

STATE BOARD OF REGENTS  
UNIVERSITY OF UTAH, SALT LAKE CITY, UTAH  
S. J. QUINNEY LAW BUILDING  
FRIDAY, JANUARY 22, 2016

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STATE BOARD OF REGENTS  
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FRIDAY, JANUARY 22, 2016

COMMITTEE OF THE WHOLE  
MINUTES

Regents Present

Daniel W. Campbell, Chair  
France A. Davis, Vice Chair  
Nina R. Barnes  
Jesselie B. Anderson  
Bailey Bowthorpe  
Marlin K. Jensen  
Patricia Jones  
Robert S. Marquardt  
Steve Moore  
Robert W. Prince  
Harris H. Simmons  
Mark R. Stoddard  
Teresa L. Theurer  
Joyce P. Valdez  
John H. Zenger

Regents Absent

Leslie Brooks Castle  
Wilford W. Clyde  
Steven Lund  
Jefferson Moss

Office of the Commissioner

David L. Buhler, Commissioner of Higher Education  
Elizabeth Hitch, Associate Commissioner for Academic Affairs

Institutional Presidents Present

David W. Pershing, University of Utah  
Stan L. Albrecht, Utah State University  
Scott L. Wyatt, Southern Utah University  
Gary L. Carlston, Snow College  
Matthew S. Holland, Utah Valley University  
Richard B. Williams, Dixie State University  
Denece G. Huftalin, Salt Lake Community College  
Charles Wight, Weber State University

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

**Chair Campbell called the meeting to order at 1:00 p.m.** Chair Campbell excused the Regents who were absent and thanked those present. He welcomed Governor Gary Herbert and thanked him for taking time to join us, and also welcomed Tami Pyer, Governor Herbert's educational advisor. He expressed his appreciation to Governor Herbert for his efforts in working with the Regents and supporting Higher

Education, and specifically the addition of completion scholarships for 5 million and turned the time over to Governor Herbert.

**Governor Herbert** thanked Chair Campbell for his service, dedication and commitment. He also recognized Tami Pyer and thanked her for her passion for education. He stated he is really here to listen and learn. His focus is and has always been growing the economy. He just returned from a retreat where he was asked to talk about the success of Utah and how Utah helps lift people out of poverty, and gave some history on the poverty rate. He stated the federal government has spent 20 trillion dollars and created 80 federal programs and has only reduced poverty by three tenths of a percent over the last 50 years. Governor Herbert said he believes states should play the major role in reducing poverty as they can address the issues better. Utah is 5 points below the average national poverty rate. To make Utah successful two things are happening: Utah is creating opportunity. We have a great market place for business and we are educating and preparing people for the work force. He then told a story about a lady he met with a rough background, who struggled with poverty among other things. He asked her how she is getting out of that cycle. Her answer was education. She is going to school to become a paralegal to allow her get a better job. He reiterated, education with opportunity creates economic possibility and that is what fuels the state today. He acknowledged we have unique challenges when it comes to funding. We also have unique challenges when it comes to growth and we anticipate 50,000 new students by 2025. How do we address this? Three fronts need to be addressed; expand academically the capacity to educate people and find a better way to give a quality education to everyone who comes to our institutions, we need to grow physically and virtually, and lastly, we have a growing minority population in this state. It is crucial to find ways to provide them opportunity to get an education. The goal of 66% by 2020 is still a crucial goal. We need to do a better job of providing the how and where to get an education. Governor Herbert said he finds it frustrating and puzzling that in the last year's legislature 160 different legislative bills in education were introduced. We are not as focused and united as we can be. We need to get on board with the same goal and adopt a 10 year plan. He salutes the efforts being made by teachers. We have the highest rate in the country of high school students going into higher education. He noted Utah has the 3<sup>rd</sup> lowest tuition rate in the nation. The class of 2014 has the lowest student debt in the nation, and Utah ranked 7<sup>th</sup> lowest of students taking out student loans. Lastly, he noted he believes in bottom up, not top down. He said he is impressed with Salt Lake Community College (SLCC) and their open education research project, and the ability for students to get books online. SLCC has saved students over 1 million dollars over the last two years. He noted President Wyatt is doing great things in Cedar City as well and noted how great his Jump Start program is. He thanked the institutions for what they are doing. Governor Herbert stated we need to work together and said education is no longer K-12, but K-16 and beyond in Utah. Mainly he is here to say thank you for your work and continued work.

