The Utah College of Applied Technology (UCAT)
Board of Trustees Meeting
DATE: 25 April 2013
TIME: 10:00 AM – 3:00 PM
LOCATION: Utah College of Applied Technology
2801 Ashton Boulevard
Lehi, UT 84043
(Anchor location for electronic access)

MINUTES

Board of Trustees Present
Tom Bingham, Chair – TATC Board of Directors
Michael Madsen, Vice Chair – BATC Board of Directors
Mike Blair – DATC Representing Michael Jensen
Ron Larsen – DXATC Board of Directors*
Jim Evans – MATC Board of Directors
Steve Moore – OWATC Board of Directors
Don Roberts – SWATC Board of Directors
Mark Dennis – UBATC Board of Directors
Brad Tanner – Non-Union Apprenticeship
Teresa Theurer – State Board of Regents Representative
Kendall Willardson – Snow College CTE
Blair Carruth – Assistant Commissioner(Representing Dave Buhler)

Excused
Dave Buhler – Commissioner of Higher Education
Stanley Parrish –Salt Lake Community College SAT
Michael Jensen – DATC Board of Directors
Mike McCandless – USU-Eastern CTE
Dale Cox – Union Apprenticeship
Spencer Eccles – Governor's Office of Economic Development
Jim Olsen – Business-Industry Governor's Appointee
David Thomas – State Board of Education Representative

*Attended via telephone conference call

UCAT Administration
Robert Brems – President
Kimberly Street – Executive Assistant to the President
Jared Haines – VP, Instruction and Student Services
Tyler Brinkerhoff – VP, Administrative Services
Jordan Rushton – Director of Public Relations
Doug Richards – Assistant Attorney General

Others Present
Spencer Pratt – Legislative Fiscal Analyst
Angela Oh – Legislative Fiscal Analyst
Jim Grover – Governor's Office of Planning & Budget
Richard Maughan – BATC, Campus President
Mike Bouwhuis – DATC, Campus President
Kelle Stephens – DXATC, Campus President
Collette Mercier – OWATC, Campus President
Clay Christensen – MATC, Campus President
Dana Miller – SWATC, Campus President
Scott Snelson – TATC, Campus President
Dave Woolstenhulme – UBATC, Campus President
Tim Osterstock – Audit Manager
Tim Bereece – Audit Supervisor
Chris McClelland – Audit Staff
Paul Skeen – HBM CPA's
Barbara Miner – Notary Public

MINUTES OF MEETING

UTAH COLLEGE OF APPLIED TECHNOLOGY
Board of Trustees
25 April 2013

I.INTRODUCTION ITEMS

I.A Call to Order
Meeting was called to order at 10:10 a.m.

I.B Pledge of Allegiance
Led by Trustee Don Roberts

I.C Approval of Agenda

Motion to approve the agenda

Motion: Jim Evans; Second: Michael Madsen; Voting: Unanimous

I.D Approval of 10 January 2013 Minutes
Motion to approve the 10 January 2013 Minutes
Motion: Steve Moore; Second: Mark Dennis; Voting: Unanimous

I.E Executive Committee Report
Chair Bingham informed the board the Executive Committee Meeting approved minutes of previous
Committee meetings. In the meeting they also reviewed the Board of Trustees meeting agenda.

I.F Oath of Office for Dave Thomas
Dave Thomas was unable to make the meeting, so Chair Thomas Bingham moved the oath of office for Dave
Thomas to a future meeting.

I.G UCAT Board of Trustees Expirations
In accordance with Utah Code 53B-2a-103, members of the Utah College of Applied Technology Board of
Trustees "shall be appointed commencing on July 1 of each odd-numbered year to a four-year term". The
following members' terms expire on June 30, 2013:

Thomas E. Bingham, TATC Campus Board of Directors	Steve R. Moore, OWATC Campus Board of Directors
Michael Madsen, BATC Campus Board of Directors	Michael E. Jensen, DATC Campus Board of Directors
David L. Thomas, Utah State Board of Education	Spencer Eccles, Governor's Office of Economic Dev.
Stan Parrish, SLCC School of Applied Technology Board of Directors	Brad Tanner, Non-Union Apprentice (Gov. Appointee)
Dale M. Cox, Union Apprenticeship (Gov. Appointee)*	Jim Olsen, Governor's Business Appointee*

*Terms Expired 2011, pending reappointment to current term expiring 2015

Official notification will be made by the Office of the UCAT President within the next 30 days to the groups which each
member represents of pending term expirations. Each group should respond in writing by May 24, 2013 indicating that
their representative is to be reappointed or replaced by a new representative. In either case, the decision is based on a
majority vote by the business and industry members of the represented group. The decisions will be presented in the
June 5, 2013 Board of Trustees meeting.

