UTAH COLLEGE OF APPLIED TECHNOLOGY
9 OCTOBER 2002
BOARD OF TRUSTEES MEETING
MINUTES

<u>Board of Trustees</u>
Doug Holmes, Vice Chair - Ogden-Weber
John Busch – Uintah Basin
Pamela J. Atkinson - SBOR
Thomas Bingham - Gov. Appt.
Don Roberts - Southwest
Don Ipson - Dixie
Charlie Johnson – Regents (excused early)
Michael Madsen - Bridgerland
A. Earl McCain - SBOE
Wayne Woodward - Southeast
Carl Albrecht - Central
Doyle Mortimer - Mountainland

<u>Regional ATC Presidents</u>
Mike Bouwhuis - Davis
Bo Hall - Salt Lake/Tooele
Richard Jones - Uintah Basin
Richard Maughan - Bridgerland
Rich VanAusdal - Dixie
Brent Wallis - Ogden-Weber
Don Reid - Southwest
Carl Holmes - Central
Rob Brems – Mountainland (late)
Miles Nelson - Southeast

<u>Institutional Representation</u>
Gregory G. Fitch

<u>Commissioners Office</u>
Gary Wixom, Assistant Commissioner for Applied Technology Education and Special Projects
Linda Fife, Assistant Commissioner of Programs
Brad Mortensen, Assistant Commissioner of Business and Finance

<u>Media Present</u>
Deseret News
Standard-Examiner

<u>Others Present</u>
Commissioner Cecelia Foxley
Collette Mercier – VP, Ogden-Weber ATC
Mary Shumway - SBOE
Debbie Headden - Fiscal Analyst
Boyd Garriott - Fiscal Analyst
Race Davies - Governors Office
Lionel Blau - MATC

<u>Excused Absent</u>
Norman Bangerter, Chair - Salt Lake/Tooele
Janet Cannon - SBOE
William Prows - Davis

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MINUTES OF MEETING
UTAH COLLEGE OF APPLIED TECHNOLOGY
BOARD OF TRUSTEES
REGENTS' BOARD ROOM
9 OCTOBER 2002

The meeting of the UCAT Board of Trustees was held on 9 October 2002 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 9 October 2002 Board meeting. Being none, motion was made by P. Atkinson and seconded by M. Madsen to approve as presented. Motion carried.

Approval of Minutes from 28 August 2002 Board Meeting

Vice Chair Holmes asked if there were any additions and/or changes for the minutes of the 28 August 2002 Board meeting (Tab T). Vice Chair Holmes requested that the minutes be amended to include a statement by Regent Johnson in response to a question by Vice Chair Holmes (page 8). Regent Johnson had indicated during that meeting that he felt that Higher Education would reach out for accreditation and articulation, believing that the attitude is to do all that can be done to have good articulation around the State. Motion was made to amend the minutes accordingly by M. Madsen and seconded by P. Atkinson. Motion carried.

ACTION ITEMS

A. Annual Report (Tab U)

D. Holmes: Requested to make a few remarks as an introduction.
"…and the remarks that I will make now and throughout the day are strictly mine . . . I have consulted with some of my fellow Trustees on some of these items, but they can speak for themselves . . . Would like us to keep focused on our basic mission, which in my view is to provide short-term training for our students to fill the needs of business and industry for skilled employees. The other side of that is to provide the training so that students can get good paying jobs . . . we need to keep in mind that we have two clients, we have our employer and we have our students."

D. Holmes: Referred to the board (Attachment A) for a review our basic organization:

"The Governor appoints the Regents, who hire the Commissioner, who together hires the UCAT President who hires the Regional Presidents (one line). Business/Industry/Education people select personnel for the

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Regional Boards; the Regional Boards select the UCAT Board (second line). Those of you who were here a year and a half ago realize that the Legislature went through some long and tortuous negotiations to come up with this organization . . . Inevitably, we are going to have some differences of opinion as to where UCAT should go. I've indicated with a dashed line that we have some coordination with President Fitch but we don't have any real authority. So the only thing that the Legislature gave us as tools, or influence, is that we can take our budget directly to the Legislature, take our capital budget request directly to the Legislature and we have this report that we are going to discuss today." He then referenced the Legislation (HB 1003), 53b-2a-104 (7), page 24 -- Utah College of Applied Technology Board of Trustees – Powers and duties, and referred to the draft of the UCAT First Annual Report, which is to be reviewed at this meeting. This report is from the Board of Trustees and "we want to be sure that we get in this what we want to have in it. But this isn't the President's report; it's the Board of Trustees report."

