

October 7, 2009

MEMORANDUM

To: State Board of Regents
From: William A. Sederburg
Subject: General Consent Calendar

The Commissioner recommends approval of the following items on the Regents' General Consent Calendar:

- 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
 1. University of Utah – Southern California Edison; “ARRA - CCPI”; \$39,599,083. Brian James McPherson, Principal Investigator.
 2. University of Utah – Fuel Cell Energy Inc; “Direct Fuel Cell Carbon Seq”; \$8,468,22. Brian James McPherson, Principal Investigator.
 3. University of Utah – Neumann Systems Group; “ARRA-Mid-Continent Carbon”; \$2,696,556. Brian James McPherson, Principal Investigator.
 4. University of Utah – National Institutes of Health; “3-D Biopolymer Scaffolds”; \$1,818,629. David W. Grainger, Principal Investigator.
 5. University of Utah – National Science Foundation; “Acquisition of FE TEM”; \$1,819,300. Sivaraman Guruswamy, Principal Investigator.
 6. University of Utah – Ambre Energy; “ARRA: Chemical Sequestration of CO2”; \$1,615,032. Wlodzimierz Zmierczak, Principal Investigator.
 7. University of Utah – National Institutes of Health; “Modulation of the FBR”; \$1,537,830. David W. Grainger, Principal Investigator.

8. University of Utah – National Science Foundation; “Veritas Upgrade”; \$1,278,804. David Kieda, Principal Investigator.
9. University of Utah – National Institutes of Health/National Institute of Diabetes and Kidney Diseases; “Control of Insulin Resistance”; \$1,881,250. Donald E. Ayer, Principal Investigator.
10. University of Utah – National Science Foundation; “Data Center Renovation”; \$1,999,759. Stephen H. Hess, Principal Investigator.
11. University of Utah – National Institutes of Health/National Institute of Diabetes and Kidney Diseases; “Gastric Bypass”; \$3,551,230. Steven C. Hunt, Principal Investigator.
12. University of Utah – National Institutes of Health; “CNV MOS”; \$2,151,178. Steen C. Hunt, Principal Investigator.
13. University of Utah – National Institutes of Health/National Cancer Institute; “Nanogels for Ovarian Cancer”; \$1,882,250. Margit-Maria Janat, Principal Investigator.
14. University of Utah – National Institutes of Health/National Heart Lung and Blood Institute; “Insulin Signaling in the Heart”; \$,881,250. E. Abel, Principal Investigator.
15. University of Utah – National Institutes of Health; “P13K and AKT in Mitochondrial”; \$1,881,250. E. Abel, Principal Investigator.
16. University of Utah – U.S. Department of Commerce; “NTIA BTOP”; \$13,954,641. lisa B. Kuhn, Principal Investigator.
17. University of Utah – U.S. Department of Commerce; “Broadband Adoption”; \$4,996,026. Laura Groussman Hunter, Principal Investigator.
18. University of Utah – National Science Foundation; “Advanced Networking Support”; \$1,999,939. Michael A. Petersen, Principal Investigator.
19. University of Utah – National Science Foundation; “Sustain and Extend Vistrails”; \$1,948,332. Claudio T. Silva, Principal Investigator.
20. University of Utah – National Science Foundation; “Utah Futures”; \$1,560,295. Rebecca Thomas Menlove, Principal Investigator.
21. Utah State University – U.S. Department of Transportation; “Federal Funding of a Tier II University Transportation Center”; \$1,082,536. Kevin Womack, Principal Investigator.

22. Utah State University – State of Utah/Department of Health; “Up to 3 Early Intervention”; \$1,073,270. Susan Olsen, Principal Investigator.
23. Utah State University – National Institutes of Health; “Advanced Studies of the Micro-Biomechanics of Breast Tissue”; \$1,293,000. Soonjo Kwon, Principal Investigator.
24. Utah State University – National Institutes of Health; “ARRA: Prospective Study of Novel Lipid Biomarkers and Risk of Cognitive Decline”; \$1,420,382. Ronald Munger, Principal Investigator.
25. Utah State University – U.S. Department of Energy; “ARRA: Novel Plasma Confinement Device for Energy Production”; \$1,764,500. W. Edwards, Principal Investigator.
26. Utah State University – National Institutes of Health; “Understanding Delay Discounting in Cigarette Smokers”; \$1,218,000. Amy Odum, Principal Investigator.
27. Utah State University – U.S. Department of Energy; “Automated Electric Transportation, ARPA-E Pre-Proposal”; \$5,000,000. Kevin Heaslip, Principal Investigator.
28. Utah State University – U.S. Department of Energy; “ARRA: Real-Time Scene Measurement and Interpretation for Intuitive Buildings with Initial Emphasis on Task-Intuitive Lighting”; \$4,000,000. Jeff Muhs, Principal Investigator.
29. Utah State University – U.S. Department of Agriculture; “Addressing Engineering and Science Barriers for Sustainable and Integrated Algal Biorefineries”; \$2,775,962.30. Sridhar Viamajala, Principal Investigator.
30. Utah State University – Ogden City School District; “Right Start: Language and Literacy Success for Ogden’s High-Risk Children”; \$1,349,667. Lisa Boyce, Principal Investigator.
31. Utah State University – U.S. Department of Energy; “Energy-Efficient, Low-Cost, and Ultra-High Yield Algal Photo-Bioreactors”; \$2,800,000. Jeff Muhs, Principal Investigator.
32. Utah State University – National Science Foundation; “Earth Systems Science: Enhancing K-12 Science Education and Cultivating Sense of Place”; \$2,990,867. John Shervais, Principal Investigator.
33. Utah State University – Institute of Education Sciences; “Embedding Motivational Support into Computer-based Scaffolds to Support Middle School Students Construction of Evidence-Based Arguments”; \$1,089,347. Brian Belland, Principal Investigator.