II.ACTION ITEMS

II.H Policy Revisions – Policy 201 - Membership Hour Reporting (Defined-Length Schedules), Policy 204 - Tuition and Fees (Senior Citizens)

Policy 201 (Membership Hour Reporting – Lock-Step Classes):
The student services officers recommended adjusting this policy so that all of the membership hours for lock-step classes are posted at the beginning of the class, rather than accruing over the duration of the class as provided in a 2011 policy revision. It has been found impractical to filter membership hour data for students who leave lock-step classes before the classes end. Posting of full course membership hours at the beginning of lock-step classes will make reporting consistent with all other types of defined-schedule classes, for which the campus instructional resources are committed upon enrollment for the full duration of the class.

6.2   Defined-Length Schedule: For a defined-length schedule as defined in 201.4.2.2, membership hours shall be reported in the amount of the course length approved for the full course on the date the student enrolled as specified in 201.5.1. For a student who does not remain enrolled beyond the course withdrawal deadline approved and published by the campus, zero hours are posted regardless of hours spent or competencies completed. This method of membership hour measurement applies only to individual courses, and shall not be applied to programs. ~~according to the scheduling format.~~

> ~~a) For a defined-length schedule with scheduled instruction as defined in 201.4.2.2(a), membership hours shall begin on the enrolled student's scheduled start date, and shall be posted and reported as they accrue up to and including the scheduled course end date, regardless of the student's exit date.~~
> ~~b) For a defined-length schedule in which access to instructional resources is not verified as defined in 201.4.2.2(b), membership hours shall be posted and reported for the full course on the date the student enrolled as specified in 201.5.1.~~
> ~~c) For a student who does not remain enrolled beyond the course withdrawal deadline approved and published by the campus, zero hours are posted regardless of hours spent or competencies completed.~~
> ~~d) This method of membership hour measurement applies only to individual courses, and shall not be applied to programs.~~

Policy 204 (Tuition and Fees – Senior Citizens):
The Board of Trustees approved a revision to this policy in January 2013 providing for enrollment of senior citizens in accordance with Utah statute. Two adjustments to the language that was approved have been recommended as the policy is being implemented (attached):
(1) Removing the reference in 204.7.1.3 specifically to "course" fees will allow campuses to charge senior citizens for other applicable campus expenses directly incurred by their participation beyond course-specific fees.

> **7.1.3** All applicable ~~course~~ fees shall be charged, as determined by the campus.

(2) Changing the designation in 204.7.3 to "Senior Citizens" instead of "life-long learners" will provide more accurate reporting that is consistent with the UCAT Data Dictionary already approved by the Board.

> **7.3   Senior Citizen Enrollment reporting:** Senior citizens participating through the audit waiver policy shall be enrolled as ~~lifelong learners~~ Senior Citizens.

Motion to approve the proposed revisions of Policies 201 and 204.
Motion: Don Roberts, Second: Michael Madsen; Voting: Unanimous

II.I Repeal of Policy 103 – Authorization of Charter Schools by UCAT Campuses

The Board of Trustees approved UCAT Policy 103 (Authorization of Charter Schools by UCAT Campuses) in January 2012, in accordance with what legislation passed in 2010 and 2011 which provided that "the Utah College of Applied Technology Board of Trustees shall establish a policy for granting approval to a campus board of directors to enter in an agreement to establish and operate a charter school" (UCA 53A-1a-521(8)(b).

Senate Bill 151 (Authorization of Charter Schools by Higher Education Institutions), which was passed in the 2013 General Session of the legislature, provides that "the Utah College of Applied Technology Board of Trustees may not establish policy governing the procedures or criteria" for a campus board of directors to consider approval of a charter school (SB-151, 2013 General Session, State of Utah, lines 109-117). Accordingly, it is necessary for the Board of Trustees to repeal UCAT Policy 103.

