

REGULAR MEETING
UTAH STATE UNIVERSITY BOARD OF TRUSTEES
30 JANUARY 2004

Minutes of the Regular Meeting of the Utah State University Board of Trustees held in the Alma Sonne Board Room of the University Inn at 9:30 a.m.

MEMBERS PRESENT

David P. Cook
K. Duke Di Stefano
Linda J. Eyre
Lynnette T. Hansen
Dinesh C. Patel (By way of telephone)
Richard L. Shipley
Randy Watts

MEMBERS EXCUSED

Gayle McKeachnie Chairman
L.J. Godfrey Vice Chairman
R. Brent Nyman

UNIVERSITY REPRESENTATIVES PRESENT

Kermit L. Hall	President
Stan L. Albrecht	Executive Vice President and Provost
Juan N. Franco	Vice President for Student Services
Ronald S. Godfrey	Vice President for Business and Finance
Brent C. Miller	Vice President for Research
Barbara A. White	Vice President and CIO for Information Technology
Joyce Kinkead	Vice Provost for Undergraduate Studies and Research
Craig J. Simper	University Counsel
Gerry Giordano	Dean of the College of Education
Thomas L. Kent	Dean of Graduate Studies
M. K. Jeppesen	Associate Vice President for Research
Kevin C. Womack	Associate Vice President for Administrative Services
Joyce Albrecht	Assistant Vice President for Advancement
Sue Guenter-Schlesinger	Assistant Executive Vice President for Affirmative Action and Diversity
Sydney M. Peterson	Assistant Provost
Lee Roderick	Special Assistant to the President

John DeVilbiss	Executive Director of Public Relations and Marketing
Clinton G. Moffitt	Controller
Jodi Bailey	Director of Internal Audits
James W. Davis	Director/Physician of Student Health and Wellness Center
Richard W. Jacobs	Director of Budgets
Carole Golden	Manager of Life Sciences Commercialization
Teresa W. McKnight	Manager of the Innovation Campus
Rory J. Weaver	Project Manager for Banner Project
Kevin C. Kesler	President of Faculty Senate
Marsha S. Howell	Vice President of the Professional Employees Association
Milton Johnson	President of Classified Employees Association
Lee H. Burke	Assistant to the President and Secretary of the Board of Trustees
Mira G. Thatcher	Secretary

OTHERS PRESENT

Alyssa Lynne Lambert	Student
Ray Quattlebaum	Collegis Project Manager (Banner)

MEMBERS OF THE MEDIA PRESENT

Arrin Brunson	<i>The Herald Journal</i>
Brook Nelson	<i>The Statesman</i>

Trustee Eyre conducted the meeting and welcomed those present. She excused Chairman McKeachnie, Vice Chairman Godfrey, and Trustee Nyman. She indicated that Trustee Patel was participating by way of telephone.

I. Invocation: David P. Cook.

II Chairman's Remarks

A. State of the University Address

Trustee Eyre stated that President Hall gave an outstanding State of the University Address on 14 January. At that time he announced that Kathryn Caine Wanlass and Manon Caine Russell donated \$6.3 million to construct a recital hall on the USU campus.

B. Introduction of Ronald S. Godfrey

Trustee Eyre introduced Ronald S. Godfrey, new Vice President for Administrative Services (Business and Finance), and welcomed him to USU.

C. Computer Virus

Trustee Eyre expressed appreciation to Vice President White and her staff for their efforts to keep the USU computer systems working during the virus attack which had affected more than 160,000 e-mail messages.

D. 2004 Legislative Session

Trustee Eyre mentioned that President Hall and Dr. Burke met with approximately sixty legislators before the beginning of the Legislative session. She stated that President Hall gave an outstanding speech, *Secrecy, The JFK Assassination and Today* at the Capitol Building on 27 January. Dr. Burke said approximately 150 individuals attended the speech, of whom fifty were legislators.

