

REGULAR MEETING
UTAH STATE UNIVERSITY BOARD OF TRUSTEES
9 APRIL 2004

Minutes of the Regular Meeting of the Utah State University Board of Trustees held in Room 328,
New Engineering Building, at 10:25 a.m.

MEMBERS PRESENT

Gayle McKeachnie	Chairman
David P. Cook	
K. Duke Di Stefano	
Linda J. Eyre	
R. Brent Nyman	
Dinesh C. Patel	
Richard L. Shipley	
Randy Watts	

MEMBERS EXCUSED

L.J. Godfrey	Vice Chairman
Lynnette T. Hansen	

UNIVERSITY REPRESENTATIVES PRESENT

Kermit L. Hall	President
Stan L. Albrecht	Executive Vice President and Provost
Juan N. Franco	Vice President for Student Services
Brent C. Miller	Vice President for Research
Jack M. Payne	Vice President and Dean for University Extension
Randy M. Talbot	Vice President for University Advancement
Barbara A. White	Vice President and CIO for Information Technology
Joyce Kinkead	Vice Provost for Undergraduate Studies and Research
Craig J. Simper	University Counsel and Chief of Staff
Sydney M. Peterson	Assistant Provost/Tuition Task Force
Sue Guenter-Schlesinger	Assistant Executive Vice President for Affirmative Action and Diversity
Clinton G. Moffitt	Assistant Vice President for Finance/Controller

John DeVilbiss	Executive Director of Public Relations and Marketing
Jodi Bailey	Director of Internal Audits
Kent Clark	Director of Development for Libraries
James W. Davis	Director/Physician, Student Health and Wellness Center
Steven C. Jenson	Director of Housing and Food Services
Noell Hansen	Insurance Coordinator, Student Health and Wellness Center
Glenn McEvoy	Chairman of the Tuition Task Force/Head of the Department of Management and Human Resources
Janis L. Boettinger	Tuition Task Force/Assistant Professor in the Department of Plants, Soils, and Biometeorology/President-elect of Faculty Senate
Scott H. Hinton	Tuition Task Force/Dean of Engineering
Stephanie Kukic	Tuition Task Force/Graduate Student
Nicole McCoy	Tuition Task Force/Assistant Professor in Environment and Society
Rebecca Faddis Warnick	Tuition Task Force/Student
Miriam Cajal	Vice Chairman for Professional Development, Professional Employees Association
Milton Johnson	President of the Classified Employees Association
Lee H. Burke	Assistant to the President and Secretary of the Board of Trustees
Mira G. Thatcher	Secretary

OTHERS PRESENT

Lester C. Essig	New Student Body President
Richard Smith	IHC

MEMBERS OF THE MEDIA PRESENT

Amy Heaton	<i>The Statesman</i>
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Chairman McKeachnie conducted the meeting and welcomed those present. He excused Trustees Godfrey and Hansen. He mentioned that Janis Boettinger, President-elect of Faculty Senate was representing Kevin Kesler; and Miriam Cajal, Vice Chairman for Professional Development was representing Jay Greene.

I. Invocation: Duke Di Stefano.

II Chairman's Remarks

A. Introduction of Lester C. Essig, New Student Body President

Chairman McKeachnie introduced Lester C. Essig, the new student body president. Trustee Di Stefano said that Mr. Essig will do an outstanding job. He also noted that Mr. Essig's father, Lester K. Essig, served as USU's student body president in 1979.

B. Resolution of Commendation to Duke Di Stefano

Trustees were given a copy of the Resolution of Commendation to Duke Di Stefano (Appendix A) for their consideration.

Action: Trustee Cook moved approval of Resolution 04-4-1 the Resolution of Commendation to Duke Di Stefano (Appendix A), and Trustee Nyman seconded the motion. The voting was unanimous in the affirmative.

Chairman McKeachnie read and presented the Resolution of Commendation to Duke Di Stefano and extended his appreciation for his service on the Board of Trustees. President Hall congratulated Mr. Di Stefano and presented him with *The Oxford Companion to American Law*, edited by Kermit L. Hall. The book was signed by President Hall and the Trustees.

C. Date of the Next Board of Trustees Meeting

The next Board of Trustees meeting will be held on 21 May 2004 in Salt Lake City.

