

UTAH COLLEGE OF APPLIED TECHNOLOGY
7 SEPTEMBER 2005
BOARD OF TRUSTEES MEETING
MINUTES

UCAT Board of Trustees Present

Norman Bangerter, Chair – Salt Lake/Tooele
Doug Holmes, Vice Chair -- Ogden-Weber
Mark Dennis – Uintah Basin
Jed Pitcher – State Board of Regents
Doyle Mortimer – Mountainland
Carl Albrecht – Snow College South
Tom Bingham – Governor's Appt.
Don Ipson -- Dixie
Michael Madsen – Bridgerland
Dixie Allen – State Board of Education
Teresa Theurer -- State Board of Education
Katharine Garff – State Board of Regents
Don Roberts – Southwest

Institutional Representation

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

Office of the Commissioner

Kevin Walthers -- OCHE
Joyce Cottrell -- OCHE

Media Present

Others Present

David Peterson -- OWATC
Bill Evans -- Attorney General's office
Kim Hood – Legislative Analyst
Mary Shumway – State Office of Education
David Peterson – OWATC
Russell Galt – DATC
Brent Petersen – DATC
Dr. Rick White -- Snow College Richfield

UCAT Campus Presidents Present

Miles Nelson – Southeast
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

Excused Absent

Wayne Woodward – Southeast
Bill Prows -- Davis

MINUTES OF MEETING
UTAH COLLEGE OF APPLIED TECHNOLOGY
BOARD OF TRUSTEES
REGENTS' BOARD ROOM
7 SEPTEMBER 2005

The meeting of the UCAT Board of Trustees was held 7 September 2005 in the Utah State Board of Regents' Board Room.

Call To Order

Chair Bangerter called the meeting to order at 10:06 a.m. and the Secretary was in attendance. A quorum was present.

Swearing In of New UCAT Board Members

William Evans, from the Attorney General's Office, swore in two new UCAT Board members: Teresa Theurer, representing the State Board of Education, and Katharine Garff, representing the State Board of Regents. Both appointed Trustees will serve a term to expire August 31, 2006 as per Governor Huntsman's letter dated April 4, 2005 to Senate President Valentine and members of the Senate.

Approval of the Agenda

Chair Bangerter asked if there were any additions and/or changes for the agenda of the 7 September 2005 Board meeting. Being none, motion was made by Vice Chair Holmes and seconded by C. Albrecht to approve the agenda as presented. Motion carried.

Approval of Minutes from 15 June 2005 Board Meeting

Chair Bangerter asked if there were any additions and/or changes to the minutes of the 15 June 2005 Board meeting (Tab N). Being none, motion was made by M. Madsen and seconded by T. Bingham to approve the minutes as presented. Motion carried.

ACTION ITEMS

A. UCAT Board Election (Tab O)

The floor was opened for nominations of the Chair and Vice Chair for the UCAT Board of Trustees.

President White: Referred to 53B-2a-103 regarding the election of the Chair and Vice Chair for the Utah College of Applied Technology Board of Trustees, which states that the UCAT Board of Trustees "shall elect a chair and vice chair, who serve for two years and until their successors are elected and qualified." The terms will run from 1 October 2005 through 30 September 2007.

D. Ipson: *MOVED to suspend the rules and to have Chair Bangerter remain by acclamation. The motion was seconded by M. Madsen. Motion unanimously approved and carried.*

M. Madsen: MOVED to suspend the rules and to have Vice Chair Holmes remain by acclamation. The motion was seconded by M. Dennis. Motion unanimously approved and carried.

B. Proposed UCAT 2006 Board Meeting Schedule (Tab P)

President White: Explained that the 2006 UCAT Board meeting schedule as presented in Tab P is similar to the 2005 schedule.

D. Ipson: MOVED approval of the UCAT Board meeting schedule for 2006 as presented. The motion was seconded by M. Madsen. Motion unanimously approved and carried.

