

STATE BOARD OF REGENTS
UNIVERSITY OF UTAH, SALT LAKE CITY, UTAH
COMMANDER'S HOUSE / UNIVERSITY GUEST HOUSE
FRIDAY, JANUARY 23, 2015

COMMITTEE OF THE WHOLE
MINUTES

Regents Present

Daniel W. Campbell, Chair
France A. Davis, Vice Chair
Jessellie B. Anderson
Nina R. Barnes
Bonnie Jean Beesley
Wilford W. Clyde
James T. Evans
Brady L. Harris
Marlin K. Jensen
Robert S. Marquardt
Robert W. Prince
Mark R. Stoddard
Teresa L. Theurer
Joyce P. Valdez
John H. Zenger

Regents Absent

Leslie Brooks Castle
Jefferson Moss
Jed H. Pitcher
Harris H. Simmons

Office of the Commissioner

David L. Buhler, Commissioner of Higher Education
Elizabeth Hitch, Associate Commissioner for Academic and Student Affairs
Gregory Stauffer, Associate Commissioner for Planning, Finance and Facilities
David Feitz, Executive Director of UHEAA

Institutional Presidents Present

David W. Pershing, University of Utah
Stan L. Albrecht, Utah State University
Charles A. Wight, Weber State University
Scott L. Wyatt, Southern Utah University
Richard B. Williams, Dixie State University
Deneece G. Huftalin, Salt Lake Community College

Institutional Presidents Absent

Gary L. Carlston, Snow College
Matthew S. Holland, Utah Valley University

Other Commissioner's Office and institutional personnel were also present. The signed role is on file in the Commissioner's Office.

The Board of Regents began the day at 7:30 a.m. with a breakfast meeting; they were joined by the University of Utah Board of Trustees.

The Committee of the whole was called to order at **9:15 a.m.** **It was moved by Regent Stoddard and seconded by Regent Zenger to meet in Executive Session for the purpose of discussing the character, professional competence, or physical or mental health of individuals. The motion carried.** The Board met in Executive Session until 10:13 a.m.

Following Executive Session, the Board of Regents met in committees from 10:15 until 11:45 a.m. which was followed by lunch.

Chair Campbell called the meeting to order at 12:40 p.m. He excused Presidents Holland and Carlston, and Regents Castle, Pitcher and Simmons. He then turned the time over to President Pershing for the state of university address.

State of the University

President Pershing gave a presentation on the state of the University of Utah focusing on student learning and engagement initiatives, followed by highlights and updates of the campus master plan.

The Committee of the Whole was again called back to order by Chair Campbell at 1:02 p.m. Chair Campbell announced the resolutions listed as the last item of business would now be the first.

Resolutions

John B. "Jack" Goddard

Regent Marquardt spoke on behalf of a resolution of remembrance for John B. Goddard and his impact on higher education and the state of Utah, specifically the Weber County community. **It was moved by Regent Marquardt and seconded by Regent Zenger to adopt the resolution. The motion carried.**

Speaker Rebecca D. Lockhart

Regent Clyde read the resolution of remembrance for Rebecca D. Lockhart, spoke in behalf of the resolution, and moved the approval of it. It was seconded by Regent Davis and carried.

Keith M. Buswell

Regent Theurer spoke in support of a resolution of appreciation for Keith M. Buswell for his service on the State Board of Education and the State Board of Regents. **It was moved by Regent Theurer and seconded by Regent Prince to adopt the resolution for Mr. Buswell. The motion carried.**

Updated Strategic Direction and Goals (TAB X)

Commissioner Buhler reported on the updated strategic direction and goals the Board and USHE presidents have been discussing over the last several months. The USHE's purpose is higher education advances the prosperity and quality of life for all Utahns. The target is 66 percent of adults ages 25-35 will have earned a post-secondary degree or certificate by 2020. The strategic objectives are affordable participation, timely completion and innovative discovery. **It was moved by Regent Stoddard and seconded by Regent Beesley to approve the purpose statement, reaffirm support for the statewide goal of 66by2020, and approve the strategic directions, goals and possible tactics as contained in Tab X. It was also recommended that these materials guide the continued work of the Commissioner's Office and institutions as well as guide the Board in making future budget and capital requests, policy considerations and strategic planning. Finally, the Regents direct the**

Commissioner to bring to the Board, during 2015, a proposal for an inclusive process leading to a meaningful, new long-range higher education strategic plan. The motion carried.

