V). Chair Holbrook noted private schools were also included in this policy. Associate Commissioner Buhler reported the changes were to comply with legislative changes and made the policy reflective of past practices. **Chair Holbrook moved approval of the proposed revisions to Policy R609, seconded by Regent Morgan. The motion was adopted unanimously.**

H1N1 Flu Preparations (Tab W). Chair Holbrook called attention to the report (Attachment to Tab W) that outlined the response plans of Utah's public and non-profit higher education institutions in the event of a pandemic. She commended Associate Commissioner Martin for the work he had done with the schools.

Implementation of SB81 (2008 Legislative General Session) (Tab X). Chair Holbrook reported a task force had been formed, comprised of representatives from USHE and UCAT institutions, to better understand the impact of SB81 on higher education institutions and the students they serve. The task force developed implementation strategies, which were identified in the Replacement Attachment to Tab X.

Report to Legislature on the Regents' Scholarship (Tab Y). Chair Holbrook referred to the Regents' Scholarship Annual Report to the Education Interim Committee, attached to Tab Y. The report was provided for information only.

Report on College Access Grant (Tab Z). Chair Holbrook commended Assistant Commissioner Kincart on her work to acquire and administer this grant. It was particularly helpful in helping higher education aspire to the Regents' strategic goals in the current economic climate.

Report on Participation Task Force (Tab AA). Chair Holbrook commended the Commissioner's Office for working with the institutions to establish meaningful participation goals and strategies to enhance or create new programs and/or partnerships for the populations they serve. The task force, which included representatives from each institution as well as the Commissioner's Office, scheduled its first meeting on November 1.

Report on Friends of Utah Higher Education (Tab BB). Chair Holbrook said Regent Marquardt had reported to the committee on recent events of this group, which will continue to meet with business leaders, legislators and higher education representatives prior to the 2010 Legislative Session.

Academic, CTE and Student Success (Programs) Committee

University of Utah – Bachelor of Arts Degree in Latin American Studies (Tab G). Chair Garff reported a minor in Latin American Studies had been approved in 2002; the proposed major was intended to complement it. It will serve undergraduate students who desire a fuller program of study in the history, languages, politics and cultures of Latin America. Between 1990 and 2000, the Latino population in the state of Utah increased 138.3 percent, or 2.4 times the national rate of Latino population growth for that same period,

with much of this growth coming from the immigration of nationals from Latin American countries. The adult population of Utah includes thousands who have built careers in business, government, the professions, and education after living for several years in Latin America. **Chair Garff moved approval of this program, seconded by Regent Cespedes. The motion was adopted unanimously.**

University of Utah – Master of Real Estate Development (Tab H). Chair Garff the new program was designed to attract business, architecture, urban planning, engineering and law students with real estate industry interests and aptitudes. University officials consulted with other institutions with prestigious degree programs and formulated their own degree. The estimated need is for 200 graduates annually. **Chair Garff moved approval of the University's Master of Real Estate Development degree. The motion was seconded by Regent Cespedes and adopted unanimously.**

Information Calendar, Programs Committee (Tab I). Chair Garff noted that Utah State University's request for a Minor in Climate Change and Energy should be moved to the committee's Consent Calendar because it required Board approval. **Chair Garff moved approval of USU's Minor in Climate Change and Energy. Vice Chair Beesley seconded the motion, which was adopted unanimously.** Chair Garff commented on other items on the Information Calendar. She noted the program reviews from Dixie State College and reported the committee had requested that the Communication program be brought back for further evaluation.

Chair Garff said she was grateful for Associate Commissioner Stoddard's expertise and professionalism. She has added great dignity to the Commissioner's Office, and it has been a great privilege to work closely with her. Chair Garff read a quote by William Watson that she said best described her relationship with Dr. Stoddard: "Tis human fortune's happiest heights to be a spirit melodious, lucid, poised and whole. Second in order of felicity to walk with such a soul."

Finance, Facilities and Accountability Committee

University of Utah – Hospital Revenue Bond, Series 2009 (Tab J). Chair Atkin referred to Replacement Tab J and reported the revised resolution included revised parameters for principal amounts, terms, discounts and timing. **Chair Atkin moved final approval of the revenue bonds, conditional to the parameters shown on Replacement Tab J. Vice Chair Karras seconded the motion, and it was adopted unanimously.**

University of Utah – Purchase of the University Ambassador Building and the University Orthopaedic Center, Legislative Authority to Bond (Tab K). Regent Atkin said the University had requested approval to bond \$11 million (plus amounts necessary to fund issuance costs and debt service reserve) to purchase the Ambassador Building and \$25 million (plus amounts necessary to fund issuance costs and debt service reserve) to acquire the University Orthopaedic Center. Should permission be granted, the University also requested permission to seek bonding authority from the Legislature. Parameters were shown on the attached materials. **Chair Atkin moved approval of the bond purchase, as well as permission for the University**

to seek bonding approval from the Legislature. Regent Karras seconded the motion, and it was adopted unanimously.