III. President's Remarks

A. Expression of Appreciation to Dean Scott Hinton

President Hall expressed appreciation to Dean Hinton for hosting the Board of Trustees meeting in the new Engineering Building. President Hall noted the article in *The Chronicle of Higher Education*, "Utah State University, An Engineering Building that Teaches" (Appendix B) which points out that the new Engineering Building is a learning tool for structural engineering students who have classes in the building.

B. Article in *The Chronicle of Higher Education*, “Prisoners in the Virtual Classroom”

President Hall noted the article in *The Chronicle of Higher Education*, “Prisoners in the Virtual Classroom” (Appendix C). He said that the program is offered to prisoners in Utah through USU’s Continuing Education program. He said the program is a compliment to Vice President Payne’s leadership.

C. Performance Dashboard for March 2004

The performance dashboard for March 2004 (Appendix D) was given to the Trustees for their information.

Vice Provost Kinkead reported that a five-year goal was set for 75 percent retention rate of Freshmen at USU. She said that goal has been met in just three years. Before President Hall’s commitment to this issue, USU was losing one-third of its Freshmen. President Hall expressed appreciation to Vice Provost Kinkead for the excellent job she has done in this area.

D. Banner Report

Trustees were given information concerning the Banner software project (Appendix E) for their information.

Vice President White said that the Banner program will go live in July. She pointed out that purchase requisitions and budget transactions, two of the highest volume financial activities, will be done electronically with Banner. Transactions which have been completed using a department “A” number will in the future be enacted using a “P” card, much like a credit card which will be issued to those in the department responsible for budget accounts. Vice President White said that this will ensure much tighter control in the departments, and will improve the ability to manage resources and transactions. Vice President White said this is a huge change that will impact every unit on campus. Training has already begun and will continue through May and June.

Vice President White pointed out that the changes being implemented will impact policies and procedures. Appropriate steps will be taken to make the needed changes in the Code.

Vice President White said that the Banner project is within the time line and on budget. She said that Collegis, USU’s Banner implementation partner, has provided experts in order to make the transition as efficient as possible. The product vendor, SCT, will help convert data to the Banner system. She said that the staffing and learning curve will be significant. The administration, faculty, staff, and students have been supportive.

E. *The President’s Report*, 4/9/04

The President's Report for 4/9/04 (Appendix F) was distributed to the Trustees.

President Hall pointed out that the Department of English and the School of Accountancy received this year's Department Teaching Excellence Award for commitment to teaching and learning excellence. The award recognizes the collective achievement of the department. These departments will be recognized at Commencement and will receive \$15,000 ongoing funds and \$5,000 one-time.

President Hall noted that students Stephanie Chambers (Biology) and David Hatch (Physics) received Goldwater Scholarship Awards for as much as \$7,500 for the 2004-2005 school year. The National Science Foundation awarded Nathan Hammond and Lara Anderson with Graduate Research Fellowships for three years of support for advanced study.

President Hall announced that Dean H. Scott Hinton, College of Engineering, has been elected to a two-year term as President of the Institute of Electrical and Electronics Engineers (IEEE)-Lasers and Electro-optics Society (LEOS). IEEE-LEOS is an international organization of approximately 10,000 engineers and scientists. President Hall said that this is a compliment to Dean Hinton's leadership and his standing among his colleagues.

F. Summary of the 2004 Utah State University Legislature

Trustees were given summary information concerning the 2004 Legislature which impacted Utah State University (Appendix G).

President Hall reported that he and Provost Albrecht have met with all of the colleges, faculty, and professional and classified personnel to explain the budget. He said the most significant challenges are the unfunded shortfalls for student growth, operating and maintenance, and fuel and power. He stated that Vice President Godfrey and Assistant Vice President/Controller Moffit are working on a plan to address the issues.

G. Presidential Lecture Series in Washington, D.C.

President Hall announced that 120 to 130 USU alumni attended the Presidential Lecture Series in Washington, D.C. The topic was space, and the speaker was former astronaut and USU alumnus, Mary Cleave. He said this is the second lecture in the Presidential lecture series for alumni in the Washington, D.C. area. It is working well.