34. Utah State University – Institute of Education Sciences; “Shifting the EL Fulcrum to the Family: A Systemic Intervention”; \$1,228,040.51. Margaret Lubke, Principal Investigator.
35. Utah State University – Sandia Laboratories; “AFT2 Program: MIC3 Enhancements”; \$1,414,969. Vern Thurgood, Principal Investigator.
36. Utah State University – U.S. Department of Defense/National Reconnaissance Office; “Science and Technology Academic and Research Outreach Program”; \$1,349,755. Mike Fisher, Principal Investigator.
37. Utah Valley University – U.S. Department of Education/FIPSE; “Program to Prepare Displaced Workers for College Training in the University College and Student Services”; \$749,926.
38. Utah Valley University – FEMA; Utah County Fire Chiefs Association”; “Fire Academy Purchase of a Trailer with Fire Truck Driving Simulators”; \$700,000.
39. Utah Valley University – U.S. Department of Education; “Child Care Access Means Parents in School: Renewal of Child Care Program Funding for Low-Income Parents”; \$688,000.
40. Utah Valley University – FEMA Fire Prevention and Safety Grants; “Development for New Fire Fighter Technology”; \$584,260.
41. Utah Valley University – National Science Foundation; “MRI: High Resolution Mass Spectrometer to be Used for Student Research and Instruction”; \$1,374,343.
42. Utah Valley University – National Science Foundation; “MRI: Frisco Peak Observatory Telescope Camera - Collaborative Project with UofU for Student Research and Instruction”; \$3,175,633.

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.

William A. Sederburg, Commissioner

WAS:jc

Attachment

STATE BOARD OF REGENTS MEETING
UTAH STATE UNIVERSITY, LOGAN, UTAH
AUGUST 28, 2009

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STATE BOARD OF REGENTS MEETING
UTAH STATE UNIVERSITY, LOGAN, UTAH
AUGUST 28, 2009

Minutes

Regents Present

Jed H. Pitcher, Chair
Jerry C. Atkin
Brent L. Brown
Rosanita Cespedes
France A. Davis
Greg W. Haws
Meghan Holbrook
David J. Jordan
Robert S. Marquardt
Anthony W. Morgan
Carol Murphy
William H. Prows
Teresa Theurer
Marlon O. Snow
John H. Zenger

Regents Excused

Bonnie Jean Beesley, Vice Chair
Katharine B. Garff
Nolan E. Karras

Office of the Commissioner

William A. Sederburg, Commissioner of Higher Education
Joyce Cottrell, Executive Secretary
Troy Caserta, Accounting Officer
Joseph Curtin, Director of Institutional Research
Stephanie Davis, Assistant Commissioner for Administrative Services
David Feitz, Executive Director, Utah Higher Education Assistance Authority (UHEAA)
Spencer Jenkins, Assistant Commissioner for Public Relations
Andrew Jensen, Director, Utah Student Association
Melissa Miller Kincart, Assistant Commissioner for Outreach and Access
Darren Marshall, Manager of Audit and Financial Services
Cameron Martin, Associate Commissioner for Economic Development
Paul Morris, Assistant Commissioner for Budget and Planning
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Gregory L. 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
A. Lorris Betz, Senior Vice President for Health Sciences/Executive Dean, School of Medicine
David W. Pershing, Senior Vice President for Academic Affairs

Paul T. Brinkman, Associate Vice President for Budget and Planning
Arnold B. Combe, Vice President for Administrative Services
Sarah Jayne Crookston, Assistant to the Vice President for Health Sciences
Cory D. Higgins, Director of Facilities Management
John W. Mauger, Dean, College of Pharmacy
Michael G. Perez, Associate Vice President for Facilities

Utah State University

Stan L. Albrecht, President
Raymond T. Coward, Executive Vice President and Provost
David Cowley, Senior Associate Vice President for Finance/Controller
Darrell Hart, Assistant Vice President for Facilities
Fred R. Hunsaker, Interim Vice President for Business and Finance
Michelle B. Larson, Special Assistant to the Executive Vice President and Provost
Sydney M. Peterson, Chief of Staff
Whitney J. Pugh, Director, Budget Office
Mira Thatcher, Secretary, Board of Trustees/Government Relations