Institutional Completion Goals (TAB E*)

Commissioner Buhler reported on the history, strategies, and progress of USHE's completion goals, which were also discussed in the Academic and Student Affairs Committee. **It was moved by Vice Chair Davis and seconded by Regent Beesley to thank the presidents and institutions for their efforts, encourage continued efforts in meeting the completion goals, and accept the attachment in Tab E which outlined the three- and five-year institutional completion goals. The motion carried.**

New USHE Performance Funding Model Proposal (TAB I*)

Commissioner Buhler reported on the new performance funding model proposal which was also discussed in the Finance and Facilities Committee. The emphasis includes rewarding excellence, completion and a balanced approach. Commissioner thanked Presidents Wight, Pershing and Wyatt for their participation in the Performance Funding Working Group. He briefly explained the three USHE metrics and institution-specific metrics, the allocation of funds and implementation of the funding model. Action on this item was delayed until the Finance and Facilities Committee chair reported to the board.

2015 Legislative Priorities (TAB Y)

Commissioner Buhler reported on the regional legislative briefings and kick off meetings, the upcoming Higher Education Lunch on the Hill on February 20, and the key legislative efforts. **It was moved by Regent Anderson and seconded by Regent Barnes to endorse the budget and priorities of USHE for the 2015 Session of the Utah State Legislature as adopted by the Board on September 26, 2014, endorse the capital facilities priorities of USHE as adopted by the Board on August 19, unite with the Commissioner and staff, Presidents and institutional representatives behind the system priorities, authorize the Commissioner to monitor, support, or oppose legislation, and to provide the Board with regular updates all as outlined in Tab Y. The motion carried.**

General Consent Calendar (TAB Z)

On a motion by Regent Marquardt, and seconded by Regent Stoddard the following items were approved on the Regents' General Consent Calendar:

- A. Minutes – Minutes of the Board meeting November 14, 2014, Utah Valley University, Orem, Utah; Minutes of the Board meeting December 8, 2014, Conference Call; and Minutes of the Board meeting December 11, 2014, Snow College, Ephraim, Utah.
- B. Grant Proposals
- C. Awards
- D. Academic Items Received and Approved
- E. Executive Committee Item Received and Approved

Reports of Board Committees

Academic and Student Affairs Committee

Utah Valley University – Bachelor of Arts in Art History (TAB A)

Utah Valley University – Bachelor of Fine Arts in Theatre Arts (TAB B)

Snow College – Certificate of Completion in Agribusiness and Associate of Applied Science Degree in Agribusiness with Emphases in Agribusiness and Management, Animal Science, Agronomy, and Range (TAB C)

Regent Prince briefly reported on the three degrees above and made one motion to approve the degrees as outlined in Tabs A, B and C. The motion was seconded by Regent Valdez and carried unanimously.

Revision of Policy R461, Access, Admission, and Articulation (TAB D)

Regent Prince reported the language of R461 was updated as well as provisions regarding Admission of Veterans in response to state legislation passed in recent years. **It was moved by Regent Prince and seconded by Regent Theurer to approve the revisions of policy R461 as outlined in Tab D. The motion carried.**

Institutional Completion Goals (TAB E)

This item was approved earlier (see above).

Report of the Technology Initiative Advisory Board to the Utah State Board of Regents (TAB F)

Regent Prince briefly reported on this information item; no action was taken.

“Expect the Great” African/African American Leadership and College Fair Event (TAB G)

Regent Prince briefly reported on this information item; no action was taken.

Utah College Application Week (TAB H)

Regent Prince briefly reported on this information item; no action was taken.

Finance/Facilities Committee

New USHE Performance Funding Model Proposal (TAB I)

Regent Marquardt reported this item was presented earlier by Commissioner Buhler, adding that it is the right approach, a measured approach, and balanced with other priorities. **It was moved by Regent Marquardt and seconded by Regent Barnes to approve, as a proposal to the 2015 Legislature, the Performance Funding Model as described in Tab I. The motion carried.**

2015-16 Mission Based Funding Initiatives (TAB J)

Regent Marquardt reported this item contains specific detail of each initiative by institution for implementing mission based funding during the fiscal year 2015-16. **Regent Marquardt added it was well thought out and moved the approval of the fiscal year 2015-2016 Mission Based Funding detailed request for Student Participation, Distinctive Mission, and Research 1 Graduate Program Initiatives, adherent to Utah State Code 53B-7-101. The motion was seconded by Regent Zenger and carried by the Board.**