Motion to repeal Policy 103 – Authorization of Charter Schools by UCAT Campuses.
Motion: Mark Dennis, Second: Steve Moore; Voting Unanimous

II.J UCAT FY 2014 Tuition Rate

UCAT campuses have been conducting public hearings pursuant to UCA 53B-7-101.5.
Proposed tuition rates have been discussed at length with the Presidents' Cabinet and executive staff members of the campuses and the Office of the President as well as the Executive Committee of The Board of Trustees. The proposed new UCAT tuition rate is $1.75 per hour, an increase of $0.05 per hour or 2.9%. This will have an impact of an estimated: + $231,570. This estimate is based on FY 2012 post-secondary membership hour totals.

Motion to approve a system-wide tuition rate increase of $0.05 per hour.
Motion: Brad Tanner, Second: Jim Evans; Voting: Unanimous

II.K Second-Tier Tuition Pilots at Davis, Dixie, Mountainland, and Uintah Basin Campuses

The recent legislative audit recommended, *"the UCAT Board of Trustees establishes a fee policy that specifies acceptable fee uses and outlines the approval process and oversight for campus-wide fees."*
UCAT's response to this recommendation was *"with the maturing of the UCAT system and the eight campuses, enhanced guidance to campus boards regarding acceptable fee uses, fee approval processes and campus-wide fees should occur. The UCAT Board of Trustees will begin working with the eight campuses to consider policy adjustments that provide this guidance."*

Following discussion with the UCAT President's Cabinet it was determined that a proactive approach to this recommendation would be to consider a second-tier tuition model under current UCAT policy targeting immediate reduction and eventual elimination of campus-wide or general fees at second-tier campuses while still allowing for program-specific or purpose-specific fees to be charged as approved by campus boards of directors.

On March 14th, the UCAT Executive Committee met via conference call to consider a proposal for DATC, MATC and UBATC to pilot a second-tier tuition system for FY 2014. The Executive Committee did not take formal action, but directed President Brems to develop the concept and present it to the UCAT Board of Trustees at the April 25th meeting. Since that time, UCAT Trustee and DXATC Board of Directors Chair Ron Larsen and DXATC Campus President Kelle Stephens have requested that DXATC also be allowed to propose a second-tier pilot for FY 2014.

President Brems directed the four campuses to provide written information regarding their proposals. The four campus responses are included as attachments to this agenda item.

DXATC, MATC and UBATC are requesting permission to implement a $0.25/hour second-tier tuition. DATC is requesting permission to implement a $0.15/hour second tier tuition campus, all requests effective July 1, 2014. This would be in addition to a $0.05/hour tuition increase for all campuses to be proposed to the Trustees. Details regarding each of the four campus proposals are contained in their accompanying communication. These proposals can be found in the 25 April 2013 agenda on the UCAT website.

The proposed second-tier tuitions would generate the following amounts at each campus(based on FY 2012 statistics)
DATC 1,314,258/adult membership hours X $0.15 = $197,139
DXATC 225,640/adult membership hours X $0.25 = $56,410
MATC 492,153/adult membership hours X $0.25 = $123,038
UBATC 388,183/adult membership hours X $0.25 = $97,046

Motion to approve the proposed second-tier tuition models at DATC, DXATC, MATC and UBATC on a pilot basis with update reports to be made at the January 2014 and April 2014 Board of Trustees meetings and with great evaluation of how it has affected each campus.
Motion: Ron Larsen, Second: Jim Evans; Voting Unanimous

II.L Differential Tuition Rates

The following courses were identified by their respective campuses to be considered for differential tuition rates. The courses at BATC and UBATC have been approved for differential rates in previous years and are presented to the Board of Trustees due to annual differential rate expirations. OWATC has a new request for its Academic Learning Center.

BATC:
Farm and Ranch Management - $210 annually for beginning students, $240 for advanced students
Academic Learning Center - $20 monthly

OWATC:
Academic Learning Center - $20 monthly

UBATC:
Farm and Ranch Management - $204 annually for beginning students, $240 for advanced students

Motion to approve the requested differential tuition rates.
Motion: Brad Tanner, Second: Michael Madsen; Voting: Unanimous

II.M Approval of UCAT FY 2014 Budget

The Office of the UCAT President is primarily funded by funded by tax dollars appropriated by the State Legislature. Per UCAT Policy 555.3.3, *"After review and approval by the UCAT President, the proposed budget shall be submitted to the UCAT Board of Trustees for final approval in the regular Board Meeting in June of each year."* Though policy indicates a June approval, administration has prepared the budget and requests Board consideration for an early approval. The attached spreadsheet is administration's plan for the disposition of funds appropriated to The Office of the UCAT President for the fiscal year ending June 30, 2014.

