

STATE BOARD OF REGENTS MEETING
REGENTS' OFFICES, SALT LAKE CITY, UTAH
DECEMBER 9, 2010

Minutes

Regents Present

David J. Jordan, Chair
Bonnie Jean Beesley, Vice Chair
Jerry C. Atkin
Brent Brown
Daniel W. Campbell
Rosanita Cespedes
France A. Davis
Meghan Holbrook
Nolan E. Karras
Robert S. Marquardt
Carol Murphy
Jed H. Pitcher
William Prows
David Smith
Marlon O. Snow
Teresa Theurer
John H. Zenger

Regents Excused

Katharine B. Garff
Greg W. Haws

Office of the Commissioner

William A. Sederburg, Commissioner of Higher Education
Jeff Aird, Intern
Holly Braithwaite, Director of Communications
David L. Buhler, Associate Commissioner for Public Affairs
Joyce Cottrell, Executive Secretary
Joseph Curtin, Director of Institutional Research and Analysis
Richard Davis, Deputy Executive Director, UHEAA
Stephanie Davis, Assistant Commissioner for Administrative Services
David Feitz, Associate Commissioner and Executive Director, UHEAA
Ralph Hardy, Special Assistant to the Associate Commissioner
Elizabeth J. Hitch, Associate Commissioner for Academic Affairs
Melissa Miller Kincart, Assistant Commissioner for Outreach and Access
Cameron K. Martin, Associate Commissioner for Economic Development and Planning
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
Gregory L. Stauffer, Associate Commissioner for Finance and Facilities
Joseph Watkins, Executive Director, Utah Student Association
Gary S. Wixom, Assistant Commissioner for Academic Affairs
Lynne Ward, Director, Utah Educational Savings Plan

INSTITUTIONAL REPRESENTATIVES

University of Utah – David W. Pershing, Senior Vice President for Academic Affairs and Provost
Utah State University – President Stan L. Albrecht

Weber State University – President F. Ann Millner
Southern Utah University – President Michael T. Benson
Snow College – President Scott L. Wyatt
Dixie State College – President Stephen D. Nadauld
Utah Valley University – President Matthew S. Holland
Salt Lake Community College – President Cynthia A. Bioteau

(Other institutional representatives attended the meeting. The list is on file in the Commissioner's Office.)

Other Guests

Jim Grover, Governor's Office of Planning and Budget
Carson Howell, Governor's Office of Planning and Budget
Kelly Murdock, Wells Fargo Securities
Spencer Pratt, Office of the Legislative Fiscal Analyst
Blake Wade, Ballard Spahr

Chair Jordan welcomed everyone and called to order the meeting of the Committee of the Whole at 9:08 a.m. He excused Regents Garff and Haws and briefly reviewed the day's agenda.

Commissioner's Report

Recognition. Commissioner Sederburg commended **President Millner** for taking part at the AASCU Annual Meeting as a panelist on embedded community colleges. He reported she had represented Utah very well in the discussion of various models of delivery. The Commissioner recognized **President Bioteau** for receiving the Athena Award, a prestigious award, from the Salt Lake Chamber and Wells Fargo Women's Financial Services. The Athena Award is given annually to an active Chamber member "who demonstrates excellence, creativity and initiative in business, provides valuable service by devoting time and energy to improve the quality of life for others in the community, and assists women in reaching their full leadership potential." Dr. Sederburg announced that **Carson Howell** would join the Commissioner's staff on December 27 as Manager of Policy Research.

Updates. Commissioner Sederburg reported briefly on a national conference he had attended. The topic was "Raising the Bar in Tough Financial Times." The conference was sponsored by the National Governors Association, the National Conference of State Legislatures, and the Association of Governing Boards. Attending the seminar were 80 educational leaders and 30 CEOs of national organizations. He remarked that the states need to get control of Medicaid costs before they overwhelm all other aspects of the states' budgets, including higher education. Retirement and fringe benefits costs now eat up about 80 percent of the flexible dollars in higher education. The Commissioner also mentioned the United Way Education Excellence Summit on November 30, where he served as a panelist. He remarked that United Way had been quite engaged in advocating an educational agenda.