E. Higher Education Luncheon

On 28 January, a luncheon was held at the Legislature for presidents of higher education institutions, student body presidents, members of boards of trustees, and legislators. Several of USU's Board of Trustees attended. Trustee Eyre said recognition was given to students.

F. Financial Audit and Resource Committee Changed to Two Committees—Audit Committee and Financial Resource Committee

Trustee Eyre indicated that the Financial Audit and Resource Committee has been divided into two committees—the Audit Committee and the Financial Resource Committee.

Members of the Audit Committee will be David P. Cook, Chairman; Richard L. Shipley, Vice Chairman; L.J. Godfrey, Gayle McKeachnie, and R. Brent Nyman.

Members of the Financial Resource Committee will be Richard L. Shipley, Chairman; Lynnette T. Hansen, Vice Chairman; Ronald S. Godfrey, Dinesh C. Patel, Randy W. Talbot, and Randy Watts.

G. Date of the Next Board of Trustees Meeting

The next Board of Trustees meeting will be held on 5 March 2004.

III. President's Remarks

A. *The President's Report, 1/20/04*

The President's Report for 1/20/04 (Appendix A) was distributed to the Trustees. President Hall pointed out that undergraduate students from USU visited the Capitol for the Posters on the Hill presentation of research projects.

B. Student Resolution of Commendation to Alyssa Lynne Lambert

Trustee Di Stefano read the Resolution of Commendation to Alyssa Lynne Lambert (Appendix B).

C. Performance Dashboard for January 2004

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

President Hall pointed out that since 2001, enrollment has increased by approximately 500 students. The number of new Freshmen dropped this year because of the impact of House Bill 331. The GPA and average ACT of new Freshman increased. President Hall pointed out that even though there were fewer applicants, enrollment increased as well as student preparedness. He expressed appreciation to Joyce Kinkead and her colleagues. He said USU is making progress in the undergraduate level.

President Hall reported that after a decline in the doctorate degrees awarded through 2002, there was an increase of approximately 200 graduate students in 2003. He said the doctorate degrees awarded will increase as the students finish their curriculum. The goal is to have at least 18 percent graduate students. He congratulated Provost Albrecht and Dean Kent for their innovative efforts which have increased the number of graduate students.

Dr. Burke stated that each institution of higher education reported on performance measures and accountability in the Higher Education Appropriations Subcommittee of the Legislature last week. He said that USU, using the new dashboard procedure, was the most impressive report presented by any of the institutions.

Vice Provost Kinkead reported that as of day fifteen of Spring semester, enrollment increased overall approximately one-half of one percent. There is almost a 2 percent increase on the main campus. She reported that new freshmen and transfer student enrollment is slightly down, but up 200 students overall due to retaining students, which is much more cost effective. President Hall said the new trend of retaining more students is significant for USU, and he credited Provost Albrecht and Vice Provost Kinkead.

D. USU Events in *The New York Times*

President Hall reported that two articles have been published in *The New York Times*

recently, one concerning Lara B. Anderson being awarded a Rhodes Scholarship, and one about the success of the USU basketball team.

E. Western Athletic Conference (WAC) Academic Alliance

President Hall indicated that the Western Athletic Conference (WAC) will be a stable relationship for USU athletics. He said the WAC, in the next sixty days, will be even a more western conference, which is ideal for USU. The Big Ten institutions have created the Committee for Institutional Cooperation (CIC) with the chief purpose of using the conference alignment to tackle critical research and academic issues. The WAC will do that also, and USU will be involved.

Provost Albrecht said the CIC is an exciting part of moving to the WAC. The institutions care a great deal about academics. The Chief Academic Officers of the institutions will meet during the year and discuss opportunities for collaboration between institutions such as joint research proposals, federal earmarks, faculty exchanges, and sharing of information. Provost Albrecht said the first meeting was held last week, and colleagues exchanged ideas about exciting academic issues.