Weber State University

F. Ann Millner, President
Kevin P. Hansen, Assistant Vice President of Facilities Management
Brad Mortensen, Vice President of University Advancement
Norm Tarbox, Vice President of Administrative Services
Michael B. Vaughan, Provost

Southern Utah University

Michael T. Benson, President
Brad Cook, Provost

Snow College

Scott L. Wyatt, President
Marvin Dodge, Vice President of Administrative Services
Rick Wheeler, Vice President of College Relations

Dixie State College

Stephen D. Nadauld, Interim President
Donna Dillingham-Evans, Vice President of Academic Affairs
Stanley J. Plewe, Vice President of Administrative Services

College of Eastern Utah

Michael King, Interim President
Greg Benson, Dean of Arts and Sciences

Brad King, Vice President of Institutional Advancement and Student Services

Utah Valley University

Matthew S. Holland, President

Jack R. Christianson, Special Assistant to the President for Engaged Learning

Cory L. Duckworth, Vice President for Student Affairs and Strategic Planning

Elizabeth J. Hitch, Vice President for Academic Affairs

Linda Makin, Director of Budgets

Jim Michaelis, Associate Vice President for Facilities Planning

Salt Lake Community College

Dennis Klaus, Vice President of Business Services

Mason Bishop, Vice President of Institutional Advancement

Joe Peterson, Vice President of Instruction

Representatives of the Media

Wendy Leonard, *Deseret News*

Brian Maffly, *Salt Lake Tribune*

Other Guests

Steve Allred, Office of the Legislative Fiscal Analyst

Rich Amon, Office of the Legislative Fiscal Analyst

Kurt Baxter, Department of Facilities Construction and Management

Senator Lyle W. Hillyard

Carson Howell, Governor's Office of Planning and Budget

Spencer Pratt, Office of the Legislative Fiscal Analyst

Following a breakfast meeting with the Utah State University Board of Trustees, the Regents gathered in Committee of the Whole. Chair Pitcher called the meeting to order at 9:50 a.m. and welcomed everyone to the USU campus. He excused Regent Garff, Regent Karras and Vice Chair Beesley, all of whom were out of town.

Administration of Oath of Office

Chair Pitcher introduced William H. Prows, who has been appointed as a non-voting member of the State Board of Regents to represent UCAT. Chair Pitcher administered the oath of office to Regent Prows and welcomed him to the Board. Regent Prows said he was originally from New Jersey and New York City. He and his wife have five children, all of whom have gone or are going to college. Regent Prows said he and the other members of the UCAT Board of Trustees want to work in harmony with the Board of Regents.

Commissioner's Report

Commissioner Sederburg reported that the biggest issue facing higher education this fall was enrollment growth. To date, Salt Lake Community College reported an 18 percent growth in enrollment over last fall, Utah Valley University was up 12 percent, Dixie State College increased by 23 percent, and the USU branch campuses experienced a 20 percent increase in enrollment – All of this at the time higher education is experiencing a 17 percent budget cut, which has resulted in increasing use of adjunct faculty (200 at SLCC alone). It also means fewer advisors and a decrease in student services.

The New Century Scholarship became an issue when the funding was cut due to lack of appropriated funds to cover the \$1.5 million shortfall. There was also a \$200,000 shortfall in funding for the Regents' Scholarship program. A weakness was found in the early warning system to alert students, and Commissioner Sederburg went to the Legislature to request help with finding a solution. The Higher Education Appropriations Subcommittee instructed the USHE to pay recipients of both programs at 75 percent of tuition for this year. We hope to get a supplemental or new funding to cover that cost. Funding for next year is still uncertain.

The CEU/USU merger is going well. A number of meetings have already been held. Cory Duckworth has been retained as Transition Director to oversee the process. Dr. Duckworth said he viewed this as a great opportunity to work with wonderful people. He had met the CEU administrators on campus in Price the previous week and would be meeting with USU leadership the following week. Everyone appeared to be ready to move forward. He thanked Commissioner Sederburg, President King and President Albrecht for their assistance. He also thanked President Holland for allowing him to dedicate some time to this process.

Commissioner Sederburg commended President Millner for her leadership with the Cluster Acceleration Partnership (CAP) program. President Bioteau and Vice President Justeson have been meeting with representatives of the other institutions on the Community College Task Force in an attempt to identify key services provided by the community colleges. UHEAA's loan volume is up by 40 percent over last fall. We are hopeful that federal legislation will allow UHEAA to continue to serve Utah's students.

The Commissioner introduced Stephanie Davis, Assistant Commissioner for Administrative Services. He noted she had been student body vice president at Utah State University while President Wyatt was student body president. The Commissioner said he and members of his staff would be meeting with each president and budget officer in the next few weeks to discuss the institutional budgets.