D. Ipson: " . . . are there things that are missing? It seems pretty comprehensive . . ."

D. Holmes: " . . . its not that things are missing, there are some things that I disagree with. . . . suggest that we go through this 'page by page'."

D. Mortimer: "I appreciate what you've done but I think that it's important to remember that we don't have the time to do all of this . . . but its also critical because this is our report so we had better feel okay about everything that is in there . . . but we had better look close because it is our name that goes on there."

D. Holmes: Indicated on the cover page, "Respectfully submitted by Gregory G. Fitch . . . and Linda Fife" needs to say by "The UCAT Board of Trustees". Would also propose that at the end of the report, have a signature block for the Chair to sign the report.

W. Woodward: Add on the bottom "approved by the UCAT Board" . . . because it's already been prepared.

D. Holmes: "What I'm suggesting is that we go over it and change it to the point that it is our report, because it really should be our report."

G. Fitch: Pointed out "There is nothing in the legislation or intent language, and nothing that has been provided to the UCAT staff, by this Board or anyone that indicates the format or design to be used for presentation purposes." Requested that the Board recognize " . . . that we are on a timeline to complete this report and respond to the required legislation" (the report is now due Oct 23 instead of Oct 31). Asked for the Board to make whatever changes they desired, recognizing that this report is from the UCAT Board of Trustees to the Legislature.

D. Holmes: Referred to the Annual Report, Executive Summary: bullet one: <u>Establish an organizational structure to include a President, regional presidents, an institutional Board of Trustees, and regional advisory boards</u>. Suggested to eliminate the word "advisory".

D. Ipson: MOVED to omit the word "advisory" as indicated above. The motion was seconded by M. Madsen. Motion unanimously approved and carried.

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G. Fitch: Provided information regarding the Table of Contents. Specifically highlighted that the information is organized according to section numbers (I through V) and that the key components for each section are identified either through the legislation, the questions that were asked or the intent language or some other item that was specific to the response to the legislative group. "This way anyone can read any portion of it or go directly to the table of contents and select the particular elements without having to read the full report after the Executive Summary, that's why this is designed in this particular format."

D. Holmes: Next item, on page 6, under II. Structure – Administration, bullet two: The UCAT Board of Trustees is in place and meeting regularly. Suggested to change "regularly" to "monthly" . . .

D. Ipson: Agreed with the change. Suggested that since we are meeting monthly, we should tell the legislature that, through this annual report.

T. Bingham: Concerned that if the change is made, if for some reason we don't meet one month or meet twice one month, then it's inaccurate.

D. Ipson: MOVED to change "regularly" to "monthly" as indicated above. The motion was seconded by J. Busch. Motion (6 yes, 4 no) approved and carried.

M. Madsen: Regarding the same bullet two . . . The Board is comprised of fifteen (15) members in total with four standing committees: . . . Felt that there was no definition of the standing committees, who they are and what committee they are on. Would like to see the committees defined and who the board members are.

M. Madsen: MOVED to include the UCAT committees and rosters as an appendix to the Annual Report. The motion was seconded by D. Ipson. Motion was unanimously approved and carried.

D. Holmes: Referred to page 6, II. Structure – Administration, bullet six: suggested changing "local advisory boards" to "regional boards". Doesn't want the local boards to become "less than they've always been". Feels that advisory boards suggest something less than a board of trustees.

G. Fitch: "The intent is that your advisory boards advise your program operations. It's not your local board that is doing that . . ."

M. Bouwhuis: Suggested changing the wording to "local employer advisory committees".

C. Albrecht: MOVED to replace "local advisory boards" with "local employer advisory committees". The motion was seconded by P. Atkinson. Motion was unanimously approved and carried. [The ten colleges will need to make this name change.]