H. International Students at USU

Provost Albrecht said that the Office of the Provost, the Vice President for Student Services, and the Office of International Students are focusing on the needs of international students at USU. He said that interviews have been conducted with international students. A number of concerns have been identified including little preparation for the culture, problems with local transportation, few links with other student organizations, and the computer labs are too “English.”

Provost Albrecht said this study will be shared with community leaders to help them be more aware of some of the needs of international students. He said that international students are not a large percent of the student body, but they are an important part. One of USU’s greatest opportunities for diversity is with the international students.

I. Women and Minority Representation in the USU Workforce

Provost Albrecht reported that the second-year update of the gender equity study has been completed. Following the report last year, funds were used to begin to address salary equity problems for five categories of USU employees. The next category to be addressed is women faculty. Provost Albrecht said that part of the funds from Tier II tuition will be used for women tenure-track faculty. This is the next step in a three- to four-year project.

J. New Student Advisement Center in the Taggart Student Center

Provost Albrecht stated that monies from Tier II tuition have been allocated to hire additional advisers. A Task Force recommended that a Student Advisement Center be centrally located in the Taggart Student Center (TSC). Provost Albrecht stated that this will necessitate additional changes in the TSC. He reviewed some of the changes including expansion of the Women’s Center and relocation of the Cashier’s Office, *The Statesman* offices, and the game room. The Juniper Lounge will be remodeled for student use. Construction will begin following Commencement and the Advising Center and Juniper Lounge should be completed for Fall semester.

K. Tuition Surcharge

Vice Provost Kinkead stated that Regents’ policy requires a surcharge on students who have an excessive number of credits in order to reach graduation in a timely manner and make efficient use of classroom resources. Excessive credits are 135 percent of the degree requirements, determined at USU as 170 credits. The policy indicates that when students reach 170 credits they should pay a surcharge (defined as out-of-state tuition).

Vice Provost Kinkead said USU will put the surcharge policy in place Fall semester. Information will be on the web page for students. An email will be sent to students with 150 credits to alert them, and to students with 170 credits. USU has more than

100 students with more than 170 credits. Some students have good reasons, and the Regents' policy allows for exceptions. Anyone granted an exception will be required to formulate a graduation plan with a date of graduation.

L. College of Education and Human Resources Ranked Thirty-eighth of Colleges of Education

Trustee Patel noted that an article in *US News and World Report* reported that USU's College of Education and Human Resources was ranked thirty-eighth of colleges of education in the nation. President Hall said the College of Education improved ranking from forty-ninth to thirty-eighth, and was ranked fourth in the nation in the amount of research for colleges of education.

M. Commencement 2004

Assistant Provost Peterson distributed information concerning Commencement to the Trustees. She said several major changes have been made in order to improve the ceremony. The biggest change is that the diplomas will be given to the graduates. Last year there were 1,600 graduates, and this year there will be 1,800 graduates.

Assistant Provost Peterson asked the Trustees to join with President Hall and Provost Albrecht to shake hands with the students as they come through the line. Trustees were given an itinerary and assignments to read citations or help with hooding.

Dates and places of graduations at Extension sites were given to the Trustees, and they were invited to participate in those graduation ceremonies.

N. Tuition Task Force

President Hall said that the Tuition Task Force, chaired by Glenn McEvoy, College of Business, was established in November 2003. He said that the future for USU will have to include tuition increases. The Tuition Task Force has considered the nature of tuition increases, the process, and where the results should be directed. A critical element is financial aid for students who would not otherwise be able to attend USU. President Hall said that the committee has done an excellent job.

The Report of the Tuition Task Force dated 5 April 2004 (Appendix H) was given to the Trustees for their information. Chairman McEvoy said members of the Task Force included from the administration Dean Hinton and Sydney Peterson, from the faculty Janis Boettinger and Nicole McCoy, and students Stephanie Kukic, Karla Petty, and Rebecca Warnick. Chairman McEvoy distributed information from President Hall's State of the University Address—"Utah State University: Infinite Ambition, Finite Resources" (Appendix I).

Chairman McEvoy stated that the committee reviewed USU's mission statement, role, and goals. The mission of USU is to be one of the nation's premier student-centered land-grant and space-grant universities. USU is a Carnegie I Research institution and has important graduate programs. Among the ten goals of the University, increasing student-faculty ratio and increasing faculty compensation applies directly to tuition increases.