Commissioner Sederburg welcomed Senator Lyle Hillyard and invited him to speak. Senator Hillyard invited everyone to have some Aggie Ice Cream before they leave Logan. He explained that although it appears the state ended the fiscal year with a surplus, that did not take into account the many transfers that must be paid from that account. The final number is still uncertain, and revenue estimates will not be made until December. Economic indicators continue to go down. The Senator noted that \$100 million of the ARRA monies were designated for public education, another \$50 million for Medicaid, and so on. There is still a \$750 million shortfall. Legislators are still not sure it has "quit raining." In fact, there may still be additional budget cuts next year. The Governor has indicated he does not want to increase taxes. The 2010 Legislative General Session will undoubtedly have to make some very difficult decisions.

Commissioner Sederburg thanked Senator Hillyard for his support of higher education through the years. He noted three things could be done to keep the scholarship programs viable: (1) cap the money, (2) make eligibility more restrictive, and (3) the institutions must buy into the program. He pointed out that every one percent cut from the higher education budget translated to 100 fewer employees.

The Commissioner said he appreciated Governor Herbert identifying (both public and higher) education as one of his three top priorities. The Governor has noted that there is a very large backlog of gubernatorial appointments to be made to the various boards and commissions; he asked every agency to be patient.

Commissioner Sederburg asked the Associate Commissioners to report on the Regents' goals.

Participation. The Commissioner explained that Associate Commissioner Dave Buhler had jury duty and was unable to attend the meeting. Assistant Commissioner Melissa Kincart reported that Mr. Buhler had presented the participation goals to the presidents at the August 11 Council of Presidents meeting and asked each of them to identify a high-level member of their administration as a contact person to work with the Commissioner's office. The team will review, collect and analyze demographic, socio-economic and education data; gather institutional recruitment goals; map existing outreach and access strategies, programs, services, and the populations they serve and complete a "gaps in service" analysis; and develop goals and potential collaborations and support to enhance existing programs/strategies or new efforts to maximize statewide needs and impact. The working team's conclusions and recommendations will be presented to the Council of Presidents prior to being reported to the Board of Regents.

Assistant Commissioner Kincart reported that the College Access Challenge Grant had been renewed for a second year. That grant will provide support for the development and launch of UtahFutures.org (college preparation and planning web utility), FAFSA completion events for high school seniors, academic and financial planning publications for students and parents, secondary counselor professional development, Utah Scholars Initiative, and subgrants for service learning and community outreach efforts aimed at helping under-served students prepare, enroll and succeed in postsecondary education.

Completion. Associate Commissioner Lucille Stoddard said institutional initiatives had been collected from all USHE institutions. The initiatives reflect two major problems that keep students from completing their education – academic problems and financial problems: Two financial aid initiatives should impact retention significantly. First, students can now get Pell grants for summer semester. Secondly, the GI Bill has been reconfigured. A student who has had as little as three months of active service in the National Guard is now eligible for 40 percent of the full VA educational benefit. These benefits increase, compatible with length of service.

Economic Development. Associate Commissioner Cameron Martin referred to Tab P, which provided an update on the CAP program. Work is continuing on measurable objectives. Some institutions are doing a stewardship audit, which is a process of aligning the institution with the community and its needs. A web site has been developed for the Voluntary System of Accountability (VSA). The Institutional Research directors will

meet in St George in November to partner and to be in synch with the institutions as well as with the system and the state.

Commissioner Sederburg concluded his presentation by mentioning some of the major issues to be discussed during the meeting.

The Regents were dismissed to their respective committees at 10:22 a.m. and reconvened in Committee of the Whole at 11:40 a.m.

Reports of Board Committees

Programs Committee

Utah State University – Master of Science Degree in Aerospace Engineering (Tab A). Acting Chair David Jordan said this had previously been an emphasis within USU's Mechanical Engineering program. The proposed program will complement the current Master of Science, Master of Engineering, and Ph.D. programs in Mechanical Engineering. No new funding will be required. This area is in high demand, and growth is expected. **Chair Jordan moved approval of USU's Master of Science Degree in Aerospace Engineering. Regent Theurer seconded the motion, which was adopted.**

Salt Lake Community College – Writing Certificate of Completion (Tab B). Chair Jordan reported this program had been designed to prepare students to enter or enhance professions that require extensive writing skills. A group of writing courses was put together into a Certificate of Completion program that concentrates students into an area for which there is significant need and significant deficiency. There are many good implications for SLCC and other institutions who may want to use this model. **Chair Jordan moved approval of SLCC's Writing Certificate of Completion. Regent Theurer seconded the motion, which carried.**

Proposed Revision to Policy R401, Approval of New Programs, Program Changes, Discontinued Programs, and Program Reports (Tab C). Chair Jordan reported that the committee had asked that this item be tabled so the Chief Academic Officers (CAOs) can provide additional input.

Information Calendar, Programs Committee (Tab D). The committee discussed USU's new minor in Quantitative Finance and the name change of the Bachelor of Science Degree in Physical Education to the Bachelor of Science Degree in Human Movement Science. No action was required.