D. Holmes: Referred to page 10 of the annual report, set of graphs with the title "Totals without CATC".

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G. Fitch: Explained that the information presented by these graphs is provided by the State Board of Education based on the audit analysis. "These graphs reflect basic totals to give them some idea of numbers." Also explained that these are without CATC totals, which, if included, would have added approximately another 100,000 membership hours. They are not included because they are covered under Snow College for purposes of this particular audit.

D. Ipson: Asked if the graphs could be footnoted with the above explanation.

G. Fitch: Agreed.

D. Holmes: Referred to page 13, under Status, paragraph three: . . . This process has not always proven successful because of distinct differences between the ATCs . . . Suggested to change "between" to "among".

D. Holmes: Referred to page 14, under B: Tuition Revenue. It is the intent of the Legislature that a study be performed in the interim with members of the UCAT Board of Trustees, the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget to evaluate the UCAT tuition revenue. Asked if any trustees have been involved with this.

G. Fitch: Responded that the next meeting is on October 16 at Mountainland where a Board member could attend.

D. Holmes: Asked Doyle Mortimer if he would volunteer to attend that meeting.

D. Holmes: Referred to page 15, paragraph two (following bullet points): Currently, the UCAT Instructional Planning and Curriculum Committee and the UCAT Student Services Committee are studying policies at each UCAT campus in order to create uniform academic and student services policies for UCAT. Expressed concern for the concept of uniform programs and policies versus individual institution academic and student service policies. "I question whether we all want to be uniform . . . we are all so diverse . . . is it desirable for us to be uniform?"

P. Atkinson: "I know there is diversity, differences, and uniqueness, but there are a lot of commonalities too. I see the need for some uniformity if we are one college with ten campuses."

D. Holmes: "If we are one college with ten campuses, you are right, but I'm not sure that's what we are, that's an item that we need to discuss . . ."

G. Fitch: In response to D. Holmes, " . . . this report that we are looking at, how would you intend to do that if there wasn't some centralized reporting of information . . . how would you move budgets forward . . . if there wasn't on some level, a general application? For example, requirements of law on notification on tuition, handling of reports, such as transcripts and grades, those are obligations by law that you have to centrally do, no individual institution can make a determination on that, and there is a host of activities in serving students that we have obligations and the students have rights that we need to adhere to . . . The

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idea of centralization is centralization of data information to protect our students and to protect UCAT under the law, it is not an issue of control."

D. Holmes: Referred to page 25, Recommendation 1, bullet two: <u>The UCAT Trustees should focus on the "one college, ten branch campus" structure and develop system-wide goals and objectives. This plan should not be directly related to students and/or daily operations of the campuses, but to the whole</u>.

D. Holmes: "Are we going to try to be one college with ten campuses, . . . or are we going to have ten individual entities with a central administration . . ." Expressed concern for the one college with ten campuses concept, " . . . afraid that we would be in danger of losing our individuality, of losing our flexibility, of being unable to respond quickly to the needs of business/industry . . . I have a hard time thinking that is a good idea . . ."

W. Woodward: Requested input from trustees D. Mortimer, P. Atkinson and C. Johnson, as to the intent of the development of the legislation with regard to the one college-ten campus or ten individual colleges concept and UCAT.

D. Mortimer: " . . . the concerns that I have, I understand that what we are trying to do in all coming together is to make sure we don't lose focus in applied technology education in Utah. And what we were afraid was happening, as our state is growing, and our universities and colleges are growing, that applied technology was being shoved to the background . . . I actually like the idea of us coming together to get focus and to be united, but the longer I'm here, the more differences I see between us . . . but I worry about us becoming all one full unit where we may end up destroying ourselves."

P. Atkinson: " . . . overall my understanding of the legislative intent is that this is the tenth college in higher education . . ."

C. Johnson: "Clearly, this is one college. If we back away from that, we are in chaos . . . Can we have individuality at different sites, of course . . . we are charged with responding to the marketplace . . . there's united effort in funding, there's united effort in accreditation, there's a united effort in showing the full strength of the organization. To me it's clear that we're one college with ten separate components. The component may deal day to day with things differently, but that doesn't take away from the concept. The concept is clear."