Motion to approve the FY 2014 budget.
Motion: Michael Madsen, Second: Steve Moore; Voting Unanimous

II.N SWATC Kane County Instructional Service Center Lease Addendum Approval

In June of 2007, SWATC entered into a lease agreement with the Kane School District for the Kane County instructional service center. The agreement established a full-service lease rate of $115,000 per year for the first 5 years, then $145,000 per year for 6 years, at which time ownership of the building would transfer to SWATC.

In 2009, due to State appropriation reductions, the District and SWATC agreed to reduce the annual payment to $105,000 through June 30, 2012. Beginning July 1, 2012, the annual lease amount was set to increase to $145,000 as per the original agreement.

Due to high operational costs at the Kane County instructional service center, SWATC administration requested that the Kane School District Board of Education approve an annual lease rate of $115,000 (quarterly payments of $18,750 plus $40,000 annually for O&M) and recalculate the amortization schedule.

The Kane School District Board of Education approved the lease addendum on February 14, 2013, effective July 1, 2012. At the new rate, the final payment would be made on January 1, 2021. The SWATC Board of Directors approved the lease addendum in its April 4, 2013, meeting. This will give a $30,000 annual lease savings to SWATC and ownership in January, 2021.

Motion to approve the lease addendum.
Motion: Steve Moore, Second: Kendall Willardson; Voting: Unanimous

II.O Campus President/UCAT President Compensation

Utah Code 53B-2a-102 (2)(i), requires the UCAT President to set annual compensation for campus presidents, with the approval of the UCAT Board of Trustees. The 2013 Utah State Legislature authorized and funded a 1% adjustment to the salaries of all UCAT employees for the FY 2014 year (July 1, 2013 to June 30, 2014). Based on this action President Brems recommended that the salaries of the eight UCAT campus presidents and the UCAT President be increased by 1%.

The 1% increase that was funded for all the campuses plus the UCAT President's Office amounts to $386,500. Additional funding was also appropriated for increased healthcare insurance and retirement costs. Total appropriated funds for compensation and benefits increases was $1.2 Million, which is an additional 3.15%, beyond the $5.1 million the legislature funded for programs.

Trustee Roberts recommended having an internal audit of all salaries and benefits for all employees over the next year.   Paul Skeen said that such an audit is within the scope of what internal auditors can do. He recommended comparing with other institutions within and between campuses and geographic adjustments.

Some trustees expressed concern that we stay at the 1% adjustment and not go higher. There needs to be no appearance of going above the 1% that was appropriated by the legislature.

Mike Blair recommended tabling approval of President's compensation until the next Board of Trustees meeting. To allow for a quick study rather than waiting until next year to have a study put together.

Trustee Madsen recommended proceeding with the legislature's 1% recommendation this year and giving it a year to study for next year. He mentioned that the board doesn't want to be seen as jumping the gun.

Trustee Larsen agreed with Trustee Roberts' recommendation to take the time to look at data. It would send a wrong message to go against the legislature's 1% this year.

Motion to approve a 1% adjustment to the salaries of all UCAT campus presidents and the UCAT President for FY 2013-14, with a study of compensation for all presidents, staff, and employees across the board of all UCAT campuses in relation to other for FY 2014-15 consideration.
Motion: Don Roberts, Second: Michael Madsen
Voting: Approved, with Mike Blair voting in opposition

III.INFORMATION ITEMS

II.P A Performance Audit of the Utah College of Applied Technology Programs and Funding
In February, the Office of the Legislative Auditor General (LAG) released Report Number 2013-02, A Performance Audit of Utah College of Applied Technology Programs and Funding following approximately nine months of review at the UCAT system level and at each of the eight campuses.