Chair Jordan said the committee had talked at length with the CAOs. The subject of the New Century Scholarship, and scholarships in general, was of real interest. There is a unanimity among the CAOs, from the perspective of a planned incentive, that the New Century Scholarship does not encourage behavior that is helpful to the system. Students accumulate grades that do not point them in the direction of a four-year degree program. There is not enough definition of structure to the concurrent enrollment courses to lead to a four-year program. The CAOs asked to be more involved with the Commissioner's staff about using scholarships to

incentivize students. Commissioner Sederburg said recommendations on the New Century Scholarship would be brought back to the Regents in the October meeting.

Finance Committee

State Energy Projects and Higher Education (Tab E). Chair Atkin said some federal stimulus money was available, and the state has a marked \$8.5 million to stimulate energy savings projects with the USHE. We hope to leverage that amount to \$50 million through energy savings projects. This program will be managed by the DFCM.

Utah State University – Campus Master Plan (Tab F). Chair Atkin reported the campus is in good condition, but there are continued needs. The committee received a detailed presentation. **Chair Atkin moved approval of USU’s Campus Master Plan. The motion was seconded by Regent Holbrook and carried.**

Utah State University – Approving Resolution, Series 1999A Student Fee and Housing System Revenue Bonds (Tab G). Chair Atkin said the proposal was a refunding of \$8 million. The interest rate is low enough that the system can save \$80,000 a year by refinancing. The net present value (NPV) is 5½ percent. **Chair Atkin moved approval of the issuance and sale of the bonds, subject to meeting the minimum 3 percent NPV savings threshold. Regent Brown seconded the motion, which was adopted unanimously.**

Southern Utah University – Purchase of Real Property (Tab H). Chair Atkin reported the university wished to purchase some property contiguous to the campus. The property is directly across the street from the athletic ball fields and includes a single-family residence. The owner has agreed to sell the property at its \$125,000 appraisal value. **Chair Atkin moved approval of the property purchase, seconded by Regent Brown. The motion was adopted.**

UHEAA – Student Loan and Financial Aid Update (Tab I). UHEAA Executive Director David Feitz reported that UHEAA had issued more than 120,000 student loans this year, totaling \$500 million. The line of credit has enabled UHEAA to continue to offer loans to Utah students. He referred to the written report in Tab I for greater detail.

Strategic Planning Committee

Restoration of Full Awards for New Century and Regents’ Scholarships (Tab J). Chair Holbrook referred to Replacement Tab J in the Regents’ folders and said this item had taken up much of the committee’s time. It was a very intense discussion. Concerns were raised about doing away with one of the scholarships and combining the two, as well as the issue of entitlement. It was pointed out that the New Century Scholarship only goes to four-year schools. Community college participation is limited. This was a concern to the committee. Chair Holbrook thanked Commissioner Sederburg and the Legislature for working together to find the funding. Regent Brown commended the Commissioner for accepting the responsibility in a difficult situation and said Commissioner Sederburg had represented the Regents and the system commendably. The Commissioner thanked the Regents for their support and acknowledged that mistakes were made in not notifying the students of the shortfall earlier. The Legislative committee had a good discussion, and the outcome was a better

understanding about the scholarship and the need to fix the problem. He remarked that if nothing changes in the state's economic situation, the funding situation will be even more bleak next year. **Chair Holbrook moved approval of the Commissioner's recommendation to fund both scholarships at 75 percent of tuition and to work with the Governor and Legislative Leadership to get a supplemental appropriation and identify new funding sources. Regent Marquardt seconded the motion, which was adopted.**

Revised Overview of 2010 Public Messaging (Tab K). Chair Holbrook said the committee had agreed to table this discussion until a later date.

The Configuration of the Utah System of Higher Education (Tab L). This document was discussed in the Strategic Planning Committee but not in Committee of the Whole. Regents were asked to review the document, which will also be distributed to various stake holders for comment. This was for information only; action will be taken at a future meeting.

Report on Utah Higher Education and African-American Leadership Luncheon (Tab M). Chair Holbrook asked Regent Davis to comment. Regent Davis reported that African-American pastors had been invited to meet with the institutional presidents. It was the beginning of a process to achieve participation by minorities. Of the 30 African-American congregations in Utah, 12 were represented at the luncheon. All of them felt the meeting was thoughtful and productive. Regent Davis said he expected the conversation to continue.

Summary Report of the Counselor Conference on Higher Education (Tab N). The USHE sponsored a conference on August 5 for high school and middle school counselors, funded by a federal College Access Challenge Grant. Almost 200 counselors participated in the day-long conference and were appreciative of receiving current updates on scholarships, financial aid, and school-specific programs. Some suggestions were given for improvement in future years. Chair Holbrook suggested that the Regents read the report, which was presented for information only.

Website Update (Tab O). The committee discussed the updated USHE web site, but it was not discussed in Committee of the Whole. The information was presented for information only and required no action.

Cluster Acceleration Partnership (CAP) Pilot Programs Update (Tab P). This report was not discussed in Committee of the Whole. Chair Holbrook recommended that Regents read the progress report.