Proposed Revisions to Policy R541, *Management and Reporting of Institutional Investments* (Tab L). Chair Atkin reported the proposed addition to the policy would allow an institution to invest its endowment funds with another institution with prior approval from the requesting institution's Board of Trustees and the Board of Regents, subject to the investment guidelines of the institution receiving the funds (in place of the guidelines outlined in 6.2-6.3). The intent is to better clarify that a Regent-approved institutional investment policy supersedes the general guidelines of Policy R541. **Chair Atkin moved approval of the proposed changes to Policy R541. Regent Zenger seconded the motion, and it was adopted unanimously.**

Consent Calendar, Finance Committee (Tab M). **On motion by Chair Atkin and second by Regent Marquardt, the following items were unanimously approved on the Finance Committee's Consent Calendar:**

- A. Utah State University – Gift of Property (Blanding)
- B. Weber State University – Revenue Bonds for Wasatch Hall Renovation

Utah State University – Summary of Bond Sale (Tab N). This report summarized the results of the sale of USU's Series 2009 Student Fee and Housing System Revenue Refunding Bonds. Chair Atkin reported the winning bid produced savings that exceeded the University's most optimistic expectations.

USHE – Fall 2009 Enrollment Report (Tab O). This report provided information regarding student head count and FTE counts for both budget-related and self-support status for all nine USHE institutions. All schools reported a sizeable increase over last year's figures.

USHE – Annual Report on Leased Space (Tab P). Chair Atkin pointed out that Policy R710 required the institutions to obtain prior Board approval of leases funded from State appropriations (1) that exceed \$100,000 annually, or (2) that commit institutions to leases for a ten-year duration or beyond, or (3) that lead to the establishment of regular state-supported daytime programs of instruction in leased space.

USHE – Institutional Residences (IR) Annual Report (Tab Q). Chair Atkin said after committee learned the Business Affairs Council (BAC) and Budget Officers Group (BOSS) had discussed whether or not this report needed to come to the Regents for information, the committee discussed it and agreed that the report was necessary in order to maintain proper institutional internal control, to ensure that IR budgets are set and expenditures are monitored, to provide documented support of each IR as a sanctioned institutional offering within IRS guidelines, and to provide public accountability and transparency regarding IR facilities operation and maintenance.

UHEAA – Lowest Default Rate in the Nation (Tab R). Executive Director Dave Feitz was pleased to announce that UHEAA had achieved the lowest student loan default rate in the nation. The national average was reported to be 6.7 percent; UHEAA's default rate was 2.1 percent. He attributed much of that success to the staff in UHEAA's innovative default prevention program, who personally called each borrower in danger of

defaulting on a loan. UHEAA's "Ray of Hope" campaign has also been successful in helping borrowers who are experiencing difficulty repaying their student loans. Associate Commissioner Feitz also reported on the status of Congress's proposed changes to the national student loan policy. The version passed by the House included a provision for non-profit agencies such as UHEAA to continue servicing student loans. However, debate had not concluded in the Senate for a student loan reform bill.

First-Tier Tuition Range for 2010-2011

Commissioner Sederburg referred to Tab EE and said any estimate of tuition increases would be premature in light of the fact that no one knows yet what will be in the state's budget. The Commissioner's recommendation was "the percentage necessary based on legislative appropriations," with a final proposal to be presented for Regent approval following the 2010 Legislative Session. **Regent Zenger moved approval of the Commissioner's recommendation. Regent Atkin seconded the motion, which was adopted unanimously.**

General Consent Calendar

On motion by Vice Chair Beesley and second by Regent Karras, the following items were approved on the Regents' General Consent Calendar (Tab FF):

- A. Minutes – Minutes of the August 28, 2009, Regular Meeting of the State Board of Regents, held at Utah State University in Logan, Utah.
- B. Grant Proposals (on file in the Commissioner's Office)
- C. Grant Awards
 1. University of Utah – State of Utah; "Utah IV-E Training Contract"; \$5,781,957. Norma J. Harris, Principal Investigator.
 2. University of Utah – Centers for Disease Control and Prevention; "ERC Training Grant"; \$1,353,593. Kurt Timothy Hegmann, Principal Investigator.
 3. University of Utah – National Park Service; "Assistance for the University of Utah Museum of Natural Science"; \$1,000,000. Sarah B. George, Principal Investigator.
 4. Utah Valley University – National Science Foundation; "Teacher Scholarships: Scholarships for Teachers in STEM Disciplines"; \$861,437. Robert Noyce, Principal Investigator.

5. Utah Valley University – Governor’s Office of Economic Development; “Biotechnology Course Development and Lab Creation in the College of Science and Health”; \$631,070.
6. Utah Valley University – FEMA SAFER Grant Program; “Training of Volunteer Fire Fighters in Utah Grant”; \$572,643.