F. Inaugural Lecture Series

The Inaugural Lecture Series has been initiated. Recently promoted full professors have the opportunity to lecture concerning a discipline in which they are involved and tell how they got to this point in their careers. Professors Bruce Miller, College of Agriculture, and Todd L. Fallis, College of HASS, gave the first two of fourteen lectures. President Hall said the purpose of the lectures is to promote a sense of identification among those who are involved in significant academic work, and also to focus on the achievement of advancing to the rank of full professor.

G. State of the University Address

President Hall stated that he was delighted, during the State of the University Address, to announce the largest individual gift in the university's history of \$6.3 million for the construction of a recital hall on the USU campus. He expressed appreciation to Kathryn Caine Wanlass and Manon Caine Russell for their support, not only in this instance, but countless other acts of generosity and support of USU through the years.

Provost Albrecht reiterated that one of the great things that has happened to USU is the generous donation of \$6.3 million from Kathryn C. Wanlass and Manon C. Russell to construct a recital hall on campus. He said these two sisters have a tradition of funding fine arts at USU. Provost Albrecht said this recital hall will be as nice as any recital hall anywhere, will have 400 seats, and the acoustics will be outstanding. He said that this will leverage other

gifts to the University.

Trustee Eyre volunteered to send a letter of appreciation from the Trustees to Manon Russell and Kathryn Wanlass for their generous donation to USU.

President Hall stated that during the address he also announced the creation of the Cache Valley Benchmark Summit. The Summit will bring attention to and make recommendations concerning (1) economic development, (2) sustainability of the environment, and (3) demographic changes. Vice President Godfrey will serve as a co-chair of the Summit, which will meet over the next several months. President Hall pointed out that the purpose of the Summit is to bring the talents and skills and institutional resources of USU to bear on critical issues. It is believed that as a result of the Summit, USU will be perceived even more as an outstanding asset for the community.

H. Selective Investment Committee

The Selective Investment Committee has been appointed and will be chaired by Donald H. Cooley, Department of Computer Science. The Committee will rank the initiatives presented by departments in the Compact Planning process. There were approximately 120 initiatives presented, and 45 were selected for consideration by the Selective Investment Committee. The proposals deemed to have the greatest merit will receive additional funding. The committee includes faculty, students, and staff. The ten goals of the University are used as guidelines for making the decisions. President Hall, Provost Albrecht, and Vice President Miller make the final selection of recipients from those recommended by the Committee.

I. Tuition Task Force

Extensive discussions concerning tuition have been held with students over the past three years. It was determined that second tier tuition would not exceed 15 percent over a three-year period. It has increased 11 percent so far, and this year will go up 4 percent.

A Tuition Task Force has been created headed by Glenn McEvoy, College of Business Administration. The Task Force includes members of the administration, faculty, and staff. They will deal with future and long-term tuition issues.

President Hall said discussion about tuition is really about financial aid and ability to pay. The Task Force will examine options in how to administer tuition and set price levels for education, and will consider some of the innovative things that other institutions are doing about tuition. The Task Force will also consider work study and on-campus employment options, and will discuss whether any student at the poverty line or below should pay any tuition. President Hall said that tuition will continue to be the principal funding for higher education in Utah.

J. Banner Report

Trustees were given an update on the progress of the Banner software project (Appendix D) for their information.

Vice President White reported that significant progress has been made in the installation of the Banner software. This is an enterprise system—all of the university data is being integrated into a single system. Because of security issues and classified data at the Research Foundation, it has been necessary to identify a division of data that will be handled differently in order to assure that security parameters are in place for classified information. An agreement has been reached with all parties involved which has been approved by President Hall and Provost Albrecht. Vice President White said USU's model will be an excellent model for other institutions, especially research institutions.

Vice President White said the installation and training will have a major impact to all pieces of USU and the way we do business. It will involve considerable work from all units participating in the implementation of Banner. There will be times when key people will be taken away from their regular duties. The employee backfill process (temporary employees) is in place and funds have been set aside in the original budget. The backfill process will require a plan from all units requesting dollars. Vice President White expressed appreciation to all who helped to put the plan in place. She said that USU is the only institution that has planned systematically for backfill.