G. Fitch: Referred to the legislation (HB 1003) under 53b-1-102 (k), which lists "the Utah College of Applied Technology" as one of the ten colleges under the heading "State system of higher education", which supports the one college, ten campus concept, "not by intent, but by law" . . . "This does not diminish the individual campuses."

D. Holmes: "How do we address the one college with ten entities?"

G. Fitch: "My recommendation is to change the 'college' to 'campus'. For example, the Utah College of Applied Technology, Bridgerland Campus . . ."

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C. Albrecht: Expressed that the language used on page 25 of the annual report, under Recommendation 1, bullet 2, The UCAT Trustees should focus on the "one college, ten branch campus" structure and develop system-wide goals and objectives. This plan should not be directly related to students and/or daily operations of the campuses, but to the whole, was "excellent".

A.E. McCain: "Getting back to the issue of uniformity, is it reasonable to expect that certain elements of a 'core curriculum' . . . that those courses have a uniformity in nature in terms of their catalog description . . . knowing full well that individual instructors will add their own 'twists' to each of these courses, but shouldn't there be a number of courses that are rather uniform to all of these campuses."

D. Ipson: Expressed concern that because of the budget situation, that it's important to avoid duplication, particularly in areas that are close.

C. Johnson: "We may be trying to solve a problem that doesn't exist. Let's throw it back to the Presidents . . . to identify areas that you think this Board needs to get clarification. Where you feel that there is a problem . . . of centralization versus decentralization and let's deal with it when the problem exists as opposed to a theory."

D. Mortimer: "The legislation does say that UCAT is comprised of the following colleges, it doesn't call them campuses . . . it sounds like the concern that we have that we need to come to grips with is if there is some concern that we are driving so hard to one thing that we will lose the individuality, then it's a good concern. We all have an understanding here that what we want to do is give ourselves strength and power and some good direction so that applied technology takes it's place where it ought to among the ten institutions and really have the power yet allow the individuality we will move forward . . . but if you feel personally that what we're reading here is a movement to make us so uniform that we've lost our individuality, then it bears discussion."

P. Atkinson: "As I've visited these campuses and I've listened to these Presidents, I don't see that we are in any danger of becoming uniform and the same . . . there is so much individuality . . . they are not going to allow that to happen."

P. Atkinson: MOVED to have the Regional Presidents look at the one college, ten-campus concept, discuss what could be uniform and system wide versus how to maintain the integrity of the individual campus, and then bring back a report for the next Board meeting. The motion was seconded by A.E. McCain. Motion was unanimously approved and carried.

D. Mortimer: Referred to Executive Summary, bullet two: Create and deliver a transferable Associate of Applied Technology Degree in an open-entry/open-exit, competency-based environment. Expressed concern that this says that the degree has to be offered in the open-entry/open-exit format. Acknowledges that there are programs that are open-entry, open-exit, but doesn't believe that is required by legislation for the AAT. " . . . wouldn't be able to have a 100 percent open-entry/open-exit applied technology degree (because of general education class requirements) . . . our goal was to make it as much as we could and to provide as much competency- based as we could, but to say that I have to give this degree in this

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environment is not what the legislation said".

W. Woodward: MOVED to add the words, " . . . with emphasis on . . ." after " . . . Applied Technology Degree . . ." The bullet will now read, "Create and deliver a transferable Associate of Applied Technology Degree with emphasis on an open-entry/open-exit, competency-based environment". The motion was seconded by D. Mortimer. Motion was unanimously approved and carried.

C. Albrecht: MOVED to add a signature block on the annual report for the Chair to sign verifying that this report has been reviewed and accepted by the Board. The motion was seconded by D. Ipson. (MOTION WITHDRAWN).

P. Atkinson: MOVED to add a paragraph in the Executive Summary that would summarize the recommendations currently at the end of the report.   The motion was seconded by C. Albrecht. Motion was unanimously approved and carried.

D. Holmes: Referred to page 26, Recommendation 2, bullet three: Every aspect of the legislation needs to be reviewed and improved. The primary recommendation for FY03, including submission to the appropriate legislative authority by 1 December 2002, is to rewrite the legislation to strengthen and improve UCAT. Questioned whether this is a good time to revise this legislation.