Legislature. Dr. Sederburg reported that legislative conversations had been held at UVU, Weber, and Utah State University. A meeting was held at SkyWest on January 7 for the southern Utah legislators, at the Little America on January 13 with the Salt Lake County delegation, and a meeting will be scheduled at Snow College for the rural Utah legislators. The Commissioner asked everyone to mark their calendars for the 2011 Higher Education Day

luncheon, to be held February 28 in the Capitol Rotunda.

UESP and UHEAA Updates. Commissioner Sederburg reported that UESP and Zions Bank had recently sponsored a bookmark contest for school children. The winners each received a \$1000 gift certificate for a UESP account. Zions Bank will donate \$25 to each new account. Director Lynne Ward reported that UESP accounts were up to \$3.6 billion, and that \$33 million had been received since the Monday of Thanks-giving week. Director Feitz reported that students could now apply online for a Regents' Scholarship. To date, nearly 300 applications had been received. He announced that UHEAA had been recognized for its "customer-friendly" approach.

Student Body Presidents' Trip to Russia. Joseph Watkins, Utah Student Association (USA) Coordinator, introduced a few student body presidents and USA officers, and asked them to report on their recent trip. The students thanked the Utah citizens for the opportunity to go to Russia on behalf of higher education. They were greeted by the President's National Security Council and briefed the President himself. The group also met with top government officials and Russian students to discuss their common dreams, common expectations, and common desires to learn. The students then responded to questions from Regents.

2010 Report of the 2020 Higher Education Plan

Commissioner Sederburg referred to Tab A. He reported the State Higher Education Executive Officers (SHEEO) organized had recognized our innovative web site. The plan attached to Tab A was reviewed by several individuals and organizations outside of Utah. In the Regents' joint meeting with the State Board of Education in January, this document will make a strong statement about college readiness. He pointed out the major changes since the previous Board meeting: (1) The plan created a synergy between K-12, higher education, UCAT, business and industry, the Department of Workforce Services (DWF) and state agencies and is being accepted as a state goal. (2) An emphasis was added on competency/outcomes-based education. (3) An alignment was recognized between higher education and the talent force needs of the state. (4) Because of its clear statements about expectations of the institutions and expectations to facilitate that future, this document is considered a social contract.

When asked about a future work plan, Regent Zenger said the Regents are statutorily required to have a plan for higher education in Utah. He expressed his great pleasure in the progress being made, the data of the plan, and the enormous amount of work that went into its production. The process has been very open to the public and involved the institutions along the way. Commissioner Sederburg said, at the request of Regent Zenger, his staff had identified the top priorities for the coming year. Those were identified in the plan with a star (★).

Associate Commissioner Martin said the plan was to spark dialogue, which it had done, with legislative groups, Regents, presidents, and the general public. Through that process, the staff has gained insights and ideas. He thanked the Regents for their involvement. This is an annual process, with an updated report to be submitted every year. Commissioner Sederburg summarized several of the ideas. One was to give more attention to scholarships for college juniors and seniors. This would help with the Regents' goal of completion. Another suggestion was for the state to create a college where students could work their way through by working for their tuition. Other interesting ideas were received as well. He thanked Regent Zenger, Associate Commissioner Martin, and others who were identified on page 80 of the report.

Chair Jordan noted 23 items had been indicated with a star. Realistically, this should be shortened to one or

two major items. The plan needs an educational focus so presidents can direct institutional resources appropriately. He asked the presidents to look at the items indicated as priorities and report back to the Regents on what they think their institutions can best focus in the next year. This will be a focus of the January meeting with the State Board of Education. The presidents were asked to comment, to which they responded they appreciated the request being reviewed by the institutions. President Albrecht recommended that, in addition to identifying issues that can be accomplished on an institutional level, they should also identify the issues on which the institutions could work in common.