Regent Marquardt complimented Governor Herbert on his appointments to the Board of Trustees and Board of Regents and believes he has a qualified group of people working to make a difference in higher education. Governor Hebert responded saying he once said if we work together we could have unlimited possibilities of what can be achieved. We are all a team and if we play our roles together we will have great outcomes. Public education must prepare people to be college and career ready. We are at 84% high school graduation rate and that is not acceptable. We are going to do everything we can to raise that rate to 90%.

Chair Campbell thanked Governor Herbert for joining us and noted funding will be an ongoing issue for higher education, and asked Governor Herbert if he had any input or comments. Governor Herbert

responded saying the legislators need to hear from the Regents. He talked about the proposals of removing higher education from the education fund and noted that is not the solution. He also stated that it was the voice of the people who said all of education, K-16, should be combined. He then noted that higher education is only taking about 16% out of the education fund and the rest is supplemented from the general fund. If higher education is removed from the education fund, then we have to take more money out of the general fund. It doesn't create more money; it just means you move things around. This is not the solution, but here is the solution he said; we are losing 180 million dollars a year from the general fund because people are buying things online and are not paying sales tax. We need to resolve this issue. He said he is also trying to change what is earmarked in the general fund.

Chair Campbell again thanked Governor Herbert and turned the time over to President Pershing then stated we would hear from Commissioner Buhler before moving to the Consent Calendar.

#### State of the University

President Pershing gave a report on the state of the University of Utah, saying the vision of the university hasn't changed and it continues to be to provide excellent, affordable education and health care. Students are job one; that hasn't changed. The numbers of applicants are going up as well as the preparation of the students has increased. He talked about student retention and said they are now at 89%. The six year graduation rate has increased to 64%. The goal is to move that number to 70%. He talked about the "plan to finish" scholarship, stating that one thing they do is reach out to students who have not completed 30 hours by the end of their freshman year. He also talked about their "completion" scholarship, which looks at students who are within a year of completing school, making sure they in fact graduate. He made note of their online program stating they had 33,000 registrations; almost half of students take at least on online class. They want to continue to increase course work available online. He showed a commercial on the field house and noted this is a crucial tool in recruiting. They are working on increasing national rankings and noted the David Eccles Business school has increased 50% in size and have six programs in the top 25 nationally, with the Entertainment Arts and Engineering program number one in the nation. Research is a big part of the university and they have reached over 400 million a year in awards. The pharmacy program is number 10 in the nation and the PA program is number five. In the national rankings of quality of health care within university medical centers, the university has, for the sixth year, been in the top 10. The only other school to do this is the Mayo Clinic. He reviewed briefly the facilities completed over the last year and those in process. He closed by talking about the university's request for the legislative session. The first request is compensation, and stressed the importance of keeping quality faculty. Next is access and affordability, then market demand programs, and finally core performance funding. He noted the university needs state help with the rebuilding of the medical education complex.

Chair Campbell expressed his appreciation to President Pershing for his leadership of our flagship Institution.

#### Announcement of the new Associate Commissioner of Finance & Facilities

**Commissioner Buhler** announced the appointment of Dr. Kimberly Henrie as the new Associate Commissioner of Finance & Facilities.