D. Ipson: MOVED to delete the sentence, "Every aspect of the legislation needs to be reviewed and improved" from the above mentioned bullet point. The motion was seconded by D. Mortimer. (Motion later SUBSTITUTED).

Discussion on Motion:

P. Atkinson: Agreed that the request for review was to identify certain "troublesome" areas, not to review every aspect of the legislation. To make recommendations to the Board as to what should be recommended to the legislature for changes.
G. Fitch: Reminded the Board that they had instructed him to review and rewrite the legislation. Responded that his approach was to look at components of 2a and all parts of the legislation because certain changes could have an impact on other legislation.

C. Johnson: "Aren't there two different issues? One is, are we going to submit legislation, the answer is yes. Sponsors will have to determine whether or not they are going to run it. But we are going to give them some suggestions. That's issue number one whether or not we are going to put any language in here doesn't matter."

D. Holmes: "Has it been determined that we are going to make some recommendations to the legislature for changes this upcoming session?"

G. Fitch: " . . . my intent originally was to do cosmetic changes essentially in the legislation to address key issues, for example the definition for applied technology education is way off track . . . however, with the

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budget shortfall and with our concerns for accreditation and other things that we are dealing with, the idea was to look at the legislation and to strengthen UCAT's position and move forward. And that may mean incorporating all the components of the legislation; it may mean just key components."

C. Johnson: "I don't think that we know today how exhaustive it should be. We know that sponsors are expecting some legislation . . . there is an expectation that there will be some legislation submitted."

D. Holmes: Questioned whether now is the right time to submit changes to the legislature.

C. Johnson: " . . . depends on how exhaustive it gets as to whether or not it will have a problem . . . obviously some things are technical changes that need to be made no matter what and that's expected . . . beyond that you need to sit down . . . with the leadership and say here are the issues and how far do we go."

D. Ipson: Suggested to AMEND the previous motion to delete the first sentence of Recommendation 2, page 26, bullet three, and to reword the next sentence to read, "The primary recommendation for FY03, including submission to the appropriate legislative authority by 1 December 2002, may include recommendations to revise specific elements of the legislation to strengthen and improve UCAT".

D. Mortimer: Suggested a SUBSTITUTE motion (UCAT First Annual Report, page 26, Recommendation 2, bullet three) to read, "The primary recommendation for FY03, including submission to the appropriate legislative authority by 1 December 2002, is to amend specific elements of the legislation to strengthen and improve UCAT". Motion seconded by D. Ipson. Motion was unanimously approved and carried.

A.E. McCain: "Does the Board have the authority to make rules . . . on our interpretation of the legislation?"

G. Fitch: " . . . under the law, this Board has the authority to create policy for your own governance, . . . can be interpreted two different ways, either for your own conduct and activities, . . . but this Board is in a position to make recommendations for rule changes or policy changes if they fall under the purview of the Regents, then this Board would make that recommendation and it would go to the Board of Regents. If it is something specific to this operation, then we have the authority under ours."

D. Mortimer: MOVED to approve the report with the following change to the front of the report, to change "Respectfully submitted by Gregory G. Fitch . . ." to "Respectfully submitted by The Utah College of Applied Technology Board of Trustees, Prepared by Gregory G. Fitch . . ." Motion seconded by C. Albrecht. Motion was unanimously approved and carried.

D. Ipson: MOVED to include a signature box in the annual report to be signed by the Chair, or in his absence, the Vice Chair. Motion seconded by M. Madsen. Motion was unanimously approved and carried.

D. Holmes: Suggested that the recommendations to changes in the legislation be reviewed at the next Board meeting.

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B. Custom Fit Policies and Procedures (Tab V)

G. Fitch: Explained that the Presidents' Cabinet had met previously with the Custom Fit representatives to address issues pertaining to definitions, contracts, distribution of funds, determination of a Custom Fit formula, etc. The Presidents' Cabinet had charged the Custom Fit Council to make recommendations and changes, and that these had been incorporated into the document provided (Tab V). He further explained that these Custom Fit Policies and Procedures had been reviewed by the Presidents' Cabinet and have received their support. Requested a motion from the Board to accept the policies as presented.