General Consent Calendar

On motion by Regent Theurer and second by Regent Morgan, the following items were approved on the Regents' General Consent Calendar (Tab Q):

- A. Minutes – Minutes of the July 16, 2009 Joint State Board of Regents/State Board of Education meeting and the July 17, 2009 Regular Board Meeting at Utah Valley University in Orem, Utah

B. Grant Proposals (On file in the Commissioner's Office)

C. Grant Awards

1. University of Utah – Utah Department of Community and Culture; "HCI Appropriation"; \$7,500,000. Kevin L. Cheney, Principal Investigator.
2. University of Utah – National Institutes of Health/National Center for Research; "University of Utah CTSA"; \$3,818,845. Donald McClain, Principal Investigator.
3. University of Utah – HRSA Maternal and Child Health; "National EMSC Data Analysis Resource Center"; \$1,300,000. J. Michael Dean, Principal Investigator.
4. University of Utah – National Institutes of Health/National Institute of Neurological Disorders and Stroke; "Glial Progenitor Cells"; \$1,270,188. Linda L. Kelley, Principal Investigator.
5. University of Utah – National Institutes of Health/National Institute of Neurological Disorders and Strokes; "ARRA Wireless Neural Interface"; \$1,410,653. Florian Solzbacher, Principal Investigator.

Long-Term Enrollment Projections

Dr. Joseph Curtin, Director of Institutional Research, reported the enrollment projections (Tab R) had been reworked, using multiple variables. Multiple predictor variables were also tried, such as high school graduation rates, unemployment rates, population, etc. The findings showed the best variable for Weber State University, the University of Utah, Utah State University and Utah Valley University was the age 25-45 population in their respective service areas. For Snow, Dixie and CEU, the best variable was the number of high school graduates in their respective service regions. For SUU and SLCC, the total number of high school graduates in the state was the best variable.

Regent Morgan asked that participation rates be considered in general, especially for minority students. Dr. Curtin said he had looked at other demographics but concluded they added no value to the process. Regent Davis said he shared Regent Morgan's concern. He asked if economic factors were (or should be) considered. Dr. Curtin said the unemployment index had been one of the variables. Historical data had to be used to predict future enrollments. Regent Jordan agreed that these estimates need to be updated every year. He suggested taking a very close look at how well the predicted model would handle the effects of the current recession and the accompanying unemployment. How much value has regression analysis?

Regent Atkin moved approval of the enrollment projections. Regent Snow seconded the motion, and the enrollment projections were adopted.

2010 Meeting Schedule

Chair Pitcher referred to the proposed meeting schedule for 2010 and said President Benson had requested that the date for the meeting at SUU be changed from September 10 to August 27 so meeting attendees could attend the final night of the Shakespeare Festival. Regent Zenger noted the long period of time between the April and August meetings if a June meeting were not held. Commissioner Sederburg suggested that committees meet seriously during the summer months, perhaps in June. Regent Theurer suggested a joint meeting with the State Board of Education sometime during the year, perhaps during the summer months. *The Regents agreed to leave the June meeting date on the schedule as a place holder, recognizing that another date and location may ultimately be more convenient.* **Regent Snow moved adoption of the 2010 proposed meeting schedule, as amended. Regent Brown seconded the motion, and the meeting schedule was adopted.**

State of Utah State University

President Albrecht welcomed everyone to beautiful Cache Valley. He thanked the food services staff, Chief of Staff Sydney Peterson, and everyone else who had worked hard to make this day a success.

President Albrecht said USU's biggest challenge was the balance between being transparent and being honest. He quoted the famous opening line from *A Tale of Two Cities*: "It was the best of times; it was the worst of times." He referred to the \$6.5 million cut from the ongoing budget and \$5.7 million cut from one-time funds in the current year. Additional cuts are expected for the coming fiscal year. This has resulted in the elimination of 162 positions. President Albrecht noted 76 percent of the cuts had come from workforce reductions. To compound the problem, enrollment is up, both on the Logan campus and more significantly on the regional campuses. The Legacy Program proved to be a good recruiting tool for USU, including transfer students. Housing occupancy was at 91 percent.

President Albrecht highlighted some of the USU student and faculty achievements. He reported that 35 new assistant professors and 14 other term-appointed faculty had been hired as the result of HB 185. When the university surpassed the initial goal of its capital campaign, the goal was doubled and is now at 60 percent of the revised goal. Utah State University is in the top 20 land-grant institutions in the nation and in the top 10 non-medical land grant institutions for federal research revenue generated. President Albrecht noted this was the 50th year for USU's Space Dynamics Laboratory, the 50th year for the Water Research Laboratory, and the 35th year for USU's undergraduate research program. President Albrecht announced the creation of an Energy Dynamics Laboratory, to be launched this year, part of which would be located in the Uintah Basin, making research opportunities available in eastern Utah.

Good progress is being made in the merger with CEU. Committees have been appointed, and they are making excellent progress. President Albrecht thanked President King and his staff for their generous assistance. He said he was excited about the future of USU and expressed his appreciation for the Regents' support.