A few of the areas of need which the committee discussed included:

- USU's libraries receive \$3 million a year less than libraries at comparable institutions
- financial aid and the challenge of access for low-income students
- USU has the lowest graduate student stipends of peer institutions
- need for smaller class sizes (student-faculty ratio is the highest among peer institutions at 23:1 and among the highest in Utah)
- need for increased operating budgets in order to eliminate the additional course fees for students
- need for better infrastructure such as technology-enhanced classes
- need for advising center
- need for easy on-line application processes
- fuel and power deficit
- need for competitive pay and benefits (no pay increases for two years and only 1 percent this year). Chairman McEvoy said faculty will leave USU because of low salaries.

The committee compared USU's current tuition with other institutions, and Chairman McEvoy said the committee determined that USU is a bargain. Tuition has gone up 33 percent in the past few years. We are 67 percent of the national average, 84 percent of western states universities average, below the U of U, and about even with BYU which has a different funding structure. The tuition increases that will go into effect this Fall are lower than the average in the state.

The committee recommended a 6 percent Tier II tuition increase each year for 2005 through 2007. If Tier I tuition increases 4 percent each year, it would mean a combined increase of approximately 10 percent tuition increase a year. The total Tier II tuition increase over three years would be 18 percent. For new students this Fall, the tuition will be \$2,850. If it goes up 10 percent a year, in the year 2007-2008, tuition will be \$3,794.

Chairman McEvoy indicated that the tuition increase recommendations are approximate and should be flexible. The committee suggested a review each year by a committee of students, faculty, and administration. Chairman McEvoy said that as students, faculty, staff, and Trustees are presented with the facts, they understand the significant needs relative to the limited resources.

Stephanie Kukic, graduate student in Political Science and member of the committee, stated that students in her area of study do not count on any money from grants. They rely on funding from the institution and from the Legislature. She said that most students realize that they are getting a bargain at USU. She pointed out that a 1 percent increase is only about \$15 a semester. She said students support faculty pay increases. It is a concern that USU's operating budget has not increased in eighteen years. She expressed appreciation to President Hall for allowing the students to sit on the committee.

Rebecca Warnick, student, said one of the big concerns discussed by the committee was charges to students in addition to tuition. It is important for students to know "up front" their costs so that they can plan in advance.

Trustee Nyman asked if more students are using Pell grants and financial aid since tuition has increased. Chairman McEvoy said that despite a 33 percent tuition increase, the percentage of students applying for financial aid stayed about the same.

In 1985, student tuition covered 15 percent of the cost of student education. Now student tuition covers almost 25 percent. The public used to feel that society benefited from students who got a higher education, therefore, society should pay the majority of the cost. The philosophy now is that college graduates make more money, so the student benefits more, therefore, they should pay a higher percentage of the cost of their education. Chairman McEvoy said that as the shift continues, financial aid for low income students becomes a critical issue. One of the recommendations of the committee is to identify funds for financial aid for those students who will need it. Ms. Kukic added that financial aid should also be available for juniors and seniors who have good grades, high achievements, and extra-curricular activities.

Janis Boettinger said that financial aid at USU is underutilized. More students could receive financial aid if they applied for it. One of the recommendations of the committee is to develop a better marketing plan that illustrates the cost, but also shows how it can be repaid.

President Hall expressed appreciation to Chairman McEvoy and members of the Tuition Task Force. He said there is no issue that is more important to USU. The committee will discuss the issues and its recommendations with the Faculty Senate, students, and classified and professional staff. He said it is important to discuss the needs so that everyone will understand when tuition decisions are determined.

IV. Naming the Fred Meyer Building in Brigham City, Utah, The Milton R. Miller Building

Trustees were given information concerning naming the Fred Meyer building in Brigham City, Utah, The Milton R. Miller Building (Appendix J).

Vice President Payne stated that Milton R. Miller immigrated to Brooklyn, New York, from Russia under persecution. He arrived in the United States with no money and no future, and became a real estate baron. He owned the K-Mart building in Brigham City. After he passed away seven years ago, Mrs. Miller donated the building to USU for use in its Continuing Education program, and USU agreed to name one of the continuing education buildings for Mr. Miller. The Fred Meyer facility in Brigham City is recommended to be named The Milton R. Miller Building.