M. Madsen: MOVED to accept the Custom Fit Policies and Procedures as presented (Tab V). Motion was seconded by D. Ipson.

Discussion on Motion:

D. Mortimer: "Is there any provision for a holdback for example, economic development . . ."

G. Fitch: " . . . there are opportunities that as institutions get confronted with additional service needs and requirements; they can draw upon the strategic funds that are available to them." President Fitch also introduced the Addendum to the Custom Fit Policies (Attachment B) and a Custom Fit budget sheet (Attachment C).

A.E. McCain: Asked if Custom Fit monies not expended could be carried over.

G. Fitch: "My understanding is that the Commerce and Revenue Committee and the Legislature have given the UCAT Board the authority to deal with these funds."

VOTE on the motion. Unanimously approved and carried.

G. Fitch: Distributed the Addendum to the Custom Fit Policies (Attachment B). Requested that the Board consider this addendum and add it to the Policies and Procedures previously approved.   He explained that there are times and circumstances when funds are granted through DCED that are their own funds, and are handled through DCED for new businesses. "During some of those times, we are asked to be the 'pass through' for a lot of that funding and also to provide an auditable trail in regard to those particular funds and their operation. What we are asking for is that this Board under it's authority, recommend 2 – 4%, which is a negotiable component, be developed with DCED to pay us for the services that we are providing since we are being held accountable for the distribution of funds."

C. Albrecht: MOVED to approve the addition of the Addendum to the Custom Fit Policies and Procedures. Motion was seconded by D. Ipson. Motion was unanimously approved and carried.

G. Fitch: Distributed the Custom Fit budget sheet (Attachment C). Explained that this budget information was moved forward by the Custom Fit Council and has been reviewed and endorsed by the Presidents' Cabinet. "This provides the service and components of the dollars that we have right now. As of today, we

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have released some of the funds, but only that percentage of the funds that reflect last year's requirements, to keep them operational without restricting them." Asked the Board's approval of this budget based on the recommendation of the Custom Fit Council and the Presidents' Cabinet.

D. Mortimer: MOVED that the Custom Fit budget be approved as presented. Motion seconded by A.E. McCain. Motion unanimously approved and carried.

INFORMATION/DISCUSSION ITEM

A. Draft Legislation (Tab W)

G. Fitch: Explained that the accompanying sheet reflects a listing of the topic areas, page numbers and citation numbers of areas to review for potential changes in legislation (HB 1003).

B. Funding Formula (Tab X)

G. Fitch: Referred to the "Development Formula" sheet (Tab X). "This is not a designation of funds, this is only looking at and responding to your question as a Board . . . what you charged the Presidents' Cabinet and myself to do is to look at development dollars that had normally been appropriated and distributed on the basis of four basic criteria. There were issues involved with duplication of membership hours, growth, etc. There were elements that were perceived to favor larger institutions versus smaller institutions (rural), and how best to try to divide these particular funds. As a reminder, these funds were actually created about 12 years ago. The money has been 1.7 million and has been an annual fund, but ongoing . . . due to weaknesses in the budget and in support of our institutions, many of the institutions who received the development funds incorporated that into activities of base budget application and operations . . . our understanding of our charge was to come back with a more reasonable method in which to distribute these funds in a manner that would be handled on an annual basis based on new monies." President Fitch then explained the components of the development formula "theory" reflected on this sheet:

1. The 1.7 million that is presently identified as development dollars be shifted into the base.
2. Membership Hours. These are the hours that they generate.
3. Growth. Projected based on this year's numbers, which is approximately 7.5% growth, equating to approximately an additional 2.9 million.

"The membership and growth is not duplication – it's an opportunity for all of our institutions to recognize that although we may not have additional membership hours, we may have growth in some other component area of our institution that would reflect advanced services to the community."

4. Student Objectives. We have two clients that we serve, one is the business and industry component of the State and the other is our students. "How can we best serve both of our clients?"

"There is an educational coalition that has been established by the Governor to look at all of education. We are looking at ways to address institutional needs at all ten of our colleges regardless of size with student

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objectives . . . Ensuring that in the placement of those students, we look at certificates upon completion and placement within the job industry area of employment. With those we should be able to tell that we are coordinating with both of our client bases, student need and employer need, and meeting those requirements."