Operating Budget Overview

Associate Commissioner Greg Stauffer acknowledged that the budget process was complicated. Utah higher education has been able to include institutional priorities as well as system needs in its budget request. Although higher education has been impacted by the economy, it is also an investment in the economy. State support per FTE in Utah is less than the national average. Some of the budget challenges this year have been diminished state support, increased enrollments, increased tuition, the volatility of utility rates, decreased O&M appropriations, fewer donations and research funds, and the attempt to keep salaries competitive. Dr. Stauffer pointed out that quality comes with a cost.

Assistant Commissioner Paul Morris led the Regents through the process of establishing a budget request. He explained that revenue comes from various sources. The budget request sent to the Governor and the Legislature is for E&G (Education and General) funds, 80 percent of which is primarily for personnel. He noted that 76 percent of the personnel cuts were voluntary; 24 percent were not. Commissioner Sederburg reminded Regents that every one percent of budget cut had cost the job of 100 higher education employees. Regent Marquardt pointed out that businesses cut employees because sales are down; in the case of higher education, "sales" are up, but jobs were still lost.

Carson Howell, higher education specialist in the Governor's Office of Planning and Budget, reviewed the process of budget approval in the Governor's Office. First, the institutions submit a budget request to the Commissioner's office. After discussion and approval, the Regents send the request to the Governor's Office of Planning and Budget. GOPB staff analyze the budget and sends the request with their recommendations to the GOPB Director, John Nixon. Mr. Nixon analyzes the request in the context of the entire state budget and sends it to the Governor, who then makes his recommendations. Mr. Howell told the Regents the GOPB advocates for higher education with the Director and with the Governor. He said revenue estimates are coming in as projected. He noted higher education was one of Governor Herbert's priorities. We hope this means no additional budget cuts.

Spencer Pratt, higher education specialist in the office of the Legislative Fiscal Analyst, reported the LFA office receives an agency's budget request at the same time as the Governor. The process followed is similar to that of the GOPB. Mr. Pratt said he visits with each of the institutions and the Commissioner's staff to explain the budget situation. The LFA also provides legislators with budget briefs and issue briefs. That office can recommend funding, not funding, or take no position. He expressed his appreciation for the presence of Regents, Presidents and Commissioner at the legislative meetings. The LFA employees serve as staff for the legislative appropriations subcommittees. During the Legislative Session, the subcommittees hear from the Commissioner and each of the institutions. The subcommittee makes recommendations to the Executive Appropriations Committee, which makes the final decisions on appropriations. Mr. Pratt noted that the job of the LFA staff was to provide information, but not to advocate for an agency.

Commissioner Sederburg thanked Mr. Howell and Mr. Pratt for their work on the higher education budgets and for their work with the staff.

Proposed USHE Budget Request for 2010-2011

Commissioner Sederburg referred to Tab U and briefly reviewed the proposed budget request. He explained that the Regents were requesting \$30 million for mission-based funding that would be a results-based accountability program based on the institution's mission and role. For example, a major role of the University of Utah and Utah State University is research. For other institutions, the mission could be course completion or enrollment growth. The Commissioner referred to Attachment 2 and reported the institutions had reacted positively. He asked the Regents for their reaction to this concept.

Regent Morgan applauded the efforts to focus on missions. He asked if the presidents had indicated which measures they desired for their campuses. He said this is an important policy issue that needs to come back to the Regents for extensive discussion. Regent Jordan commended the Commissioner for starting this initiative. Because this is a highly charged subject, one which will implement various policy changes, he suggested that the document be labeled "discussion draft only." He said it was important to look ahead to a larger policy change in the way we do our funding formulas. This may be setting a precedent, and we need to anticipate what we would like to do in the future.

Regent Brown said he endorsed the idea but pointed out it is difficult to create incentives when people's jobs are being cut. Vice President Klaus said SLCC was not opposed to the concept and requested that the college be added to the list. He pointed out that institutions should not be penalized when enrollments decline. A question arose about recommending a 9.6 increase in the higher education when budgets have been cut. Commissioner Sederburg responded that the Regents had an obligation to present a true picture of higher education's needs. The request was based on the Regents' priorities.

Regent Zenger requested more detailed information about Pennsylvania's Accountability Program. Commissioner Sederburg said he would do more research. Regent Marquardt suggested that the Board of Regents take a stronger position of advocacy on the higher education budget cuts and their impact on the state.

Regent Brown moved the adoption of the proposed budget request and the mission-based funding memo as a discussion document, to be brought back to the Board for further discussion. Regent Marquardt seconded the motion, which carried.

Capital Facilities Overview

Associate Commissioner Stauffer explained that this topic covered three areas – capital development, capital improvements, and operation and maintenance (O&M). The Regents have a stewardship role and are responsible for the facilities master planning, program planning, and approval of state appropriated priorities, buildings, lease space, etc.