C. UCAT Fourth Annual Report Draft (Tab Q / Substitute Tab Q)

President White: Introduced Substitute Tab Q, a revised draft of the UCAT Fourth Annual Report originally provided to the Trustees under Tab Q and explained that "this is a dynamic project that is evolving and the final draft will be completed within the next ten days to two weeks and will then be sent to the printer. We are required by law to prepare an annual report and present that annual report to the legislature. The due date in that legislation is October and there are certain things that we are required to report on, such as how the applied technology education to secondary students is being met and what access secondary students have to programs offered at college campuses within the region served by Snow College. . . We are pleased with the progress of UCAT over the years. The new draft that you have in front of you . . . follows a similar format to previous years. We've taken out a section or two and have tried to shorten it somewhat in the body of the report but include a substantial amount of information in the appendices."

President White explained that in the past the UCAT Annual Report has included an Executive Summary, but will not this year. Section I, "UCAT In Brief" is essentially a summary of the report, so the Executive Summary was not necessary.

President White further indicated that, "Our enrollments are up, even the secondary student enrollment that had been in decline has stabilized and increased with a very modest number of students; total membership hours decreased slightly for secondary students but the unduplicated headcount for secondary students were up. The count and membership hours for post secondary students were up." President White then referred to page 5 of the draft which reflects a summary of the data for secondary and post secondary membership hours and student headcount.

"Section II deals specifically with the provision of the law where we are required to report on how we are meeting the needs of secondary students. In essence it will say that we are continuing to meet the needs of secondary students well in spite of a significant drop that took place a couple of years ago that has stabilized and is increasing. We continue to offer a wide variety of programs to secondary students in cooperation with the local school districts and high schools. The report that is created by the State Office of Education with a survey of high schools and districts was very positive this year."

"Section III deals specifically with the Snow College Richfield Campus. What you see in Section III beginning on (page) 13 is our response to the data that we have seen from Snow College Richfield. Included in Appendix G is the report that Rick White has prepared so that you have a chance to see data and the comments from the Snow College Richfield campus in addition to our interpretation of that data and our response to the report, and that is very positive. Some of you can reflect back a couple of years when there were a number of concerns being raised as the transition took place. Most of those concerns appear to have been alleviated; the response is very positive. The numbers are generally up. . . You have to take into consideration the fact that they now offer associate degrees, and a number of students who would have been included in earlier reports, especially in the post secondary, are no longer included in that section of the report because they are now in credit awarding, degree seeking programs. But when you put it together, their numbers are actually up."

President White explained Section IV, Custom Fit Training. "It's a very positive report; the numbers look good. The numbers of companies served are up over a year ago by about 80 companies. The number of people trained is up about 1400 over a year ago. Our Custom Fit Training programs out in the regions are doing an excellent job meeting the needs of new and expanding companies; serving as an excellent foundation program for economic development in the state of Utah."

T. Bingham: Asked what is being done to equalize the amount of Custom Fit funds going to manufacturing rather than service companies. "Manufacturing tends to have higher paying jobs, a greater multiplier effect, and yet we're spending more than 2 to 1 on service industry Custom Fit."

President White: "That's not an issue that's been discussed in the meetings that I've participated in since I've been here, but it's an excellent question to raise. Your analysis is correct."

T. Bingham: "The Governor's emphasis is on economic development, and the service industry, for the most part, is not economic development. . . I would like to see some emphasis to try to bring that back into balance. . . I'm interested in why that is that way in some of these campuses where you are doing Custom Fit."

President White: "I think that in any given campus, you may find that there is little manufacturing in that particular area. So it may take a redistribution of money to effect that."

Vice Chair Holmes: "If we said that we aren't going to fund any service industries, would we still be able to spend all of our Custom Fit money?"

President White: "That would be an interesting question, and the answer on the surface, based on the data we have, would probably be 'no' we wouldn't, because we're spending two out of every three dollars on the service industries. You've raised an excellent question, and we'll raise that with the Custom Fit Directors."