Vice President White has asked that the budget set forth to implement the Banner project be monitored as well as all the other costs, such as training. Her goal is to be able to report the true cost. She expressed appreciation to the Controller's Office for help in monitoring and documenting costs.

Vice President White reported that the project is on time and it is within budget.

K. Computer Virus Information

Because of the recent viruses that affected the USU computer system, a link will be put on the web page for updates and announcements. Vice President White

distributed information and the current internet address for campus updates (Appendix E). She said another round of the virus is expected, and her staff is working hard to keep things up and running. Controller Moffit mentioned that the McAfee virus protection used at USU has been invaluable.

L. Roads Scholar Tour

President Hall said that two years ago several new faculty and staff from USU participated in a tour of the state. The tour exposed them to the state and exposed the state to USU. The tour has not been scheduled for the last two years because of financial restraints, but funding from a private contributor is available, and the tour has been scheduled for 5-7 May with stops at several businesses and cities, ending in Roosevelt. Plans are being made to stop in one community for half a day and put the talents of the faculty and staff to work in that community. President Hall said this is a great opportunity for USU to get additional attention in the state. Previous tours proved to be a tremendous bonding experience for those who participated. He invited the new Trustees to participate in the tour as well.

Dinesh left the meeting (by way of telephone) at this time.

M. Departmental Teaching Awards - 2004

President Hall said that two departments on campus will be recognized during Commencement for outstanding teaching. The departments will receive a one-time cash award of \$5,000, and a permanent addition to their budget of approximately \$10,000. Provost Albrecht said that a committee invites applications for the award, observes teaching, and then recommends two departments to receive the award.

N. Proposed Centennial High School at the Innovation Campus

President Hall announced that USU is working on a proposal to build a Centennial High School, designed to be a high technology science high school, on the Innovation Campus. He said funding is provided by the Gates Foundation.

Dean Giordano stated that the Centennial High School is offered under Utah legislation for charter schools. This school will be chartered by a school system or a group of school systems. He said the consortium to discuss the new high school includes Logan, Cache, Rich, and Box Elder districts. Dean Giordano said that students in the districts far away may take courses using distance technology. The Gates Foundation provided a grant for \$.5 million for planning. Once the high school is established, it will be funded in the same way other charter schools in Utah are funded. Last year the legislature generously supported this proposal for six new Centennial High Schools to

be supported by the formula that applies to high schools, but at 1.22 percent, which is even more than charter schools.

President Hall said USU is considering offering land on the Innovation Campus for the Centennial High School. The issue is moving through the legislature, and there may also be opportunity to work with the systems to provide bonding support. He said that in addition to providing the land, USU can provide scientific expertise through our relationship with National Aeronautics and Space Administration (NASA). Dean Giordano said that placing the school adjacent to the Space Dynamics Laboratory will provide both physical and personnel resources. Last year \$63 million was awarded to the Space Dynamics Laboratory, a portion of that from NASA funding. Each NASA grant requires a portion of each grant be devoted to education. The Centennial High School could be the educational arm, and that would provide additional funding to the formula funding from the state. Staff in the Governor's office have indicated that USU's vision for the high school exceeded any expectation for university support for this project. The participation of public education, higher education, and the business community is what they envision for the new model high school. It is felt that it will impact this community, the state, and the nation.

President Hall expressed appreciation to Dean Giordano for the work he has done to move this along.

O. Omnibus Budget Bill

President Hall reported that the omnibus budget bill passed by Congress provided \$52 million for USU, including the Space Dynamics Laboratory. Two projects funded were new genomics equipment, which will be a powerful boost to the genomics center, and the instrument landing system at the Cache/Logan airport. He said that Senator Bennett was extraordinarily helpful, as was Vice President Miller. He expressed appreciation to Vice President Miller for his excellent work in Washington, D.C.

