

UTAH COLLEGE OF APPLIED TECHNOLOGY
31 JANUARY 2005
BOARD OF TRUSTEES MEETING
MINUTES

Board of Trustees Present

Doug Holmes, Vice Chair - Ogden-Weber
Wayne Woodward – Southeast
Jed Pitcher – State Board of Regents
Don Roberts – Southwest
Michael Madsen – Bridgerland
Mark Dennis - Uintah Basin
Don Ipson - Dixie
Bill Prows – Davis
Dixie Allen – SBOE
Carl Albrecht - Snow College Richfield
Teresa Theurer (pending) - SBOE

UCAT Campus Presidents Present

Brent Wallis - Ogden-Weber
Mike Bouwhuis - Davis
Linda Fife - Salt Lake/Tooele
Paul Hacking - Uintah Basin
Richard Maughan - Bridgerland
Rich VanAusdal - Dixie
Dana Miller - Southwest
Rob Brems – Mountainland
Miles Nelson – Southeast

Institutional Representation

Darrell K. White, Interim President
Sandra A. Grimm, Assistant to the President
Kimberly Henrie, Budget Officer
Jared Haines, Interim VP Instruction and Student Services

Office of the Commissioner

Commissioner Rich Kendell
Gary Wixom, Assistant Commissioner for Applied Technology Education and Extended Programs

Media Present

None

Others Present

Jerald Johnson – Snow College Advisory Comm.
Andy Archibald – OWATC

Excused Absent

Norman Bangerter – Salt Lake/Tooele
Daryl Barrett – SBOR
Doyle Mortimer – Mountainland
Tom Bingham – Governor's Appt.

MINUTES OF MEETING
UTAH COLLEGE OF APPLIED TECHNOLOGY
BOARD OF TRUSTEES
REGENTS' BOARD ROOM
31 JANUARY 2005

The meeting of the UCAT Board of Trustees was held 31 January 2005 in the Utah State Board of Regents' Board Room.

Call To Order

Vice Chair Holmes called the meeting to order at 10:00 a.m. and the Secretary was in attendance. A quorum was present.

Approval of the Agenda

Vice Chair Holmes asked if there were any additions and/or changes for the agenda of the 31 January 2005 Board meeting. Being none, motion was made by D. Ipson and seconded by M. Madsen to approve the agenda as presented. Motion carried.

Approval of Minutes from 5 January 2005 Board Meeting

Vice Chair Holmes asked if there were any additions and/or changes to the minutes of the 5 January 2005 Board meeting (Tab U). Being none, motion was made by M. Madsen and seconded by D. Ipson to approve the minutes as presented. Motion carried.

ACTION ITEMS

A. OWATC Lease (Tab V)

Campus President Wallis: Explained that the Ogden-Weber campus had been exploring, for several years, the feasibility of establishing a satellite location in the southwest part of Weber County. The Ogden-Weber ATC main campus is currently located in the northern part of Weber County, so is not easily accessible from the southwest part of the county. The proposed lease property is located in Roy, in a building which previously housed Iomega, which has since moved their operations to southern California.

Establishing a presence in the Roy area of Weber County would provide several benefits – better service and improved access for all Weber County residents; improved services to the Weber School District high schools located in this part of the county; a partnership with the new charter school, NUAMES, which will be located in Roy; expansion of health programs; and improved services and access for HAFB training partnerships.

“We began to pursue, several months ago, the opportunity to lease some of these from them at a reasonable rate allowing us to set up some exploratory or service types of programs for the city of Roy. What it entails is about 15,000 square feet, at a rate of \$5.50/square foot. . . There's a \$50,000 tenant improvement, which makes it a turn-key operation for us, which will be provided by the landlord itself. We plan on building programs such as computer literacy, medical coding, introduction to health, some math programs as well as cosmetology. This is not looked upon as a proposal to expand capacity; it really is a proposal to focus service to the Roy area. Funding will come from tuition and fees. In terms of the

timeline, we needed to get this developed and completed, so I asked for authorization from the Executive Committee earlier to enter into this."