D. Ipson: "Tom, do you sense that manufacturers are not being serviced?"

T. Bingham: "No, I'm hearing from some that their requests have not been met because they are out of money. I just raise it because manufacturing jobs pay 125% of the average wage in the state. The multiplier effect is much larger in manufacturing than in the service industries."

Campus President Nelson: "I would venture to guess, not knowing the numbers very well, that the numbers of employees trained in manufacturing are probably not a 2 to 1 ratio."

Campus President VanAusdal: Indicated that in Washington County the priority is manufacturing.

Campus President Hacking: Explained that in the Uintah Basin, there are few manufacturers.

Campus President Bouwhuis: Explained that in Davis County, they have tried to increase the numbers of manufacturing companies they are working with.

Chair Bangerter: Responding to Trustee Bingham's question regarding the manufacturing companies being told that there isn't Custom Fit money available, "If there is a mechanism to identify and discuss that particularly with the (Custom Fit Institutional) Presidents so that they can go out. . . I think that we need to be alert and to drive the limited money that we have to where the biggest return would be."

President White: Expressed appreciation for all comments regarding the UCAT Fourth Annual Report. "We may make some adjustments in the report based on that but it will depend on what data has come to us. But certainly for a Fifth Annual Report, we could request additional data."

M. Dennis: "How much demand is there that we can't meet?"

President White: Explained that we do not have information regarding unfulfilled requests.

Chair Bangerter: "I think that would be a very good bit of information to have. I think that's ammunition when you're looking for additional money."

D. Mortimer: MOVED approval of the UCAT Fourth Annual Report draft as presented, with the latitude for UCAT Central Administration to revise based on minimal adjustments as necessary prior to printing. The motion was seconded by Vice Chair Holmes. Motion unanimously approved and carried.

D. Proposed Capital Development Projects Prioritization (Tab R / Appendix A)

Chair Bangerter: "I would like to express appreciation to Tom (Bingham) for chairing the committee and to the (Campus) Presidents, for their reports, to the staff, for helping us put them together. We spent a day in here a couple of weeks ago and listened to all of these excellent reports. I would say that we didn't have any reports that we couldn't justify of being worthy of spending the money. As we go through this, we'll have an opportunity to discuss it further and recommend the action that we take as a Board."

T. Bingham: Expressed thanks to all who participated. "It was an enlightening experience to sit with the Campus Presidents and hear their proposals and to get a greater perspective on how serious of a need we have for these projects. We've had some indication from discussions and conversations with the Building Board and other legislative people that perhaps UCAT can get a little more priority this time, perhaps two priorities and maybe even three. In my discussions with legislative leaders, there is a strong movement toward recognizing that UCAT has been shortchanged in the last while and that we need to get caught up a bit. So I'm encouraged that we should be able to do some things this time that we haven't been able to for a few years. After looking at the proposals that came from the Campus Presidents and reviewing their prioritization according to what the Building Board wants to see, we then put the Committee's prioritization on those projects."

Trustee Bingham then referred to Attachment A which indicates the UCAT Capital Facilities Committee recommendation for prioritization of the projects: (1) Davis ATC, (2) Mountainland ATC, (3) Uintah Basin ATC, (4) Ogden/Weber ATC, and (5) Southeast ATC.

T. Bingham: "Using the ranking of the committee, we unanimously recommend to the Building Board that they place Davis ATC building project first, and that the Mountainland ATC be a separate project for land only which doesn't take a priority position for a building project, then place the Uintah Basin ATC building project second and Ogden/Weber ATC third. We send three recommended projects plus the added one for land. We further recommend that we not submit Southeast ATC project this time for this year because there are several questions about the acquisition of the church building on the campus that still need to be answered. We think that it's a great project but not quite ready to move forward."

Chair Bangerter: Comment regarding the SEATC building project. "We don't dispute the need. . . The one thing that needs to be done is to really analyze whether you want that building; whether that's really the building that's going to fill your needs. Sometimes older buildings are a good buy but a bad investment. . . We really need to have that hard analysis. Then we think that outside of the process you might be able to, with the powers that be, have some conversations on how to do this where it wouldn't cost a lot of money, maybe make some kind of a swap and get some kind of a donation. We think that those kinds of things need to be explored on that. In my view, the most important thing is to make the determination that the building would really serve your needs and be a viable product for us without spending a lot of extra money."