P. Legislative Update

Trustee Eyre asked what the Trustees can do to help during the Legislature. President Hall said that the critical issue for USU is salaries, and Trustees may be asked individually to help try to get the percent increase up as much as possible. Dr. Burke said the last revenue projection will be made the middle of February. It takes approximately \$30 million to increase the salary for state employees by 1 percent, and currently they are projecting approximately \$50 million of new revenue.

Dr. Burke said a number of proposed bills will affect higher education. He said there are a lot of waivers being considered in legislation. One of the big issues at the Legislature this year is articulation and transfer of credit.

Trustee Eyre indicated that the Trustees are available to help. Students Ariel Thrapp

and Heather Bankhead are also working with Dr. Burke at the Legislature.

IV. Proposal from the Department of Family, Consumer, and Human Development (FCHA), College of Education and Human Services, to Discontinue the Marriage and Family Relationships Emphasis within the BS Degree in Family and Human Development

Action: Trustee Di Stefano made a motion to move from the consent agenda the proposal from the Department of Family, Consumer, and Human Development (FCHA), College of Education and Human Services, to discontinue the Marriage and Family Relationships emphasis within the BS degree in Family and Human Development (Appendix F). Trustee Cook seconded the motion, and the voting was unanimous.

Trustee Eyre expressed some concern that the courses in Marriage and Family Relationships would no longer be taught, and she stressed the need for education in that area. Provost Albrecht said this is a major that USU has had for a number of years, and that the courses are not being eliminated. This request is essentially a final housekeeping measure that reflects the changed composition in the FCHD Department. Students who were formerly in the Marriage and Family Relationships emphasis for several years now have been merged with students in the Family and Community Services emphasis. This is more reflective of the education our students receive and the work they do after graduation.

Action: Trustee Eyre moved approval of Resolution 04-1-1 the proposal from the Department of Family, Consumer, and Human Development (FCHD), College of Education and Human Services, to discontinue the Marriage and Family Relationships emphasis within the BS degree in Family and Human Development (Appendix F). Trustee Watts seconded the motion, and 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 21 November 2003;

Minutes of the Regular Meeting Held 21 November 2003;

Minutes of the Special Meeting Held as a Telephone Conference Call on 7 January 2004;

Resolution 04-1-2 Faculty and Staff Adjustments (Appendix G);

Resolution 04-1-3 Amendments to Faculty Policies Passed by Faculty Senate Ratified by the President (Appendix H);

Resolution 04-1-4 Proposal to Revise USU Policy Number 394 (Faculty and Professional Staff Employment) (Appendix I);

Resolution 04-1-5 Proposal from the Department of Agricultural Systems Technology and Education, College of Agriculture, to Activate the Teaching Emphasis within the BS Degree in Agricultural Education (Appendix J);

Resolution 04-1-6 Proposal from the Department of Agricultural Systems Technology and Education, College of Agriculture, to Transfer the Specialization in Family and Consumer Sciences Education and Extension within the MS Degree in Human Environments to the MS Degree in Agricultural Systems Technology (Appendix K);

Resolution 04-1-7 Proposal from the Department of Agricultural Systems Technology and Education, College of Agriculture, to Discontinue Several Emphases within the BS Degree in Family and Consumer Sciences Education (Appendix L);

Resolution 04-1-8 Proposal from the Department of Agricultural Systems Technology and Education, College of Agriculture, to Discontinue the BS Degrees in Agricultural Education; Agricultural Systems Technology; and in Family and Consumer Sciences Education (Appendix M);

Resolution 04-1-9 Proposal from the Department of Animal, Dairy and Veterinary Sciences, College of Agriculture, to Discontinue Several Emphases and Minors within the BS and BA Degrees in Animal Science (Appendix N);