President White: Expressed support of the OWATC lease because (1) this plan responds to the declining high school student enrollment that UCAT has experienced, (2) he is familiar with the building(s), which have been well maintained and appear appropriate for this kind of use, and (3) the lease terms are favorable.

M. Dennis: Also expressed support of the OWATC lease. "The better we can take the program to the students, the more successful we will be. I applaud Ogden-Weber for what they're doing. I think this is what we need to do."

W. Woodward: Also expressed support, but had a few questions. "Does this affect Davis at all? Will it draw students away?"

Campus President Bouwhuis: "We do service students from Roy. We don't service a tremendous amount of high school students. . . The adult programs that Brent (Wallis) is proposing are high demand programs. We have waiting lists for all of our medical programs."

W. Woodward: ""There won't be a lot of tuition fee revenue generated from that . . . shifting resources that are currently there, and at 10% growth funding that's proposed that we would receive, there won't be much there. Is the majority just going to be the shifting around of revenue within your own ATC?"

Campus President Wallis: "We've approached it from three-prong approach (1) looked at a conservative tuition revenue offering, (2) looked at a reallocation of internal costs, (3) looked at some cost savings as well. Those three variables that we've put into place have brought us into a situation in which I wish that we had a direct allocation for the lease cost. In terms of our planning with those three variables, we've been very conservative and we have done significant cost savings, cost cutting on the campus, so I feel like we should be able to maintain this. We were not happy obviously with the growth figures that came out. We were hopeful that they would give us a little bit of a cushion. But we have planned this out over a 5-year period of time. The most significant allocation would be up front, after that it should be fairly low."

M. Madsen: "I commend you for looking to expand, to serve, that's what we need to do. But I also think that with the option of being able to do that we have to also project down the road so we don't get ourselves into the position of always renting spaces. We are in the position of having a permanent entity and that's what I would like to see us work toward, the permanent entities. We need that so desperately. We can't be a unit or an identity that works out of rented spaces. I would rather not get into a position down the road that we look at too many places to rent. I would like to concentrate all of our efforts to push toward getting into a position of having the buildings we need and I was trying to suggest that we look at that option because I don't want to go backwards, I want to go forward. Instead of having a logo up here that says 'UCAT', with no picture of a building, I want to see a logo that shows an identity for this unit; a permanent identity in the communities."

Vice Chair Holmes: "I certainly echo your concern. Ideally we could get new buildings but given our track record the last seven or eight years, getting new buildings built for UCAT, it hasn't been great. It's a tough uphill battle. We have a choice between renting space or not serving the needs of our community; we have to look at rental space. Certainly the idea is to convince the legislature that we need new buildings."

M. Madsen: MOVED approval of the OWATC lease as presented. The motion was seconded by M. Dennis. Motion unanimously approved and carried.

INFORMATION/DISCUSSION ITEMS

A. Legislative Session Update (Tab W)

President White: Explained that originally the February UCAT Board meeting date for this year had been left open so that it could be coordinated with specific activity during the legislative session. Although today is January 31, this meeting will serve to satisfy the February UCAT Board meeting date, which coordinates with this afternoon's presentation of the UCAT Budget to the legislature.

President White: Mentioned that he created and mailed a copy of the UCAT "Legislative Plan 2005" to the UCAT Board members and the UCAT Campus Presidents, as informally requested during the 5 January 2005 UCAT Board meeting.

Budget Comparison

President White: "When we met last time, we did not know which Appropriations Committee we would be assigned to. That was finally resolved right after the legislature started; we have been assigned to the Higher Education Appropriations Committee. There was some discussion among us concerning whether it would be in our best interests in staying with Commerce (and Revenue Committee) or be assigned to the Higher Education Appropriations Committee. To this point, I would say that we have benefited by being assigned to the Higher Education Committee for a couple of reasons. One, it's a powerful committee and we have been extremely well received by that committee. The analysts and members of the committee have been very positive with us. The other advantage that I see, as we continue to struggle as a new college, three years old now, is to gain an identity and status as a member of the higher education community. It is somewhat more comfortable for us to be there with the rest of higher education, presenting our needs and being a part of that system. We did an overview of our budget on the 20th of January and it was very well received. We are scheduled today to do a more detailed review of that budget. We have prepared a PowerPoint presentation which will be used to present our priorities. We will be following the budget which you have approved and have copies of."