President Fitch then directed attention to the middle of the Development Formula sheet to "Certificate of Completion".
Level 1 – Regents Policy: 900 hours dealing with student financial aid and recognition.
Level 2 – Selected Certificates: There are concerns by the Regional Presidents on the approval of the type of certificate and the number of hours applied. The Regional Presidents will work with weighting these so that when a distribution component (formula) is added, the weighting will be included to benefit all of the institutions.

B. Wallis: Agreed that the proposed development formula is positive and that fundamentally the proposal is directed toward recognition of performance. Said that we have "lost sight of what the performance was intended to do."   Agreed with President Fitch's proposal attempts to "focus us on performance and recognize it in terms of funding support. That's been lacking . . . I am encouraged by this recommendation."
M. Bouwhuis: Added two other relevant points: (1) incentive versus disincentive. "The intent of the money distributed by the legislature was to provide an incentive to continue to do our mission and the components of that mission are important to all of us (placements, student services, enrollment, etc). Over the years it became a disincentive because one year you might be way up here and receive $300,000 and the next year receive $172,000, but it was never built into your base.   The proposal will put that money into your base if you perform . . . and (2) legislation requires that we move quickly when industry needs us, a degree, a certificate or upgrade training.   The 900-hour designation allows us to have long-term programs that we follow Regents' policy, but I think that this Board of Trustees, at one point in time, establish policies to allow quick turnaround time for upgrade training. ."

R. Jones: " . . . another thing that strengthens this idea is to try to hold all of the institutions as harmless as possible. The five year averaging looks like something that could handle this."

G. Fitch: Introduced Tab X "Distribution of Development Funds to Regional Base Budgets" sheet.   Pointed out that a question may arise with regard to the institutions that weren't a part during a particular time period or was a small element of it because of the way that they were audited, will also get some additional funding. "It's not completely fair . . . but it recognizes that we are working together . . ."

R. Jones: "We are not sure of when the best period of time is for the averaging, whether it's three years or five years, but one thing that this particular distribution does do is to give money to all ten of the regions, although some the regions may not have been a part of the formula before."

R. Maughan: " . . . it is imperative to the future growth of the ATC system that the money remain in our base because historically we would raise our level of performance based on the funding that we receive, and the next year that funding goes away but our operational costs are still there so we are left with a deficit

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. . . by virtue of the fact that it now moves into our budget and solidifies that level of funding, gives us the opportunity to work toward more funding for growth . . ."

ADJOURN FOR LUNCH 12:05 p.m.

Reassemble at approximately 12:30 p.m.

B. Mortensen: Presented Tab X "Concept Design for UCAT Funding Formula" sheet.

Column 1: Formula Financing
Explained that each campus generates so many membership hours and they have so many dollars per membership hour; multiply those two together to equal the base budget (gray box).   Further explained that the two ways for the base to be increased are (1) if the number of membership hours increase, or (2) to increase the cost per membership hour.

Column 2: Formula Request
Two components of a budget request increase: (1) Factor increase and (2) Growth increase.

Column 3: Formula Distribution
The legislature appropriates the money to each of the ten campuses, and one more step is needed, which is reflected in this third column.   The Base Factor Distribution (gold box) comes straight across, and is allocated to the campuses as it was generated. The Growth Distribution (green box) is broken down into two pieces, marginal funding and the development funding. "The marginal funding would go to the campuses to provide enough funding for instructors and courses for new students. The second piece would come back to this Board and could be a development fund or an accountability/performance fund. You could allocate it based on some other criteria, based on some measure of inequities in the base budget from region to region for whatever reason . . . Eventually all of this money would go back to the campus to be used in programs but it allows this Board a pool of money to allocate based on the criteria that you decide upon."

C. Future Planning (Tab Y)

D. Holmes: Requested that President Fitch give an update on accreditation.

G. Fitch: Explained that the Council on Occupational Education (COE) will be here the end of October for a presentation and for some site visits.

D. Holmes: Asked about the status with Northwest.

G. Fitch: "We are continuing to put together our catalog which is a requirement for both accrediting agencies . . . For example the changes that we've discussed today dealing with coordination and how we present ourselves are all key components to Northwest because they are the ones that have been asking the questions."