Vice President Payne stated that Mrs. Miller was the graduation speaker at Brigham City's graduation. It was a wonderful experience for students to hear her life story. She was impressed with USU's program to help place-based students.

Action: Trustee Shipley moved approval of Resolution 04-4-2, naming the Fred Meyer Building in Brigham City, Utah, The Milton R. Miller Building (Appendix J). Trustee Eyre seconded the motion. The voting was unanimous in the affirmative.

V. Consent Agenda

Trustees were given the following consent agenda material for their consideration:

Minutes of the Executive Session Held 5 March 2004;
Minutes of the Regular Meeting Held 5 March 2004;
Resolution 04-4-3 Faculty and Staff Adjustments (Appendix K);
Resolution 04-4-4 Tenure and Promotion Decisions for 2004 (Appendix L);
Resolution 04-4-5 Proposal from the Department of Health, Physical Education and Recreation, College of Education and Human Services, to Discontinue Several Minors in the Department (Appendix M);
Resolution 04-4-6 Proposal from the Department of Health, Physical Education and Recreation, College of Education and Human Services, to Discontinue Emphases within the Health Education Specialist Major (Appendix N);
Resolution 04-4-7 Proposal to Reorganize the Division of Student Services (Appendix O);
Resolution 04-4-8 Certificate of the Treasurer for the Period 1 July 2003 to 31 January 2004 (Appendix P);
Resolution 04-4-9 Report of Investments for January 2004 (Appendix Q);
Resolution 04-4-10 Proposal to Revise Policy #376 (Extra-Service Compensation) (Appendix R);
Resolution 04-4-11 Contract/Grant Proposals and Awards for January 2004 (Appendix S);
Resolution 04-4-12 Proposed Housing Rate Increases for 2004-2005 (Appendix T);
Acceptance of the following written reports:

Academic Services (Appendix U);
Faculty and Staff Activities and Achievements (Appendix V);
Business and Finance (Appendix W);
Business and Finance Performance Dashboard, April 2004 (Appendix X);
Credit or Debit Card Tuition and Fee Payments (Appendix Y);
Extension/Continuing Education (Appendix Z);
Information Technology (Appendix AA);
Information Technology Services Performance Dashboard for March 2004
(Appendix BB);
Research (Appendix CC);
Research Performance Dashboard, March 2004 (Appendix DD);
Research Expenditures for January 2004 (Appendix EE);
Technology Management Indicators (Appendix FF);
Undergraduate Research (Appendix GG);
Student Services (Appendix HH);
University Advancement (Appendix II);
Office of University Advancement Dashboard, March 2004 (Appendix JJ);
Development Fund Report for Fiscal Year 2003-2004 (Appendix KK);
Affirmative Action/Equal Opportunity (Appendix LL);
10-Year Comparison of Women and Minority Representation in the USU Workforce
(Appendix MM);
Alumni (Appendix NN);
ASUSU (Appendix OO);
Athletics (Appendix PP);
Graduate Education (Appendix QQ);
School of Graduate Studies Performance Dashboard, March 2004 (Appendix RR);
Faculty Senate (Appendix SS);
Professional Staff (Appendix TT);
Classified Staff (Appendix UU);
Executive Session, to be held on 21 May 2004 to discuss those items which are permitted
by law to be discussed in Executive Session.

Action: Trustee Patel moved approval of the Consent Agenda items, and Trustee Cook seconded the motion. The voting was unanimous in the affirmative.

VI. Trustee Committee Meetings

Trustees were given information for the following committees which met prior to the Regular Meeting:

A. Financial Resources Committee Meeting (Appendix VV)

B. Student Welfare Committee (Appendix WW)

VII. Strategic Agenda– “Student Health Insurance”

Vice President Franco said USU is at a crossroads concerning student health insurance. He said that as rates increase, the number of students enrolled in the insurance program decreases, and then the rates increase even more. He introduced Dr. James Davis, Director of the Student Health and Wellness Center, and Stephanie Kukic, a graduate student who chairs the student Health Advisory Committee.