President White referred to Tab W, "UCAT Budget Request Update."

Compensation

"Our lifeblood and number one priority is always compensation. The legislature has not come out with their base compensation package yet." Explained that former Governor Walker had recommended a 3% increase for all state employees (including UCAT), but Governor Huntsman reduced that to 2.5%.

Retention of Key Faculty

"The other issue that is related to compensation is the issue of the retention of key faculty, and we had requested a \$480,000 allocation. The analysts will not recommend that and we will push hard to receive some consideration for that. We have lost key staff members over the past year. Many we have lost because we could not match salaries with competing business and industry. The other members of our higher education family are more concerned with competing with other institutions of higher education. Our competition for faculty is primarily the business and industry that we serve."

Membership Hour Growth

"This is the second part of our lifeblood for UCAT. The legislative analysts recommended \$398,800, which turned out to be about 10.4% of the total request. That amount is based on the same formula that we received as an increase a year ago. Unfortunately a year ago it turned out to be about 20% of our requested amount, and difference has to do with the mix of high school versus adults in our membership growth, and as you know our high school enrollment has been going down and our adult up. The other issue is that the analysts did not recommend any funding for prior year growth, just for current year growth, which is in the range of 90,000 membership hours. There is a little discrepancy as to exactly how many membership hours that represents. The analyst indicated in her briefing to the committee that represented 90,013 hours of membership growth. The actual amount, as Kimberly (Henrie) calculates it is less than that, somewhere in the range of 80,000 plus. We are glad to see that some membership growth money has been included; it's not enough to give us the kind of help that we need. That's the second area this afternoon that we will be placing emphasis on, where we need additional consideration from the committee beyond what the analyst has recommended."

Leases

"The analyst did recommend full funding for the leases that we had requested."

President White referred to Tab W, "UCAT 2005-06 Operating Budget Comparisons." This comparison reflects the budget recommendations by UCAT, former Governor Walker, Governor Huntsman and the legislative fiscal analyst.

J. Pitcher: Asked if there was a recommendation regarding fuel and power costs.

President White: Responded that the legislative fiscal analyst did not recommend anything for fuel and power.

J. Pitcher: Inquired as to how that expense will be covered by the campuses.

President White: Responded that the expense would come from the campus general budget, with money normally used to fund programs. "With significantly increasing costs, especially for power, it eats away at our program budget money and reduces our ability to provide educational programs for the people that we serve."

Vice Chair Holmes: Inquired as to why the legislative fiscal analyst's recommendation is much less than the recommendations by both former Governor Walker and Governor Huntsman. "Did they treat us fairly? It's hard to reconcile the big difference."

President White: "On the membership hours . . . I think the analyst feels that she treated us fairly in comparison to previous years because she funded it the same way. In terms of what the real need is, because of underfunding in previous years, the \$398,000 is very inadequate. I have to tell you that this has been one of the most pleasant surprises of my experience since I accepted this assignment; that we have analysts, Debbie (Headden) and Boyd (Garriott) who are really trying to help us. They have their hands tied by the amount of revenue that has been projected and the decisions that the committee will make. Overall, how well have we been treated? Probably at least as well as the rest of higher education."