Resolution 04-1-10 Proposal from the Department of Animal, Dairy and Veterinary Sciences, College of Agriculture, to Discontinue the Animal Biology Emphasis within the BS and BA Degrees in Bioveterinary Science (Appendix O);

Resolution 04-1-11 Proposal from the Department of Animal, Dairy and Veterinary Sciences, College of Agriculture, to Discontinue Several Emphases within the BS and BA Degrees in Dairy Science (Appendix P);

Resolution 04-1-12 Proposal from the Department of Animal, Dairy and Veterinary Sciences, College of Agriculture, to Activate the Dairy Industries Emphasis within the BS and BA Degrees in Dairy Science (Appendix Q);

Resolution 04-1-13 Proposal from the Department of Animal, Dairy and Veterinary Sciences, College of Agriculture, to Discontinue the Certificate in Dairy Science (Appendix R);

Resolution 04-1-14 Proposal from the Department of Animal, Dairy and Veterinary Sciences, College of Agriculture, to Discontinue the MA Degree in Dairy Science (Appendix S);

Resolution 04-1-15 Proposal from the Department of Economics, College of Agriculture, to Discontinue Several Emphases within the BA Degree in International Agribusiness (Appendix T);

Resolution 04-1-16 Proposal from the Department of Nutrition and Food Sciences, College of Agriculture, to Discontinue the Emphases and Minors within the BS Degree in Nutrition and Food Sciences (Appendix U);

Resolution 04-1-17 Proposal from the Department of Nutrition and Food Sciences, College of Agriculture, to Discontinue the BA Degree and the MA Degree in Nutrition and Food Science (Appendix V);

Resolution 04-1-18 Proposal from the Department of Plants, Soils, and Biometeorology, College of Agriculture, to Discontinue Emphases within the BS and BA Degrees in Environmental Soil/Water Science (Appendix W);

Resolution 04-1-19 Proposal from the Department of Business Administration, College of

Business, to Change the Name of the BS and BA Degrees in Production Management to BS and BA Degrees in Operations Management. The Name of the Production Management Minor would also be Changed to Operations Management (Appendix X);

Resolution 04-1-20 Proposal from the Department of Communicative Disorders and Deaf Education, College of Education and Human Services, to Discontinue the Hearing Impaired Emphasis within the BS and BA Degrees in Communicative Disorders and Deaf Education (Appendix Y);

Resolution 04-1-21 Proposal from the Department of Elementary Education, College of Education and Human Services, to Discontinue the Mathematics Emphasis within the BS and BA Degrees in Early Childhood Education (Appendix Z);

Resolution 04-1-22 Proposal from the Department of Family, Consumer, and Human Development (FCHA), College of Education and Human Services, to Transfer the Family Finance Emphasis within the BS in Family and Consumer Sciences to the BS in Family and Human Development (Appendix AA);

Resolution 04-1-23 Proposal from the Department of Elementary Education, College of Education and Human Services, to Establish an English as a Second Language (ESL) Emphasis within the BS and BA Degrees in Elementary Education (Appendix BB);

Resolution 04-1-24 Proposal from the Department of Special Education and Rehabilitation, College of Education and Human Services, to Change the Name of the Ph.D. in Special Education to the Ph.D. in Disability Disciplines (Appendix CC);

Resolution 04-1-25 Proposal from the Interior Design Program, College of Humanities, Arts and Social Sciences, to Develop a Studio Emphasis and a Design Sales and Marketing Emphasis within the BS and BA Degrees in Interior Design (Appendix DD);

Resolution 04-1-26 Proposal from the Department of Languages, Philosophy, and Speech Communication, College of Humanities, Arts and Social Sciences, to Discontinue Several Minors (Appendix EE);

Resolution 04-1-27 Certificate of the Treasurer for the Period 1 July 2003 to 31 October 2003 (Appendix FF);

Resolution 04-1-28 Certificate of the Treasurer for the Period 1 July 2003 to 30 November 2003 (Appendix GG);

Resolution 04-1-29 Report of Investments for October 2003 (Appendix HH);