Regent Karras pointed out the plan should have a fiscal note. People need to know what it will take to accomplish these goals. The state needs to support this effort with funding as well as lip service. Chair Jordan referred to the Action Plan beginning on page 45 and asked that fiscal notes be added for all priority items, both at the institutional and system levels. Chair Jordan said he hoped for a very open discussion with the Legislature. He asked the presidents when they could realistically come back and report on their priorities. Most presidents recommended the reports be given at the March Board meeting.

President Bioteau remarked that the presidents agreed that for new goals to be integrated into the institutions, the presidents need time to work with faculty and staff to implement the agenda. She said this needs to be deeply embedded within the system and each institution. Chair Jordan asked the Commissioner to follow up with the presidents. One of the focus areas of the March meeting will be the development of an action plan coming forward from the institutions. In the January meeting, the group will talk about one or two goals on which the Regents can work collaboratively with the State Board of Education. Commissioner Sederburg said the institutions were already heavily engaged. He said the goals should focus on retention and degree completion. Chair Jordan pointed out that retention at the University of Utah is very different from retention at Salt Lake Community College because of their differing missions.

Regent Brown asked if the various institutions knew how much of the expected student growth would be coming to their respective institutions. Chair Jordan said this was a ten-year plan. Institutional missions begin that process. Commissioner Sederburg pointed out some elements of the plan fit together nicely, such as mission-based funding for the institutions. Regent Marquardt agreed with being realistic and providing an anticipated cost. He said the Governor and Legislature need to know this will cost a lot of money and to start planning where they could get it. Regent Zenger clarified: The institutions will come back with more realistic issues that can be accomplished on their campuses with an expected price tag. Assistant Commissioner Martin said existing resources should be included.

Regent Zenger moved formal approval of the Higher Education 2020 Plan. Vice Chair Beesley and Regent Davis seconded the motion, which carried unanimously. Chair Jordan thanked Regent Zenger and everyone who was involved in preparing the plan.

Institutional Technology Reports

Chair Jordan recognized and welcomed Senator Steve Urquhart, who was recently selected as a co-chair of the Higher Education Appropriations Committee. Commissioner Sederburg noted Senator Urquhart would sponsor proposed legislation on mission-based funding. The Commissioner thanked Senator Urquhart for attending the meeting. The Senator said he was very honored to serve as one of the two chairs of the Higher Education

Appropriations Subcommittee. The work of education is very important to the future of this state. He said he was looking forward to working with the Regents and Presidents. President Wyatt introduced Dr. Gary Smith, the new Provost at Snow College.

In the previous Board meeting, Dr. Steve Hess presented a report on behalf of the system Institutional Technology Task Force. At this meeting, Chair Jordan asked the presidents to report on specific successes/challenges relating to information technology at their respective institutions. In general, he asked the Regents to be thinking about how to partner with the K-16 Alliance using this technology, in order to have a better-prepared set of seniors graduating from high school. Institutional reports were given in the following order: Salt Lake Community College, Snow College, Dixie State College, Southern Utah University, Utah Valley University, Weber State University, Utah State University, and the University of Utah. During the discussions, Regent Zenger asked President Nadauld to talk about the costs of developing technology and Dixie's partnership with the University of Utah on course content.

Chair Jordan thanked the presidents for their presentations. He asked the Regents and Presidents to consider the following questions:

1. How do we use technology to increase our capacity utilization?
2. How do we improve our faculty-to-student ratios?
3. How do we use technology to improve access, completion, retention?
4. How do we use technology to improve quality instruction?
5. What are we doing to help students save money?
6. How do we share best practices?

President Wyatt added this question: How do we transfer money from capital budgets to operating budgets? Regent Karras pointed out we need a uniform way to measure this on a system level. Regent Zenger suggested a common nomenclature. Commissioner Sederburg said knowing the cost of technology support required on our campuses would also be very valuable.

The Regents recessed to lunch and their respective committees at 12:20 p.m. Following meetings of the Board committees, the Regents reconvened in Committee of the Whole at 1:40 p.m.