Campus President Wallis: "I'm appreciative of the funding that has come into UCAT. Basically when you look at UCAT, they are going to take a certain amount of money, comparatively speaking, and you take that pot of money and allocate it to us, and compare that across to higher education, we've come out quite well. But on the opposite side of it, if you look at where the big portion of the \$1.166 million (LFA recommendation), the total ongoing increase, you'll notice that there are leases of \$359,300 (SLTATC), \$130,000 (DXATC), and \$269,000 (MATC), which are in the neighborhood of about \$700,000. So \$700,000 out of \$1.166 million. . . Notice that we are getting a double sided sword here. We need to get facilities. Here, in order to provide the services, we're having to go out and lease facilities and then that money is given to us as part of the overall allocation to take care of students. Bottom line, we look like we've done fairly well, but we've had to take an inordinate amount of our money and put that into lease costs and not training. So following this path of leasing facilities, which is basically what we've been forced into doing, we have to take a significant amount of the money that's allocated to us for that purpose."

President White: "Needless to say in summary on the budget, we are not satisfied. We will be pushing for funding in a number of categories, including (UCAT) Central Administration, which was not recommended for no additional funding by the analyst in spite of the long-standing request in the original appropriation of \$610,000, later reduced to \$368,000 which is what we are operating on now with extremely limited staff for Central Administration. So we will be pushing for some additions."

Campus President Wallis: "We haven't had an appropriation for three to four years in capital equipment. Is there any possibility on that \$1 million dollars for capital equipment?"

President White: "Yes. That would be one-time money. The legislature has more flexibility with one-time money this year than they've had for many, many years, so there is some possibility that we'll be pushing hard for that \$1 million dollars. I'm a realist when it comes to the legislature and I spent too many years working with the legislature, so I don't want to give any false impressions with this budget. By the time you take, what appears to people to be, a lot of money, one-time and new ongoing money, and start spreading that out among all the needs, it just doesn't come out to be a lot when it gets down to individual agencies like UCAT and others. Especially when you have a legislature that appears to be dedicated to putting major funding into highways. That's the big issue right now in this legislative session. How much of that pot of money is going to be pulled off the table and put into highways, both ongoing and one-time?"

Campus President Brems: "If we were to achieve either the 2 ½ or 3% cost of living increase, and the insurance benefits that they are recommending, do we know what kind of funding that means to UCAT?"

K. Henrie: "1.3 million dollars."

Campus President Brems: "What does a 2 ½ or 3% cost of living increase mean across the state? How does that equate to the new monies available?"

K. Henrie: "25 to 30 million dollars per one percent."

President White: "I don't think that could include public ed, because public ed could be 17 to 18 million by itself. If you take public ed plus state employees, that becomes a big pot of money itself."

Campus President Brems: "I was just wondering how much they are holding back to fund that. Later on when that decision is made, we are all hoping that the first priority that any additional money would go into would be growth."

HB 86

HB 86 is the 'Utah College of Applied Technology Amendments' bill, sponsored by Representative Ron Bigelow.

President White: Explained that there had been one change from the version provided to the Board (Tab W). Representative Bigelow removed the section that provided for out-of-state tuition waivers for UCAT students. He was under the misunderstanding that the rationale for the addition of that section was only an attempt to make UCAT look like other institutions of higher education. That was of concern because Representative Bigelow carried the original legislation creating UCAT, has a strong commitment to UCAT and a strong desire to help UCAT maintain a separate and distinctive identity and mission. President White later spoke with Representative Bigelow, clarifying the rationale, to his satisfaction. At this point, the bill had already been numbered and circulated.

"That particular part of the bill was a completely different part of the law. So the bill would need to be substituted to get it back in, rather than just amending it. It would be a very complicated amendment, but a very simple substitute. The decision as of Friday was that he would not fight a substitute, he preferred not to substitute it himself; he wanted the Committee to have a chance to look at it. Representative Kory Holdaway, who is co-chair of our Appropriations Committee and is gaining a good understanding of our needs, is also on the Education Standing Committee and is prepared to introduce a substitute."

J. Pitcher: "Does the State Board (of Education) support this bill?"

President White: "Yes. I haven't met with them personally as a Board, but have discussed it with the administration. Very supportive."

SB 122

SB 122 is the 'Resident Tuition Status For Job Corps Students' bill, sponsored by Senator Gregory S. Bell.