D. Holmes: " . . . a problem that we have been having in our area is the tuition for general education classes. The general education classes are provided by our university and they charge the university cost . . .They can't

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get financial aid for the general education classes, as I understand it. Is that the situation?"

G. Fitch: " . . . a student wishing to take the general education hours can apply to the institution that they want to take them from . . . however we will not be awarding financial aid through the UCAT because we do not offer those courses."

P. Atkinson: "We need to find other sources of money other than the Legislature . . ."

D. Regional Presidents' Cabinet Report (Tab Z)

President Fitch referred to the Regional Presidents' Cabinet Agenda from the most recent meeting on 2 October 2002 (Tab Z), to present various agenda items.

Item #3 DWS Coordination and leases
"Most of our institutions, because we are partner institutions, lease property throughout the state . . . under the obligation requirements of law, we are to report those leases . . . we are currently under the process of developing a reporting procedure that will answer their particular questions . . . what we are doing system wide is compiling all of our leases, all of our square footage, all of our classroom information, so that we can have a complete overview."

Item #6 Attorney General's letter
"Request from a member of the Presidents' Cabinet with regard to the authority with which to move forward. For example, a question came up regarding carry-over funding. Carry-over funding is eligible within Higher Education. What I asked the Attorney General for was their specific opinion. Based on the law, are we subject to Higher Education requirements or subject to other requirements in the state? The answer was that we are Higher Education responsible . . . so this letter was given to each President to share with their local Board to indicate what it's about and the authority that they have and how they operate."

Item #7 Health Benefits Committee
" . . . This is a question of centralization of utilizing the benefit programs that we have within all of our systems, and looking at opportunities to apply state wide to all ten colleges and universities. What we are looking at is the cost and the committee is currently looking for a consultant."

Item #8 UtahMentor Application (fees)
" . . . One of the questions on the general application for UCAT is do you charge an application fee . . . we have different varieties of terminology at each of our institutions . . . but we are generally agreed that we don't charge a 'fee' for the application."

Item #9 Websites (CATC and SWATC needs upgrade)

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" . . . We want to make sure that everyone has information."

Item #10 Letter/Bill Interet II
" . . . We have a bill for $2,000 that will be divided among the institutions."

Item #11 International Students -- Service
" . . . If we provide services for international students . . . to take educational training from us, we are required to provide a person, who may be an additional staff person or someone trained within our organization, . . . for international student services. What came from that is the philosophy and missions of our institutions. One position would be . . . if our mission in this state under UCAT is to provide employable training . . . regardless of who they are . . . to eventually become, based on the way we are supported financially, employees of the state, how does that fit for an international student who we know will be returning at the end of their visa, to another country . . . the question is, are our state taxes going to support that, that is one consideration, a second consideration is that if they are here legitimately, . . . whatever training they receive will benefit the employer at the time they are working. So we have both sides of the fence . . . philosophically each one of us sits here and thinks that we need to help students, we need to help business and industry, and how do we do that under these particular interpretations and determinations . . . It is an interesting situation."

Item #12 Other
"You may have heard about a monograph that has been produced by Richard Maxfield and a co-author in regards to UCAT. I have that available if you would like to have it . . . The authors were very agreeable to allow me to provide a response . . . It's a wonderful monograph, but unfortunately, its one and a half to two years late because we are already doing everything that is being requested . . ."

J. Busch: " . . . we have a request from the Vernal campus, our building project is coming up for ranking this next week and we would request that either the Chair or Vice Chair call and visit with the head of that Building Board and state our position as the UCAT number one priority."

G. Fitch: "There is one key component that they talk about in there (monograph), and that is the data gathering that is so essential for continuation of our programming, that deals with collecting data, attendance requirements, placement data, etc., and the centralization of a MIS system to coordinate this effort . . . we put that forward based on Rob Brems' efforts to include that in the budget last year when this first occurred and it was rejected because of budget cuts, so we are in the same position, we need our MIS system endorsed and supported."

ADJOURN

D. Roberts: MOVED to adjourn the meeting. The motion was seconded by A. Earl McCain. Motion was unanimously approved and carried.

Vice Chair Holmes adjourned the UCAT Board of Trustees meeting at 1:15 p.m.