Legislative Priorities

Associate Commissioner Buhler referred to Tab N and reviewed appointments of legislative leadership and key committee appointments. He also remarked on the changes in institutional legislative liaisons. He also reported on the budget environment. **Regent Atkin moved that the Board adopt the key recommendations in Tab N. Regent Pitcher seconded the motion, which carried unanimously.**

Reports of Board Committees

Program and Planning Committee (Regent John H. Zenger, Chair)

Utah Valley University – Bachelor of Science Degree in Geomatics (Tab C). Chair Zenger explained that Geomatics was the study of geospatial science, a subset of earth science, the study of geospatial measurement and representation including several disciplines. Geomatics was formerly known as professional surveying, which is still included in the program, along with measurement. Research has shown that this is a growing profession and will have a positive effect on the economy. **Chair Zenger moved approval of UVU's request for a Bachelor of Science Degree in Geomatics. Regent Snow seconded the motion.**

Utah Valley University – Bachelor of Social Work (Tab D). Chair Zenger reported UVU had included an emphasis in Social Work in its Behavioral Science degree. If the Regents approve this program, the Social Work Emphasis will be discontinued. Of the 609 BSW programs in this country, the Social Work emphasis is the second largest of the five emphases in the UVU Behavioral Science Department with 376 students. There is high student demand for the BSW program because of the advantages in securing employment. University officials reported an increased demand for this program. **Chair Zenger moved approval of UVU's request for a Bachelor of Social Work program. Regent Snow seconded the motion.**

Utah State University – Doctor of Veterinary Medicine Degree in Partnership with Washington State University (Tab E). Chair Zenger explained that Utah State University proposed a partnership with the Washington State University for a 2+2 doctorate program in veterinary medicine. The Program Review Committee (PRC) and the Commissioner's staff did extensive work in determining whether the program met the requirements of policy R401. The committee moved to accept the proposal, contingent on the Legislature providing state funding. **Chair Zenger moved approval of the partnership between Utah State University and Washington State University for a Doctor of Veterinary Medicine Degree. Regent Snow seconded the motion.**

Chair Jordan asked Vice Chair Beesley, as chair of the PRC, to review the work of the committee. After a brief summary, Regent Beesley explained that significant program requests require a significant amount of effort on the part of staff. She thanked Commissioner Sederburg, Associate Commissioner Hitch, and Assistant Commissioners Safman and Wixom. **Vote was taken on the motions to approve the previous three agenda items, and it was adopted unanimously.**

Finance and Facilities Committee (Regent Nolan E. Karras, Chair)

Utah State University – Property Purchase in Brigham City (Tab F). Chair Karras reported that Utah State University had requested approval to purchase approximately 40 acres of land in Brigham City, which includes the former Intermountain Indian School property and two smaller improved-commercial parcels contiguous to the property owned by Utah State University. The University expressed a desire to acquire an appropriate area of the land for future campus development because of increasing concern about how to address the long-term growth and functional needs of the Brigham City Campus. The proposed source of funding for the purchase is tuition and fees collected from Utah State University Regional Campuses and Distance Education students. Operation and Maintenance costs, for the foreseeable future, will be funded from the same source. Once a master plan for the property has been completed and qualifying buildings have been identified, Utah State University may request state-appropriated O&M for the eligible projects. **Upon motion by Regent Karras and second by Regent Holbrook, the Board approved the transaction unanimously.**

Southern Utah University – Office Space Lease (Tab G). Chair Karras explained that University officials hoped to lease the recently renovated Cedar City library for University use. The 11,705-square-foot space is located very close to the campus and has been offered to the University for a very reasonable rate. The property. Relevant terms of the lease were shown on the Commissioner's cover memo. **Chair Karras moved approval of the proposed lease, seconded by Regent Holbrook.**

University of Utah – Utah Food Association Building Purchase (Tab H). The University of Utah requested authorization to purchase the Utah Food Association Building in Salt Lake City for programmatic use by the University Neighborhood Partners. The University will purchase the property with donated funds. Details were included with the agenda. **Chair Karras moved the authorization of the purchase agreement for the negotiated price of \$450,000, with the understanding that the funding will come from the proposed sources. Regent Holbrook seconded the motion.**