#### Adoption of Board of Regents Strategic Plan 2025 (TAB CC)

Commissioner Buhler noted we have been working on the new strategic plan for about 18 months. The plan includes specific metrics based on the strategic objectives approved in January 2015. In order to

continue the trajectory the state is on, it is clear higher education is critical. We know higher education improves the lives of Utahns. The economic return on investment is very clear and quality of life improves. In January 2015 the Regents adopted three strategic priorities: affordable participation, timely completion, and innovative discovery. Over the last decade Latino students have increased 231%, which is good news. However, these students still lag the state average by 20%. In order to increase affordable participation we must increase the number of partnerships between K-12 and higher education and college preparation, and we'll need to maintain affordable tuition. For timely completion, the institutions have set 3 and 5 year goals, and we received funding from the legislature to award completion grants to expand existing and impactful programs. Innovative discovery: we know that research plays a vital role in our economy. We received over 600 million in outside awards last year. Providing access to career and technical education is also part of innovative discovery and using technology and innovative practices in teaching and learning. As part of the strategic plan we have set ambitious goals. He reviewed the goals as set forth in the strategic plan. It is estimated that over the next decade we need an average increase in operating budgets of 5.2% each year in appropriated funds. We know there is an enormous return on investment from higher education, and if we meet our goals the state will see 132 billion in increased wages and 17 billion in increased tax revenue. The commissioner stated he is confident if we meet these goals the future is bright for higher education. Chair Campbell asked for any questions, being none, he asked for motion to approve. **Regent Valdez made motion to approve as outlined in TAB CC, seconded by Regent Zenger and the motion carried.**

#### USHE - Legislative Priorities for 2016 TAB DD

Commissioner Buhler noted several meetings were held prior to determining legislative priorities. He made mention of individual items reflected in the agenda item. **Regent Barnes made motion to approve as outlined in TAB DD, seconded by Regent Jones and the motion carried.**

#### General Consent Calendar TAB BB

**Chair Campbell asked for a motion to approve, Regent Theurer motioned to approve and was seconded by Regent Anderson; the following items were approved on the Regents' General Consent Calendar:**

- A. Minutes – Minutes of the Board meeting November 13, 2015, Weber State University.
- B. Grant Proposals
- C. Awards
- D. Academic Items Received and Approved

Chair Campbell turned time over to Regent Zenger to bring up a motion. **Regent Zenger said "in view of recent proposals to have the state's education fund directed to K-12 public education, I would move that this Board of Regents go on record supporting both K-12 and higher education being funded by the legislature from the state's education fund, given that both are critical to the future and well-being of Utah. Second from Regent Simmons and the motion carried unanimously.**

#### Reports of Board Committees

##### Academic and Student Affairs Committee

Regent Prince noted they had a robust discussion with seven program proposals. He would like to group these together as one motion. **He said they all received unanimous approval in committee and would**

**make the motion to approve as outlined in the tabs below, Regent Davis seconded and the motion carried.**

Weber State University – Master of Science in Respiratory Therapy (TAB A)

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

Utah Valley University – Bachelor of Arts/Science and Minor in Human Resource Management (TAB C)

Utah Valley University – Bachelor of Science in Digital Marketing (TAB D)

Utah Valley University – Bachelor of Science in Special Education (TAB E)

Policy R312, Configuration of the Utah System of Higher Education Institutional Missions and Roles (TAB F)

**Regent Prince noted they received unanimous approval and motioned to approve as outlined in TAB G. Regent Davis seconded and the motion carried.**

Revision: College and Career Readiness Recommendations (TAB G)

**Regent Prince noted this item was postponed for further review.**

Regent Prince noted the remainder of the items (as outlined in TABS H, I, J, K, L, M) were information only and they had good discussions on all.

Career and Technical Education (CTE) Annual Report (TAB H)

Engineering and Computer Technology Initiative Annual Report (TAB I)

Credit for Completion of Peace Officer Standards and Training Academy (TAB J)

Utah College Application Week Report (TAB K)

StepUp READY Grants Report (TAB L)

Institutional Completion Update: University of Utah (TAB M)

Finance/Facilities Committee

University of Utah – Campus Master Plan Approval (TAB N)

**Regent Marquardt motioned to approve as outlined in TAB N, motioned was seconded and the motion carried.**

University of Utah – Ambulatory Care Complex and Orthopaedic Center Series 2016 Revenue Bond Issue (TAB O)