Capital Developments. The state provides some funding to higher education for facilities funding, generally between \$50 million and \$100 million. Higher education's percentage share of facilities funding has

declined in the past few years. The institutions are bringing in donor funds; in fact, non-state funds pay for 70 percent of the higher education facilities. Dr. Stauffer commended the institutions for their remarkable job of getting donor support.

Operation and Maintenance. Associate Commissioner Stauffer remarked Utah does a good job of providing ongoing funding for the operation of new buildings. Higher education usually receives between \$1 million and \$2 million per year.

Capital Improvements. This category was formerly referred to as AR&I. This funding is used when a project costs \$2.5 million or less. Dr. Stauffer thanked the Legislature for their support for this area of the budget as well. The decrease in capital improvement dollars has had a significant impact on higher education.

Q&P Process. Dr. Stauffer acknowledged that some conditions are not quantifiable. The Qualification and Prioritization (Q&P) formula was designed to focus on what the USHE values. It is only the first step in the process and was not intended to take the place of thorough discussion by the Regents. He thanked Troy Caserta for running the Q&P and all of the other individuals who have worked on this project over the years. It is a complex process and does not always fit the needs of the institution. The process has been transparent, which also makes it possible for campuses to find way to "work" the system.

Richard Amon from the Legislative Fiscal Analyst's office distributed a handout on O&M in State Buildings. He said the Legislature did not have a statutory obligation to fund O&M. However, by policy the state has funded O&M for new state-funded buildings. The personnel side of O&M does receive adjustments, based on the legislative appropriations.

Kurt Baxter from DFCM spoke of capital improvements. By statute, from .9 percent to 1.1 percent of the state's capital assets is designated for capital improvements. Between FY 2006 and FY 2010, 61 percent of capital improvement funding has gone to higher education.

Institutional Capital Development Projects for 2010-2011

Following an Aggie Ice Cream break, the meeting resumed with presentations from the campuses for their capital development projects. The projects were summarized on Attachment 2 to Tab W as follows:

University of Utah –	(1) Skaggs Pharmacy Research Building (2) Infrastructure, Phase I
Utah State University -	(1) Business Building Addition and Remodel (2) Fine Arts Complex Addition and Renovation
Weber State University -	Professional Programs Classroom Building & Central Plant (Davis)
Southern Utah University -	Business Building Addition and Remodel
Snow College -	Science Building Reconstruction
Dixie State College -	Holland Centennial Commons Building

College of Eastern Utah -	Arts and Education Building
Utah Valley University -	Science/Health Sciences Building Addition
Salt Lake Community College -	Instructional and Administrative Complex (Redwood)

Commissioner Sederburg referred to his recommendation and acknowledged that the Q&P process was not universally loved on the campuses. Some weaknesses include the lack of ability to weigh the research component, the lack of weight for a project on a regional campus, lack of weight for long-range development of a campus, and lack of follow-up to see if private fund-raising requirements had been met.

The proposed ranking was shown on Attachment 1 to Tab W. Commissioner Sederburg explained that he felt that Dixie's and UVU's projects should receive first priority because the Legislature appropriated design funding for those projects last year. The other projects were ranked according to the Q&P formula. Regent Holbrook urged a higher weighting for life safety issues.

Regent Brown recommended that Weber's Davis campus project be taken off the list and made a separate category. He also recommended consideration for the \$50 million donated to the University of Utah for the Pharmacology Building. He suggested going to the Legislature and presenting the unique opportunity to do construction projects now while costs are much lower than in past years. He also asked if the Regents were liable for life safety issues; Commissioner Sederburg said liability was covered by Risk Management.

Regent Atkin moved approval of the ranking in the Commissioner's recommendation, that a task force be created to study the Q&P process to reflect some of the concerns expressed in this meeting, and that Weber's project be put into a separate category. Regent Marquardt seconded the motion.

Regent Jordan pointed out that the Legislature does not have the time to give this kind of attention to these facilities. The Regents and DFCM spend many hours listening and ranking the projects, yet often the Building Board and/or Legislature disregard that process. Regent Zenger recommended that a Regents' subcommittee be appointed to take more time in reviewing these projects. He pointed out it was difficult to have a candid discussion in an open meeting and to rank the merits of each project. That subcommittee would come back to the Board with a recommendation and the reasons for that recommendation. Commissioner Sederburg recommended that a technical team that knows the Q&P process work on it before the Regents look at it again.

Vote was taken on the motion, which carried with one opposing vote.

Non-State Funded Projects

Commissioner Sederburg referred to Tab X and requested approval of the list of projects, with the funding amounts to be determined in the next few weeks. **Regent Jordan moved approval, seconded by Regent Theurer. The motion carried.**

Report of the Chair

Chair Pitcher announced that the October meeting would include an executive session. We hope to have the new gubernatorial appointments shortly after Labor Day, after which committee appointments will be made.

The next meeting will be held on October 16 at the Regents' offices in Salt Lake City.

Adjournment

The meeting adjourned at 4:57 p.m.

Joyce Cottrell CPS, Executive Secretary

Date Approved