President White: "This isn't a huge issue for us, but we do serve some job corps students. It would be helpful to them and helpful to us to have that bill passed."

SB 86

SB 86 is the '2004 General Obligation Bond Amendments' bill, sponsored by Senator Peter C. Knudson.

President White: "This is the bill that would amend the 2004 General Obligation Bond and allow for the purchase of the Bourns building for the Bridgerland Campus."

Other Bills

President White briefly addressed other bills of interest to UCAT.

HB 138

"HB 138 makes an amendment in non-resident tuition and provides a second way for a non-resident student to gain resident status. The only way right now, technically in the law, is for them to complete 60 semester hours of credit as a student and living here. This would provide that if they were in continuous residency for three years, regardless of how many semester hours they complete, they would gain resident status. That could impact a handful of our students as well as other higher education students."

SB 35

"Has been substituted with some changes. It's called 'Relationships with Venture Capital Entities.' It provides that an institution of higher education can form a partnership with a private business and makes it legal for that partnership to exist and for the business to benefit from the partnership and still profit without being in conflict. If you've been following this issue over the last couple of years, some of the institutions of higher education especially our research institutions, have spun off businesses and there was actually some conflict with the constitution on parts of it and some conflict with the law. This helps clarify some of that as well as the constitutional amendment. The interesting part of this is in the bill they are using current law and so this will only apply to the other nine institutions (of higher education). But the section of law that they are referring to here is a section that would be changed in HB 86 and would now include UCAT. So UCAT would be a part this bill if this passes and HB 86 passes. . . The other interesting part of this is that this is an example of why, what would appear to be very unobtrusive parts of HB 86, makes some legislators nervous. The addition of UCAT to the list of higher education institutions, depending on where it is in the law, makes us a part of some things that sometimes they are not sure that they want us to be part of. For example in the original version of HB 86, one section where UCAT was listed made it legal for those institutions of higher education which would have included UCAT, to have a private police force. We don't have any desire to have a private police force; the University of Utah does. So UCAT was taken off the list in that particular part of the law. In this case (SB 35) by being listed in this section of the law as one of the institutions of higher education, we would come under this provision, if it passes, which would allow us to do the same thing with venture capitalists or companies that want to work with us to establish a business."

Commissioner Kendell: Provided an update on the search committee for a permanent UCAT President. "We are moving along with the appointment of a committee. The Regents have been appointed, Daryl Barrett, as chair of the Committee, Jed Pitcher, and John Pingree, who also is a member of the State Board of Education. We asked Norm Bangerter, who has agreed to be a member of the search committee, and he is talking to some of you who would be the Trustee representatives. Typically we have three Regents and three Trustees. By midweek we should have that piece done. During our informal discussions, and this is open for your input if you would like, we intended to include one President from a branch campus, three from the business community who are not also members of the Board of Directors, one public education superintendent who works regularly with UCAT, two faculty, one person from the support staff and one student. I've given this list to Darrell (White) to take it under advisement. If you'd like to shift some of these categories around, that's fine. If you think there's some other groups that are not being properly represented, that's fine. Bring back to me the categories and nominations that you and the branch campus folks want to put on this list and then I'll advance these on to Nolan Karras who has the responsibility for making the final selection and composition of the Committee. . . Darrell and I will be doing staff work, so as soon as the Committee is organized, Darrell and I will meet with the Committee. We'll outline the criteria, the job description, the timeline, the search procedures and the Committee will make most of the decisions as to whether or not they want to keep this on maybe a regional search, a western United States or a national search. That's not a decision we will make, the Committee will do that. The intent being that the new President would be appointed in the late spring and hopefully move into the position by July 1."

CONTINUING DISCUSSION REGARDING BUDGET AND FUNDING

Campus President Fife: Asked if there is any plan within higher education in general to focus on a funding approach other than growth. Expressed concern that UCAT "is dying every year on this growth approach that we take; we are losing more and more ground every year. But there is still this quest to keep growing and growing because that's one of the ways that you demonstrate effectiveness. But we are growing a lot and getting no money for it. Is there a plan to look at a different way? A different composition of how we provide services? If we keep growing and don't get any money for it, what are we going to do?"