Regent Marquardt noted the bond is for up to 125 million dollars for an ambulatory care complex which is part of the rebuilding of the medical complex and 12 million for the expansion of the orthopaedic center. The bond for the orthopaedic center will be combined with the revenue bond that has already been approved for the Orson Spencer Hall. **Regent Marquardt made a motion to approve as outlined in TAB O, Regent Barnes seconded and the motion carried.**

Dixie State University – Peer Institution List (TAB P)

Regent Marquardt noted the two reasons for the change is because the three Colorado schools are being removed and DSU is granting a higher percent of bachelorette degrees and would like the peer institutions to reflect that. **Regent Marquardt moved to approve as outlined in TAB P, Regent Zenger seconded and the motion carried.**

USHE – Adoption of policy R553, *Revenue-generating Activities* (TAB Q)

Regent Marquardt noted this new policy is a result of an audit recommendation. This policy provides guidelines on revenue generating activities. The issue being some percentage of revenue gain should go towards O&M. **Regent Marquardt moved to adopt this new policy as outlined in TAB Q, Regent Barnes seconded and the motion carried.**

USHE – Revision to policy R535, *Reimbursed Overhead* (TAB R)

Regent Marquardt noted this change is a result of an audit recommendation. This change provides guidelines on reimbursed overhead as a portion to should go to O&M. **Regent Marquardt motion to approve as outlined in TAB R, Regent Barnes seconded and the motion carried.**

USHE – Access & Affordability Initiatives (TAB S)

Regent Marquardt noted this provides detail on the request to the legislature for funding this year. He stated we are requesting 9.2 million. He also noted it is worth the time to review this item. **Regent Marquardt made a motion to approve as outline in TAB S, Regent Stoddard seconded and the motion carried.**

USHE – Market Demand Program Initiatives (TAB T)

Regent Marquardt noted this provides detail on the request to the legislature this year. He stated last year the request was for 10 million for the University of Utah and Utah State, of which 4 million was funded. The request this year is for the 6 million that wasn't funded last year to go to University of Utah and Utah State and an additional 4 million to go to the other institutions. **Regent Marquardt made a motion to approve as outlined in TAB T, Regent Stoddard seconded and the motion carried.**

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

Regent Marquardt noted we have issued 1.4 billion in bonds in the system. This is information only

USHE – 2016 Data Book (TAB V)

Regent Marquardt noted the new Data Book is now on the website. This is information only.

USHE – Update on Institutional Audit Reports to the Regents' Audit Committee (TAB W)

Regent Marquardt noted each institution reported to the audit committee. He noted one issue of concern is IT security. Steve Hess talked to the audit committee about the threat of what can happen and what is being done to keep systems secure. He said the audit committee met over lunch and is putting together a proposal to bring to the Regents at a later date some things that can be done to beef up this area. This is information only.

Utah State University – Series 2015B Research Revenue Refunding Bond (TAB X)

Regent Marquardt noted USU saved about 5% over the life of this bond. This is information only.

USHE – Institutional Endowment (TAB Y)

Regent Marquardt noted this system seems to be working very well. This is information only.



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USHE – Report of Auxiliary Funds (TAB Z)

Regent Marquardt noted this report is information only.

USHE – Legislative Proposal for a Capital Funding Model (TAB AA)

Regent Marquardt noted Senator Urquhart and Milner have been working on a proposal for changing the capital facilities funding model which would give an allocation of 82 million a year that would be allocating to the institutions on a formula basis, which would take the Board of Regents completely out of any input in the process as well as the legislature, and the building board. He also noted there are a number of concerns with this. This is information only.

Chair Campbell noted this concludes the items today.

**It was moved by Regent Stoddard and seconded by Regent Simmons to meet in Executive Session for the sole purpose of discussing the character, professional competence, or physical or mental health of individuals, pending or reasonably imminent litigation, and the possible sale of real property. The motion carried.**

The Board of Regents met in Executive Session until 4:00 p.m.

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Loreen Olney  
Executive Secretary

Date Approved: April 1, 2016