D. Mortimer: "What was the reasoning of the committee with regard to why, with our point total, Mountainland would be recommended for land only?"

T. Bingham: "Part of the reasoning was that we thought that we ought to get that land established and then come back with a high priority to put a building on that land. Another part has to do with legislative leadership, where probably their number one priority is UVSC, but they want to do something for Mountainland as well."

D. Mortimer: Expressed concern that based on Mountainland ATC's growth (MATC had over one-third of the total increase for UCAT membership hour growth last year) and the fact that in FY 07, the lease on

58,000 square feet currently used by MATC but owned by UVSC will expire, MATC will lose more than half of the space currently leased for their use. "We are in an absolute emergency situation."

Chair Bangerter: "In all of these, you try to assess not only the need but the political ramifications of how you get these things done. There are several other Boards going through this process and there will be many more requests to the Building Board than the legislature and Governor will be able to fund with the money they have available. I really believe that we are in a crisis situation and we've seen the numbers and don't disagree with anything that you've said. The needs are there. Part of what we did is try to make a judgment on how to present this. My view is that we make a very hard write-up, making a case that this (UCAT) is a creation of the legislature and the Governor, and it has not been treated well in the financial mode over the four years that we've been in operation. It hasn't had the money to grow and we think that we can substantiate, across the system, the growth and the needs that are there. They said we can present two; we think we should present three plus the land, which gets that moving, in a way to move the whole system forward."

President White: "There is no perfect process when it comes to building requests because they're so competitive. Especially in the case of UCAT because we've gotten so far behind in this process in the last six years. . . We have to push this as a complete package, and what we do politically is say 'yes, we recognize it may be practical to only ask for land money this year for Mountainland, but we need to be lobbying every legislator that the numbers are such in that area that this building has to come as quickly as possible on the land that we're asking you to purchase.' So that you are really setting the stage for next year's legislature and this body will have freedom as well to rank those projects again next year that haven't been funded, and Mountainland may or may not end up on top but certainly there would be good justification for them to be on top, especially if the others are funded. Politically, you do what you have to do to set the stage for the next five years for the decisions that you make here."

D. Mortimer: MOVED approval of the UCAT Capital Facilities Committee Recommendation of the Capital Development projects prioritization as presented. The motion was seconded by Vice Chair Holmes. Motion unanimously approved and carried.

E. 2005-06 Operating Budgets (Tab S / Appendix B)

K. Henrie: Referred to Appendix B, 'Operating Expenditures and Revenues By Object,' which presents the 2004-05 operating budgets for UCAT as a whole, UCAT Central Administration, and for each UCAT campus. The operating budgets for 2004-05 are also included for comparison purposes.

F. 2005-06 Budget Implementation Report (Tab T / Appendix C)

K. Henrie: Referred to Appendix C, 'Utah College of Applied Technology Fiscal Year 2005-2006 Implementation Report on Use of Enrollment Growth Funds.' UCAT campuses submit budget implementation reports which show how new enrollment growth funds are administered across the UCAT campuses. The implementation report provides information regarding how the campuses anticipate spending the new tax funds and tuition dollars on each of the campuses.

T. Theurer: MOVED approval of both the 2005-06 Operating Budgets (II.E.) and the 2005-06 Budget Implementation Report (II.F.), as presented. The motion was seconded by D. Allen. Motion unanimously approved and carried.