UCAT Administration and the UCAT Audit Committee approved responses to nine recommendations made by the LAG. The report is generally a positive overview of the UCAT system and the recommendations are proving useful in further enhancing UCAT's performance and operation. The LAG Audit Team of Mr. Tim Osterstock, Audit Manager, Mr. Tim Bereece, Audit Supervisor and Mr. Chris McClelland Audit Staff were invited to review the report with the Board.

Mr. Tim Bereece presented to the board. This audit was initiated to look at the programs and funding that are associated with the UCAT system. The presentation was to address a few of the recommendations. There were four chapters they wanted to go over: (2) How programs were responding to market needs; (3) Students level of cost participation; (4) How custom fit drives economic development; (5) UCAT's participation in basic education for secondary students

(2) The auditors looked at the completion, placement, and licensure for the overall UCAT system. They showed that the numbers are very impressive and most programs are meeting their numbers. They noticed that there are more problems with the completion metrics than placement. This showed that programs were responding to market needs.

(3) Concept of Tuition and Fees – The auditors mainly looked what burden costs the students had to pay entering into a program. UCAT has done very well to keep tuition low, but they wanted to look at if there were any consequences for that. They looked at each of the campuses data of what students paid for programs. They took the $1.70/per hour tuition rate and took the average of fees, books, and supplies to see what the students were paying. Once they developed this data they noticed that students pay more in non tuition costs then in tuition. Although the tuition is low they recommended looking at the overall cost that the students have and suggested taking a good look at fees. They recommended that the Board of Trustee consider a Fee Policy to set acceptable fees and what oversight needs to take place. Also they recommended a Policy of minimum secondary student fees.

(4) Custom Fit and how they provide their training. Custom fit is very diverse and provide training for many companies. It is supposed to be focused on work force economic development. It came to the auditors asking the question of, how do you measure economic development outcome. The auditors looked at how funding is distributed and typically it was on a first come first serve basis. So those clients that know about Custom Fit typically have a larger set of funds coming their direction. So is this the best allocation model. The auditors looked at other states to see where their objectives were. They found they were asking for documentation of new employees, job retention, and are they training employees on new technology. This may not work best for Utah, but ask to look at what would be best for Utah. Recommended to the Board of

Trustees to think about what the objective is and what fits for Utah. They also looked at company contribution and suggested that instead of the 40% contribution to have them give a higher contribution. So the two recommendations they had were to figure out what the objectives are and exactly what they want Custom Fit to accomplish. Also to put a contribution rate policy together.

(5) What are High School graduation requirements and looking specifically at Computer Literacy some campuses and schools say that if you take it in high school it will transfer to UCAT. This is an item that would be taken to the legislature, because it involves both UCAT and the public education. They are looking for a little more guidance from the legislature on this item.

III.Q 2013 Legislative Session Review

The 2013 General Session of the Utah State Legislature concluded on March 14th. The Legislature took action on several issues that affect the Utah College of Applied Technology. The following items are among the most important and will provide a basis for our discussion.

• 1% compensation increase plus additional funds for insurance and retirement totaling $1,218,400.
• An enhancement of program capacity at all eight UCAT campuses through $5,000,000 in ongoing funds.
• UCAT's request to fund the SWATC facility was unsuccessful.
• Several bills passed which affect UCAT, may call President Brems for more information.
• UCAT was charged to develop a proposal for the 2014 Legislature to address funding equity between campuses to be developed for the September Board of Trustee Meeting

UCAT ongoing funds increased by $6,218,400

III.R Program Approvals for TATC, UBATC, and OWATC

The UCAT Board of Trustees, as provided in UCAT Policy 200.5.2.3, directs and authorizes the UCAT president to approve requests for approval of financial aid eligible campus programs and of substantive changes thereto, if the president concurs that the proposals meet the agreed-upon UCAT criteria established by the Board in Policy 200.6. The president's approval is considered final, and program documentation is to be submitted to the Board in its next regularly scheduled meeting as an information item. Accordingly, the President's Office has reviewed requests for approval of the following certificate programs and concurred that the proposals satisfy the agreed-upon criteria, and President Brems has approved the programs:

Campus	Program Title	Length (hours)	UCAT President Approval Date
TATC	Network Administrator (MCITP) (substantive change)	1,340 (formerly 720)	January 19, 2013
TATC	Network Associate (MCTS) (substantive change)	940 (formerly 540)	January 19, 2013
TATC	Networking Technician (Net+) (substantive change)	650 (formerly 450)	January 19, 2013
TATC	Barbering (new program)	1,000	February 14, 2013
TATC	Cosmetology/Barbering (new program)	2,000	February 14, 2013
TATC	Heavy Duty Diesel (new program)	1,200	February 14, 2013
TATC	Industrial Maintenance (new program)	900	February 14, 2013
TATC	Network Engineer-CCNA (new program)	1,110	February 14, 2013
UBATC	Medical Assistant (substantive change)	1,050 (formerly 1,500)	February 8, 2013
OWATC	Construction Technology (new financial aid eligibility)	630 (formerly 570)	April 16, 2013
OWATC	Metal Fabricator (new program)	1,180	April 16, 2013

III.S Tuition Rate Background

Trustee Jensen requested this item and stated he had all of his questions had been answered. There was no need to move item forward to another meeting, since he could not be in attendance.   Trustee Jensen informed Chair Bingham and President Brems that the item could be removed from agenda.

III.T Office of the UCAT President Budget Report

Per UCAT policy 555.3.6, *"A report, detailing revenue and expenditures for all budget categories, shall be presented to the Board of Trustees in all regular meetings of the Board."* The attachments report total revenues and expenditures by category for the Office of the President for the current fiscal year through March 31, 2013 as well as a check register for January – March 2013.

III.U Northstar Student Information System Stabilization

Since 2005, seven UCAT campuses have transitioned to the Northstar student information system (SIS), replacing the previous commercially-developed SIS known as VSR/4. Northstar is UCAT-developed, based on the former DATC Galaxy program and designed to meet the unique requirements of open-entry/open/exit, competency-based instruction. At this time, DXATC, MATC, TATC, SWATC and UBATC are implementing Northstar Version 2. DATC and OWATC still utilize Northstar Version 1, with plans to transition to Version 2 by July 1, 2013. BATC is transitioning from VSR/4 and implementing another commercially-developed SIS called Jenzabar.

UCAT received ongoing funds in 2005, 2006 and 2007 to develop and support the Northstar project. The maximum UCAT amount for Northstar support reached $411,000 in FY 2008. During the recession, the Northstar portion of the UCAT administration budget was reduced by $121,700 and the current UCAT budget for Northstar is $289,300. That budget supports three full-time staff and current expense.

Recently, there has been system and subsequent campus investigation into a UCAT system purchase of the Jenzabar product. Last October the Trustees approved a $4M one-time request for that purpose, however, that amount was not funded by the 2013 Legislature.

Given the need to stabilize the Northstar SIS project, President Brems has asked the seven campuses to supplement its current development and maintenance. The FY 2014 campus support of $170,000 will provide compensation increases for the three full-time staff and add two staff to the project. The request includes the following amounts for each campus with an overall Northstar budget of $459,300:

DATC	$40,700		
DXATC	$15,400	FY 2014 Northstar Budget	
MATC	$27,400		
OWATC	$35,600	Current Administrative Budget:	$289,300
SWATC	$15,900	Campus Support	$170,000
TATC	$11,700	Total FY 2014 Northstar Budget	$459,300
UBATC	$23,300		
Total	$170,000		

Campus amounts are based on $10,000 plus $0.02/membership hour (using FY 2012 data). Campus presidents have been asked to work with their respective board of directors to determine a method of funding this support, which may include absorbing into FY 2014 budget, increasing student fees for SIS or using one-time funds. An anticipated FY 2015 legislative request will be made to cover these costs.

IV. Closed Session

Moved: That the Board of Trustees Utah College of Applied Technology College go into closed session to discuss pending or reasonably imminent litigation, pursuant to Utah Code Section 52-4-205(1)(c)

Motion: Michael Madsen, Second: Kendall Willardson; Voting: Unanimous

Roll call vote in favor: Tom Bingham, Michael Madsen, Mike Blair, Ron Larsen, Jim Evans, Steve Moore, Don Roberts, Mark Dennis, Brad Tanner, Teresa Theurer, Kendall Willardson
Opposed: (none)
(Absent for the vote: Blair Carruth)

With the unanimous vote of the quorum present, the Board went into closed session.

V. Return to Open Session

VI. Adjourn
Motion to Adjourn: Don Roberts, Second: Kendall Willardson
Meeting adjourned at 1:56 p.m.