FY 2016 Capital Development Projects Changes (TAB K)

Regent Marquardt reported there have been some changes made to the scope and funding amounts of several projects since the Board’s prioritization of State-funded Capital Development Projects on August 19, 2014 and approval of Non-state funded projects on September 26, 2014. The most common changes

are successful fundraising and updated Construction Budget Estimates provided by DFCM. **It was moved by Regent Marquardt and seconded Clyde to ratify the changes to the projects as outlined in Tab K. The motion carried.**

Weber State University – Renovation of Davis Campus Northrup Grumman Building (TAB L)

Weber State University – Miller Administrative Building Systems Renovation (TAB M)

Regent Marquardt reported on the above renovation requests by Weber State University. **It was moved by Regent Marquardt and seconded by Regent Anderson to approve authorization for both of these projects for submission to the State Building Board for final design and construction approval. The motion carried.**

Weber State University – Series 2015 Bond Issue to Refund Student Facilities System Revenue Bonds (TAB N)

Regent Marquardt reported on Weber State University's request for authorization to issue Series 2015 Revenue Bonds to refund a portion of previously issued Series 2005 Facilities System Revenue Bonds. **It was moved by Regent Marquardt and seconded by Regent Harris to approve the refinancing request as proposed. The motion carried.**

UHEAA - Proposed Student Loan Portfolio Purchase and Financing (TAB O)

Regent Marquardt reported the UHEAA has a unique opportunity to purchase a loan portfolio from Bank of America for a cost of nearly \$1.8 billion, which is a significant investment for UHEAA. He reported the Student Finance Subcommittee discussed it at length this past Tuesday, and the Finance and Facilities Committee discussed the item at length today. He asked David Feitz, Executive Director of UHEAA to report in more detail. Mr. Feitz reported the portfolio will be acquired with funds drawn on a short-term financing which would be replaced with a series of permanent financings over the next two years. The plan is to service the loans in Utah at the Gateway Office. He also reported upon the completion of the due-diligence phase; the purchase would be made in February. He added that this transaction has good economic advantages to the board and manageable risks. **It was moved by Regent Marquardt and seconded by Regent Stoddard to approve the Approving Resolution, as attached in Tab O, authorizing the purchase of the student loan portfolio and the related RBC Warehouse Line of Credit. The motion carried.**

Update on Institutional Audit Reports to the Regents' Audit Committee (TAB P)

Regent Marquardt reported the Audit Committee met the previous day and the process is working very well. He added there were no significant reports of fraud or waste, but were some issues that need to be addressed in the future including process and resources. This was an information item; no action was taken.

USHE – 2015 Data Book (TAB Q)

Regent Marquardt encouraged the Regents to take a look at the 2015 Data Book online. There was no action taken on this information item.

Securities Exchange Commission (SEC) Municipalities Continuing Disclosure Cooperation (MCDC) Initiative (TAB R)

Regent Marquardt reported this item came to the Regents previously, and while it had been established no additional disclosure is necessary, there are recommendations of addressing policy changes and reporting in the future. No action was taken on this information item.

Utah State University – Donation of Caine Home Contiguous Property to the Logan Campus (TAB S)

Regent Marquardt reported on the acceptance of a gifted property. The donor's intent is for the property, which consists of a house, parking lot and landscaped yard, to benefit the Caine College of the Arts programs and activities. No action was taken on this information item.

University of Utah Health Care System Remodeling Projects (TAB T)

Regent Marquardt reported on three impending University of Utah Health Care System remodeling projects. No action was taken on this item.

University of Utah – Series 2015A General Revenue and Refunding Bonds (TAB U)

Regent Marquardt reported on the University of Utah refinancing of their general bond system. No action was taken on this information item.

USHE – Annual Report on Institutional and Revenue Bonded Indebtedness (TAB V)

USHE – Report of Auxiliary Funds (TAB W)

Regent Marquardt reported on the above annual reports. No action was taken on these information items.

Chair Campbell expressed appreciation for the work that went behind all of the board items today. He also reminded the Regents to complete the annual Public Officer's Disclosure Statements.

It was moved by Regent Theurer and seconded by Regent Harris to adjourn. The motion carried and the Committee of the Whole adjourned at 1:46 p.m.

Kirsten Schroeder, Executive Secretary

Date Approved: March 27, 2015