Director Davis introduced Noelle Hansen, who works with health insurance with students; and Richard Smith, Administrator for Intermountain Health Care with regional duties with IHC. President Hall expressed appreciation to Mr. Smith for his tremendous help to USU concerning this issue.

Vice President Franco reported that approximately 3,000 USU students had health insurance five years ago. Because of the increase in insurance rates, there are currently only about 600 students on the student health insurance plan. The rates will increase more, and even fewer students will probably enroll. He said there is an increasing number of students who depend on medical services free of charge. Mr. Smith reported that the number of uninsured patients, ages eighteen to twenty-four, who received charity care increased by 12 percent this year. Intermountain Health Care and Logan Regional Hospital have been “not for profit” for thirty years and accept charity patients. Approximately \$1.8 million charity care was provided to patients last year at Logan Regional Hospital. He said this reduces other services which otherwise could be provided.

Director Davis talked about the trends in student health insurance. The problems include a financially declining insurance plan, an increasing number of uninsured students, the impact on student retention, and the impact on the community. He stated that approximately 25 percent of USU students are currently uninsured.

The principle of insurance is to pool resources to pay anticipated losses. Student health insurance is not a true group plan and not a true individual plan. Every USU student who applies is accepted on the plan. USU has a healthy student population, but is bound by federal regulations such as Title IX, which increases the cost to insure the entire group.

According to Director Davis, student health insurance premiums are driven by the benefit plan, student health services, enrollment, cost of medical services, and demographics. The largest medical expense of USU students is obstetrics. Nationally the biggest expense is drug and alcohol rehabilitation. Nationally, 30 percent of students are uninsured while at USU 25 percent of students have no health insurance. Some of the reasons students are uninsured are that they do not think they need insurance, they cannot afford it, they seem to be healthy, their parents may not have insurance, they

become independent at an early age, or they marry.

Director Davis pointed out that the higher insurance premiums and on-line registration have contributed to the decline of insured students. The problem is national, and suggestions to fix the problem include mandatory coverage, which has been adopted by a few states; managing the care of all students under self-insurance; insurance consortiums with other universities; reduction of plan benefits; or the dissolution of insurance plans. Director Davis said that every institution of higher education in Utah is facing the same student health insurance problems.

President Hall summarized that health insurance has become so expensive that students are dropping their coverage. Administrators are now forced to make serious choices about health care. Most of the other Utah institutions have dropped coverage, but the U of U and USU have continued with student health insurance coverage. The proposal from the insurance company this year includes an approximate 20 percent increase in premiums while reducing benefits.

There was discussion with the Trustees about issues and concerns including: that this is a statewide problem, whether students could be included in the health insurance plan for faculty and staff, mandatory insurance for international students (which President Hall said was not a viable option), joining in a consortium with other institutions of higher education in the state for student health insurance, the need for insurance to be offered to graduate assistants, the significant additional costs, making accident insurance mandatory for students thus reducing the amount of premiums, referring students to off-campus insurance businesses, the increase in charity care in the community, the need to find out what students prefer, the benefits of the Student Health and Wellness Center with minimal cost to students and their families, and dissolution of student health insurance at USU.

Vice President Franco indicated that for the short term, USU needs to accept one of two bids which USU recently received, even if it means a significant increase in premium, in order to continue coverage for those women in the plan who are pregnant. Other options need to be considered for the future.

Chairman McKeachnie suggested that a group to include USU staff, students, Richard Smith, and Trustees meet to continue the discussion and determine viable solutions. Those he asked to meet were Vice President Franco, Director Davis, Janis Boettinger, Stephanie Kukic, Richard Smith, and Trustees Eyre, Nyman, Shipley, and Watts. President Hall stated that this would be helpful, and asked that the group submit possible solutions to the Board at the May Trustees meeting.

President Hall said the problem goes beyond Cache Valley and suggested that the Trustees help inform the Board of Regents and encourage them to consider the issue of student health insurance. He said when this is discussed with the Regents, the Trustees

should have a suggested course of action for their consideration.

Chairman McKeachnie expressed appreciation for the presentations and for those who prepared materials for the meeting.

The Regular Meeting adjourned at 12:20 p.m.

Gayle McKeachnie, Chairman

Lee H. Burke, Secretary
(Minutes Taken by Mira G. Thatcher)

Date Approved