Resolution 04-1-30 Report of Investments for November 2003 (Appendix II)

Resolution 04-1-31 Report of Institutional Discretionary Funds for 2002-2003 (Actual), 2003-2004 (Estimate), and 2004-2005 (Estimate) and Institutional Discretionary Funds Supplemental Report of Budget Variances for the Fiscal Year Ended 30 June 2003 (Appendix JJ);

Resolution 04-1-32 Proposal for Name Change of Administrative Services to Business and Finance (Appendix KK);

Resolution 04-1-33 Approval of Authorization to Act in Capacity of Vice President for Business and Finance and Public Treasurer (Appendix LL);

Resolution 04-1-34 Contract/Grant Proposals and Awards for October 2003 (Appendix MM);

Resolution 04-1-35 Contract/Grant Proposals and Awards for November 2003 (Appendix NN)

Acceptance of the following written reports:

- Academic Services (Appendix OO);
 - Faculty and Staff Activities and Achievements (Appendix PP);
- Business and Finance (Appendix QQ);
 - Business and Finance Performance Dashboard, January 2004 (Appendix RR);
- Research (Appendix SS);
 - Research Performance Dashboard, January 2004 (Appendix TT);
 - Research Expenditures for November 2003 (Appendix UU);
 - Technology Management Indicators (Appendix VV);
- Student Services (Appendix WW);
- University Advancement (Appendix XX);
 - Office of University Advancement Dashboard, January 2004 (Appendix YY);
 - Development Fund Report for Fiscal Year 2002-2003 (Appendix ZZ);
- Extension/Continuing Education (Appendix AAA);
 - Cooperative Extension Performance Dashboard (Appendix BBB);
 - Continuing Education Performance Dashboard, Updated September 4, 2003 (Appendix CCC);
 - Conference Services Performance Dashboard, Updated September 2003 (Appendix DDD);
- Information Technology (Appendix EEE);
 - Information Technology Services Performance Dashboard, September 2003 (Appendix FFF);
 - Help Desk Summary Report (Appendix GGG);
- Affirmative Action/Equal Opportunity (Appendix HHH);
- Graduate Education (Appendix III);
 - School of Graduate Studies Performance Dashboard, December 2003 (Appendix JJJ);
- Public Relations and Marketing (Appendix KKK);
- Athletics (Appendix LLL);
- Alumni (Appendix MMM);
- ASUSU (Appendix NNN);
- Faculty Senate (Appendix OOO);
- Professional Staff (Appendix PPP);
- Classified Staff (Appendix QQQ);

Executive Session, to be held on 5 March 2004 to discuss those items which are permitted by law to be discussed in Executive Session.

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

VI. Proposal to Provide Health Services for Dependents of Students through the Student Health and Wellness Center

Trustees were given information concerning the proposal to provide health services for dependents of students through the Student Health and Wellness Center (Appendix RRR) for their consideration.

Vice President Franco stated that he was pleased to bring a proposal to offer health services to dependents of USU's married students. Those students who choose to participate will pay an additional \$35 per individual per semester and have full access to the Health Center.

Dr. James Davis, Director of the Student Health and Wellness Center, said that the Center is the doctor's office on campus and provides physical therapy, pharmacy, and x-ray/radiology technology services to students. Approximately 35 to 38 percent of students on campus use the Student Health and Wellness Center, and for many students it is their primary medical care. Conditions most commonly treated include upper respiratory, contraception, depression, and sore throats. Students currently pay \$26 per semester, which covers all of the costs except for x-rays. The most common medication prescribed at the Center is birth control pills at a cost of \$12 compared to \$32 at downtown pharmacies. The doctors at the Center do not perform surgery or deliver babies.