INFORMATION/DISCUSSION ITEMS

A. FY06-07 Budget (Tab U / Appendices D and E)

President White: "We are preparing for presentation to the legislature a budget request for the 2007 fiscal year, which will be considered by the legislature meeting in February and March of next year. . . We just had a significant discussion on building projects and the fact that UCAT has gotten behind on buildings. But there is another area that UCAT has been ignored on that will become absolutely a crisis situation if the legislature doesn't take care of it next year; that is, our Central Administration. For the four years that UCAT has been in existence, we have not received funding for Central Administration at the level that was originally, five years ago, approved and then never appropriated. The reason that it becomes a crisis beginning next year is because we have moved ahead with the implementation of the new management student information system to be implemented on all UCAT campuses. In order to provide the kind of help and support that is needed will require at least one person in this office to give it direction, help and support. We have no money to do that as you could see in the operating report. In fact we are operating almost \$100,000 over budget with the current administration that we have, which consists of the President, one Vice President, one Administrative Assistant, and a .4 Budget officer, and that puts us almost \$100,000 over budget. Our request to the legislature will be to provide enough money to get out of that deficit situation and provide a couple of additional personnel to provide the kind of help and support that our people need. Our discussion on buildings perhaps could have been somewhat shorter and somewhat more focused if we had sufficient personnel to be out there with Campus Presidents, doing the kind of master planning and being on top of these kinds of issues that ought to be done, but we don't have the personnel to do it. This is not a huge item; we are requesting less than a half a million dollars for this kind of expansion which would bring us up to less than what had been envisioned for UCAT Central Administration over four years ago when it was established in 2001. I point that out so that all of us can recognize the importance of that particular item even though it is small in comparison to the total budget request. Without it, there will have to be drastic changes in the whole structure and operation of UCAT. As always, our membership hour increase will be our number one priority, even over and above the Central Administration that I referred to because that's what funds the training and education that takes place out on the campuses."

President White then invited Kimberly Henrie to present a PowerPoint presentation on the UCAT Budget Request process and more specific ongoing and one-time budget request information (Appendices D and E).

K. Henrie: Explained the following aspects of the UCAT budget request:

Ongoing Budget Requests
UCAT Compensation Package

- Salary Increases
- Health and Dental Increases
- State Retirement Increases
- Faculty and Staff Retention Funds

The salary, health and dental and state retirement requests will be equitable with respect to other state employees. The faculty and staff retention funds are an attempt to support faculty and staff retention issues at the UCAT campuses.

UCAT Special Initiatives

- Membership Hour Growth Funding
 - Funding for 520,000 additional membership hours
- UCAT Central Administration Office
 - Hire 3 additional FTE (MIS, Financial, and Support) and cover the budget shortfall
- UCAT Student Information System
 - Hire an additional 4 FTE and cover the implementation and ongoing operational costs of the new UCAT student information system "Northstar."
- UCAT Jobs Now Initiative
- UCAT Custom Fit Training
- UCAT Accreditation
 - To offset the cost of site visits and accreditation self-studies
- UCAT Campus Initiatives

Infrastructure and Operating Budget

- Facilities: Lease Funding
- Operating Expenditures

One-Time Requests

- UCAT Central Administration
 - Student Information System
 - Capital Training Equipment
- UCAT Campuses

Supplemental FY 05-06 Requests

- Leases

President White: "The purpose of this presentation today was to make you aware of the direction we are headed and to get any input you may have so that by November 2 you'll be prepared to approve a budget request for next year's legislature."

B. FY 04-05 Enrollment (Tab V / Appendix F)

K. Henrie: Explained Appendix F, 'UCAT Annualized Budget Related Headcount History' and 'UCAT Membership Hour History.'

Headcount: 4.12% increase from last year. Secondary students are up slightly, 11,254 last year and 11,340 this year; post secondary students are up from 22,839 last year to 24,156 this year.

Membership hours: 3.86% increase from last year, which includes a slight decrease of 1.09% for secondary students. Cumulative membership hour history, 2002 through 2005 reflects an increase of 2.66%.

C. 2005 UCAT Enrollment Projections (Tab W / Appendix G)

K. Henrie: "We've taken enrollment information for the past eight years, looked at the participation rates from ages 14 to 18 and 19 to 29 and 39 and older, projected what our enrollment will be at each of the campuses for that age range. This information can be used in terms of looking at the Building Board when they evaluate buildings for us, as well as give an indication of where our enrollments will go over the next 10 years."