Report of the Chair

December meeting. Chair Pitcher announced that the Board would meet on December 11, as scheduled, but the meeting will likely be via conference call.

Utah Youth Village Chair Pitcher announced the Utah Youth Village was sponsoring a dinner on October 20 in which former Regent Pamela Atkinson would be honored. A donor made 20 seats available. Regents were asked to let Secretary Cottrell know if they were interested.

Legislative Meetings. Chair Pitcher referred to the schedule of legislative breakfast and luncheon meetings scheduled in the various areas of the state. He encouraged the Regents to attend the events in their respective areas.

Committee Assignments. Chair Pitcher thanked the committee chairs for their outstanding service and the work of their committees during the past few years. He announced that for the coming year, Regent Karras would chair the Finance Committee, with Regent Atkin as Vice Chair and chair of the Audit Subcommittee. Regent Morgan will chair the Programs Committee, with Regent Jordan as Vice Chair. Regent Zenger will chair the Planning Committee, which would henceforth be called the Community/Government Relations and Planning Committee. Regent Holbrook will become Vice Chair of Government Relations, and Regent Marquardt will become Vice Chair of Community Relations and Economic Development.

Resource and Review Team Assignments. Vice Chair Beesley reviewed the changes in the Resource and Review Teams. Although the evaluation function moved to a formal evaluation, she encouraged the Regents to spend time on the campuses and with the presidents. Policy R208 specifies a meeting at least twice a year, but she encouraged that the Regents to spend more time at the institutions to which they were assigned. She said a reminder would be sent on the Fall Resource and Review Team meetings.

Utah Student Association. Commissioner Sederburg announced that the officers of the Utah Student Association had elected Joseph Watkins as their new Executive Director. Joseph will replace Andrew Jenkins, who accepted a position with the U.S. Treasury in Washington, D.C. The Commissioner praised Andrew for doing a commendable job as USA Executive Director.

Discussion in Anticipation of 2010 Legislative Session

Regent Karras pointed out that higher education was facing a lot of difficulty with the state budget. Some very difficult budget cuts will undoubtedly come out of the 2010 Legislative Session. It is possible that higher education will need to take an additional 2 percent cut, in addition to the 17 percent already anticipated. He urged the Regents and Presidents to be thinking ahead of how that could be handled. He noted it was an ugly time to be a legislator, and it required long-term strategic thinking. He suggested the Regents should be more active in advocating with the Legislature. The budget cuts have the potential of severely damaging the higher education system in Utah. The public needs to be educated on the possible consequences so they can contact their individual legislators.

President Holland commented that energy had developed in the last event of the Friends of Utah Higher Education about a referendum – bypassing the Legislature and appealing to the public. It could begin with the business leaders and include faculty, staff, students and their parents. Regent Morgan suggested “hard” enrollment caps. If the economic situation continues, enrollment may need to be capped in some programs and at some institutions.

Commissioner Sederburg commended Regent Marquardt for working diligently with the Friends of Utah Higher Education. He has now involved more than 230 business leaders who are supportive of higher education. In addition, higher education is working collaboratively with the Salt Lake Chamber on an education initiative. He cautioned it would be challenging to get this on the political agenda when the Governor and legislators did not want to increase any taxes. SUU Vice President Dorian Page pointed out public education uses their own people. Higher education needs to let our employees and their families know how bad the situation might be and have them communicate with their respective legislators.

Commissioner Sederburg pointed out the disconnect between the academic argument (maintaining infrastructure is critical) and the action taken by the legislators and Governor. Higher Education needs champions to lead the charge with the public. He recommended putting \$300,000 into a public relations campaign. President Wyatt said the presidents would help with their discretionary funding. Regent Marquardt pointed out the campaign needs to be organized so that everyone agrees on what we want and need.

The Commissioner said a petition was being organized to reverse the income tax rollback. Another option was using the gasoline tax for roads and saving E&G funds for education. Regent Garff recommended that this be discussed during the December Board meeting and that possibilities be explored and discussed.

Regent Zenger noted public education had mobilized the parents. Higher education has no similar body to the PTA. We need the support of parents and alumni. A group of parents protesting at the Capitol would be more effective than a group of students. Regent Kinsel said the students must be educated so they can educate their parents. Regent Karras pointed out it was difficult for the presidents to keep morale up at their institutions while dealing with negative public opinion. He recommended that the Regents take some of the heat so the presidents can do their jobs more effectively.

Chair Pitcher asked Associate Buhler to meet with Regents Marquardt, Karras and Holbrook to develop a strategy for the Regents to discuss. He asked the Regents and Presidents to keep the date of December 11 open for a Board meeting.

Snow College Choral Groups

President Wyatt announced the Snow College choral groups were performing that evening with the Utah Symphony. Tickets were available for those who were interested in the performance.

Adjournment

The meeting was adjourned at 3:34 p.m.

Joyce Cottrell CPS, Executive Secretary

Date Approved