Salt Lake Community College – South City Campus Property Purchase (Tab I). Chair Karras pointed out that SLCC officials had been trying to purchase the property in question for 18 years because of its strategic value to the campus. College officials were able to negotiate the purchase price at \$400,000, which is \$20,000 greater than its appraised value but a reduction of \$100,000 from the previous asking price. The building on the property will be demolished and the existing billboard removed. The owner requested that this transaction be completed before the first of January. Details were listed in the Commissioner's cover memo and attached letter from SLCC Vice President Klaus. **Chair Karras moved approval of the property purchase with the stipulation that the \$20,000 amount over appraised value must come from non-appropriated, non-student fee sources. The motion was seconded by Regent Holbrook.**

Utah Valley University – Peer Institutions List (Tab J). The Commissioner's Office is in the process of working with USHE campuses to update their lists of peer institutions. Because of the evolving missions of the institution, it is necessary that peer groups represent the nature and mission of the USHE institutions to which they are compared. UVU officials and the Commissioner's staff have collectively agreed upon the proposed peer institutions list. **Chair Karras moved approval of the UVU Peer Institutions List, seconded by Regent Holbrook.**

Vote was taken on the previous four agenda items. The items were unanimously approved.

UHEAA – Approving Resolution, SBR Student Loan Revenue Bonds (Tab K). Chair Karras explained that this was an approving resolution to refinance existing bonds. This proposal is for \$390 million; another proposal will be presented in January after negotiations with U.S. Bank. This package will give UHEAA more leverage in the future. The committee approved parts of the request. A key component of the overall plan was negotiation for a discounted bond purchase rate with the largest single holder of outstanding UHEAA Auction Rate Securities to generate sufficient equity to earn a AAA rating, fund contingency reserves, and provide for limited asset extraction. UHEAA was also able to "swap" variable rate bonds for fixed-rate bonds. Chair Karras commended Executive Director Feitz and Deputy Executive Director Davis for the well thought-out proposal. **Chair Karras moved approval of the Approving Resolution, with a note that Section 5 on page 5 of the Resolution be corrected to "...on or before 20 years from the date of issuance..." Regent Atkin seconded the motion, which was adopted unanimously.**

2011 Legislative Bonding Authorization (Tab L). Since the Board approved the list of non-state funded capital development projects in September, revised bonding amounts were identified on some of the projects. Those

revisions were listed and explained in the Commissioner's cover memo to Tab L. **Chair Karras moved that the Regents ratify the revised list as the basis for USHE's bonding authorization request during the 2011 Legislative General Session. Regent Holbrook seconded the motion, which carried unanimously.**

Operation and Maintenance Funding Request (Tab M). The 2010 Legislature prohibited higher education from asking for appropriation for O&M support for three non-state funded projects. Some of the projects were built with state-appropriated funds and others with bonding and donated funds. Three institutions (University of Utah's Eyring Chemistry Building Addition, Utah State University's Botanical Center Classroom Building, and SUU's Southern Museum of Art) felt the need to have the projects move forward and agreed to forgo a request for the O&M funding. As a result, the statute authorizing constructions of these three projects included language that the institutions were not authorized to seek state-appropriated O&M. The action did not prohibit such funding for past projects that had not yet been funded or future projects awaiting consideration. As explained in the Commissioner's memo, the purpose of this request was to clarify relevant issues in order for the Regents to reinforce the need for this O&M funding. All of the projects at issue are among those included in the operating budget request approved by the Board in August. Variances from the original requests were shown in Tab M. **Chair Karras moved approval of the revised recommended O&M requests as shown on page 2 of the Commissioner's memo, with verification by DFCM of the amounts for Utah State University's Equine Center and its Laub Athletics/Academic Complex. The motion was seconded by Regent Holbrook and carried unanimously.**