Campus President Fife: Requested an explanation of the process used to determine these numbers.

K. Henrie: "The way that these numbers are calculated is that we take information from the Governor's office on the population. They go out 50 years, from 2000 to 2050 and they estimate what the population will be by county and by age. We take that information and look at the jurisdictions that have been assigned to the campuses, compare it to the headcount that is being served by each of those campuses for that respective county and take that participation rate, and we estimate that for the next 10 years. We multiply the population by the estimated participation rate, which on average will be about a 2.4% increase over the next 10 years, which is conservative, but with the demographics changing, we don't know how population shifts are going to impact it."

President White: "The other thing that we don't know is what campuses will be doing by way of growth in programs. As you add more programs, that attracts more students and would significantly influence that as well."

D. MIS/SIS System Update (Tab X / Appendix H)

David Peterson: "We are taking multiple computer systems, primarily a Galaxy system used by two campuses, and VSR4 system used by seven campuses in varying degrees, and almost as many fiscal systems that interface with those systems, and bringing them together. VSR4 is not going to support the platform that we run on and what we are doing right now so we are in a position where we have to bring them together and make sense of it all as quickly as possible. That was approved in March and since then we have been moving forward with this project called 'Northstar' which is essentially a UCAT project that

taps into in-kind donations from every campus as well as additional UCAT funds. Originally the objective was to make sure that every campus was represented and that nobody had to take a step backward as we tried to bring everything together."

Appendix H, 'UCAT Student Information Systems Development Northstar Project Update, September 7, 2005' was presented to the Board:

Scope Document Finalized

All teams represented and all campuses involved in process
On schedule with development toward initial testing late November

Next Step Focus Teams

Reporting
Campus level preparation checklists
Custom Fit
Implementation timeline
Fiscal Systems Interface
VSR4 Mapping (historical information)

Current Funding

188k to cover development costs through June 30, 2006 is in place

Long Term Funding

Included in overall UCAT budget proposal

Risks/Obstacles

Pre-implementation training of in house staff
Timing of data mapping of historical student information
Development staff turnover

C. Albrecht: Asked if this system will interface with the other higher education institutions.

D. Peterson: "No."

President White: "It does interface with the data system here at the Commissioner's office."

E. UCAT Board of Trustees Standing Committees' Update (Tab Y)

Statewide Campus Development and Master Planning Committee
No updates.

Mission, Role and Accreditation Committee

M. Madsen: Indicated that the mission and role, previously approved by the UCAT Board, is done. Regarding accreditation, the Bridgerland campus has had a pre-visit by COE, as has Ogden-Weber.

The schedule for COE accreditation site visits to the UCAT campuses are as follows:

September 26-29, 2005	Ogden-Weber
October 24-27, 2005	Bridgerland
November 7-10, 2005	Uintah Basin
December 5-8, 2005	Davis
April 3-6, 2006	Mountainland
July 17-20, 2006	Salt Lake/Tooele

The accreditation process is moving forward, with six campuses scheduled for COE accreditation site visits.

Funding/Services, Legislative Support Committee

No updates.

F. UCAT President's Cabinet Report (Tab Z)

President White referred to the agenda provided (Tab Z) from the UCAT President's Cabinet meeting on 16 August 2005.

President White: "Some issues have come up related to secondary student fee waivers. Several years ago, a substantial court case in the state of Utah resulted in a very heavy handed guideline related to fees and fee waivers for high school students, and high school students who take courses that require fees. If they are eligible for fee waivers under those court guidelines, those fees have to be waived. We still have some work to be done on some of the detail related to this. Fees for our courses will be waived as well and we'll be working out some of the detail with the Campus Presidents."

ADJOURN

Vice Chair Holmes adjourned the UCAT Board of Trustees meeting at 12:10 p.m.

The next UCAT Board of Trustees meeting is scheduled for Wednesday, 2 November 2005.