President White: "The only answer to that is to either fund that growth with some mechanism or eventually you have to limit the growth. You can only absorb so much growth without destroying the system."

Campus President Fife: "I think in UCAT we've been afraid to talk too much about the other kinds of arrangements we have. The partnerships we have with corporate business and the length to which they are willing to support what we do. You don't like to talk about it a lot because if it's not budget-related the state may look at it and say that we've already got those other sources of funding, and then reduce our state funding. We should be doing more and talking about it more. It should be a credible thing and we shouldn't be penalized for doing what we should be doing with our corporate partners."

Campus President Wallis: "My position is that you have nearly \$800,000 that went into leases. If that lease money had to come out of your regular funding, you would have had \$800,000 for growth. That's the predicament that we find ourselves in. You've got to have facilities to serve. But when you take the total

pot of money that they are willing to allocate, the \$1.166 million in terms of new dollars, you put 65% of that into leases."

B. Consolidated AAT Degrees Update (Tab X, Attachment A)

J. Haines: Referred to Attachment A, regarding the proposal for the AAT in Electronics Technology. "We talked in our last meeting about some questions and issues on the Associates degree. What we concluded to do at that time was to take what had previously been approved and submitted as three separate degrees in Electronics, one for each campus, and turn them in as one combined Associate of Applied Technology degree for UCAT. I have been working with the faculty, department heads and others on the campuses. The most significant change has been in the number of core classes (page 6-7 of Appendix A). The number of core class (hours) has been increased to 990, formerly in the neighborhood of 600. If you take the core technical classes along with the general education classes, it comes out to about 73% of the total. The faculty was very committed to the New Directions model, where we have regional response to business and industry and in order to preserve that, rather than restrict things to specified elective tracks, their preference was to have electives available that would prepare students for specific employers, specific specialties and have the student work with faculty in the department and with the advisors to have the electives approved. I believe that we are ready to take it forward to the Commissioner's staff for review and consideration from the Program Review Committee."

J. Haines: Regarding the progression of the previously submitted AAT in Apprenticeship. "We had two campuses that had proposals approved by the (UCAT) Trustees. We are finishing the work of bringing those two proposals together. We anticipate that by the end of the week we will have it in a form where we could bring it forward."

President White: "The reason we put this on the agenda as an information item is because you have previously approved these degrees. The difference and the reason for the update today, instead of three separate requests, get one request for an Electronics degree, which makes better sense, with some flexibility out at the campuses so that they can specialize in a particular area of the Electronics within those electives. We didn't feel that you would feel the need to reapprove this because there is nothing new except that it will be one degree instead of three separate ones; the same thing with the Apprenticeship degree. But, if you feel that there is enough change and would like to take action, there is no reason that you can't do that."

Vice Chair Holmes: Asked the Board if they would like to consider taking action on this item.

NO ACTION TAKEN.

C. Strategic Planning Committees' Update (Tab Y)

President White: "There are no updates because the committees have not met, except that as I reviewed the Mission Statement and the preliminary work that the committee had done, it appears that the timing is

right that we really do need to get that committee back together and finish the work, probably right after the legislative session. In several things that I have been doing, I have felt the need for a Mission Statement that was well supported and well thought out, and the Committee had been working on that. I put a copy of the latest version (Tab X) of what had been approved (5 March 2003)."

D. Campus Presidents' Cabinet Report (Tab Z)

President White: "This is the legislative session time, so everything that the Campus Presidents and I have been doing in our meetings (January 18 and 24), we have discussed today, focusing on legislation and the AAT degrees."

ADJOURN

Vice Chair Holmes adjourned the UCAT Board of Trustees meeting at 11:23 a.m.

Next UCAT Board of Trustees meeting is scheduled for Wednesday, April 6, 2005.