General Consent Calendar

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

- A. Minutes – Minutes of the Regular Board Meeting held October 30, 2010 at the University of Utah in Salt Lake City, Utah
- B. Grant Proposals (On file in the Commissioner's Office)
- C. Awards
 - 1. Utah State University – Missile Defense Agency; "Unmanned Aerial Vehicles (UAV) Flight Test Center - Phase 1"; \$2,484,000. Mike Fisher, Principal Investigator.
 - 2. Utah State University – U.S. Department of Education; "ARRA: New Mexico K-3 Plus Extended School Year Validation Study"; \$19,103,403. Cynthia Rowland, Principal Investigator; Damon Cann and Linda Goetze, Co-Principal Investigators.
 - 3. Utah State University – U.S. Department of Education; "National Consortium to Broaden Access of Electronically-Mediated Education"; \$1,027,749. Cynthia Rowland, Principal Investigator.
 - 4. Utah State University – The Rural School and Community Trust; "3 New Mexico K-3 Plus Extended School Year Validation Study (101008)"; \$1,000,000. Cynthia Rowland, Principal Investigator; Damon Cann and Linda Goetze, Co-Principal Investigators.

5. University of Utah – U.S. Department of Energy/National Nuclear Security Administration; “NNSA-CO2 Tech”; \$1,720,415. Philip J. Smith, Principal Investigator.
6. University of Utah – Defense Advanced Research Agency; “Non-linear GRSC Analysis”; \$1,639,129. Carlos H. Mastrangelo, Principal Investigator.
7. University of Utah – Health Resources and Services Administration; “Advanced Nursing”; \$1,425,600. Patricia A. Murphy, Principal Investigator.
8. University of Utah – Agency for Health Care Research and Quality; “Primary Care Practice Redesign”; \$2,984,096. Michael K. Magill, Principal Investigator.
9. University of Utah – National Institutes of Health/National Center for Research Resources; “Mentored Scholars Cer”; \$2,452,096. Carrie L. Byington, Principal Investigator.
10. University of Utah – National Highway Traffic Safety Administration; “NEMSIS Technical Assistance Center”; \$1,500,000. Newell C. Mann, Principal Investigator.
11. University of Utah – National Institutes of Health/National Institute of Neurological Disorders and Strokes; “Glial Progenitor Cells”; \$1,249,174. Linda L. Kelley, Principal Investigator.
12. University of Utah – U.S. Department of Energy; “Unconventional and Renewable”; \$3,500,000. Christopher R. Johnson, Principal Investigator.
13. University of Utah – National Institutes of Health/National Center for Research Resources; “Bioelectric Field Modeling, Simulation and Visualization”; \$1,158,691. Christopher R. Johnson, Principal Investigator.

Report of the Chair

Next Meeting. Chair Jordan reminded Regents that the next Board meeting would be held on January 21, 2011, at the SLCC Redwood Campus. The Board will have its regular meeting in the morning, then meet jointly with the State Board of Education in the afternoon.

Chair Jordan expressed his appreciation for all of the enlightening information technology presentations. He urged the Regents to bring the Legislature’s attention to those presentations. He further asked how the system could facilitate a sharing of best practices and collaboration among the institutions. President Benson acknowledged he had no idea what was being done on the other USHE campuses.

Resignation of Regent Cespedes. Chair Jordan announced that Regent Cespedes had accepted a position to join the faculty at Dixie State College, beginning in January. This will be a wonderful opportunity for her and for Dixie. However, that change has necessitated her resignation from the Board of Regents. As a result, this was her last Board meeting as a Regent. Chair Jordan congratulated Regent Cespedes and wished her well in her new position. Regent Cespedes said she had mixed feelings about the move. She was very excited about going to Dixie but sad that meant she had to resign as a Regent. She called her five years on the Board a great experience. She

said she would also teach sometime at SUU. Chair Jordan told her it had been a personal privilege to work with her on the Board and on the PRC. She has been able to make unique contributions to the Board because of her expertise in higher education. Regent Cespedes received a standing ovation of appreciation.

Adjournment

Regent Snow moved that the Board move into executive session to discuss personnel issues, specifically the recent Resource and Review Team visits. Regent Atkin seconded the motion, which carried. The Committee of the Whole recessed at 2:24 p.m. The Board then met in executive session and adjourned from there at 4:10 p.m.

Joyce Cottrell CPS, Executive Secretary

Date Approved