Students have indicated that they would like to have coverage for their families, but previously the resources were not available to do so. After the move from the Student Center to the new facility the number of visits per semester decreased, and each summer the volume drops as well. Many of the students with families stay in the Logan community year-round. Dr. Davis said that after a review of a new business plan, it has been determined that it is possible to provide care during the summer, increase the services to families of students, and still maintain the services being provided. The objectives are to increase utilization, stabilize seasonal variances, and facilitate full-time care.

The infrastructure is in place, and the request for services is student-generated. The existing staff and facility will be used and the services expanded. The proposal was included in the compact plan, it was approved by the student's and by the administration.

Dr. Davis said the lower cost of health services will help to attract students as well as help to retain students. He feels that the biggest weakness is the reliance on self-referral.

Dr. Davis said the cost for equipment, etc. to start up will be approximately \$16,000 which will be borrowed from student funds, and will be repaid with the \$35 fee.

Students will continue to pay \$26, and dependents will pay \$35 per semester. This will make it convenient for students to bring their families in and be cared for in a cost-effective way. At first only spouses will be accepted, and later pediatrics will be added. At this point we are not planning to include obstetrics because malpractice insurance is high. Vice President Franco said this is a win-win situation and requested that the Trustees approve the proposal.

Dr. Davis said the program has been financially self-sustaining at \$26 a semester with a small surplus each year. The Center is considered a campus auxiliary, and it must run in the black. Dr. Davis said patients come to the Center where they are screened and the scope of the service needed is defined. Most of the time patients are treated, but for those procedures not performed at the Center, patients are sent elsewhere. Dr. Davis said the Center carries malpractice insurance. Student insurance is paid for by the fee. It was pointed out that students should carry catastrophic health care coverage in addition to these services.

President Hall said there is real concern to help with student health insurance. Trustee Di Stefano said this program is very much supported by the students. Trustee Cook said this is an excellent opportunity to take the excess capacity at the Center and use it to benefit the students. Trustee Eyre expressed appreciation to Dr. Franco for watching out for the needs of students.

Action: Trustee Cook moved approval of Resolution 04-1-36 the proposal to provide health services for dependents of students through the Student Health and Wellness Center (Appendix RRR), and Trustee Di Stefano seconded the motion. The voting was unanimous in the affirmative.

VII. Strategic Agenda– “Innovation Campus and Technology Transfer”

Trustees were given information concerning Innovation Campus and Technology Transfer (Appendix SSS).

A. Introduction to the Innovation Campus

Vice President Miller introduced Associate Vice President for Research, M. K. Jeppesen and Teresa McKnight, Manager of the Innovation Campus. A media presentation was shown describing the Innovation Campus and its accomplishments and plans for the future.

The Utah State University Research and Technology Park (Innovation Campus) was established in 1985 and was designed to promote cooperation between private research, development companies, and USU. The Innovation Campus currently houses more than 45 research and development companies and employs more than 1,900 people. The USU Space Dynamics Laboratory is located at the Innovation

Campus as well as companies researching space aeronautics, biotechnology, civil and environmental engineering, software and hardware development, information technology, and market research. The results of the research taking place at the Innovation Campus are varied and provide countless benefits, not just to Cache Valley, but to the nation and the world.

Plans are underway to expand the Innovation Campus from 38 acres to more than 150 acres contiguous with USU's main campus. Over several decades the expanded campus will provide more than 8,000 additional high-tech employment opportunities. The Innovation Campus provides an environment for research which has benefitted the economy and the society in the past, and will continue to do so now and in the future.

B. Master Plan and Current Development

Associate Vice President Jeppesen said that the Innovation Campus is a great resource for USU. Because of the importance of planning for the future, Sasaki & Associates of Boston, was hired to develop a master plan for the Innovation Campus.

Ms. McKnight stated that the name was changed from the Research and Technology Park to Innovation Campus to better describe the dynamic mix of research, technology, development, ideas, and creativity taking place. The Innovation Campus is part of Utah State University. A new logo was developed to depict ideas beginning at a tiny point and escalating into larger exciting opportunities (Appendix TTT). Ms. McKnight reviewed a statement from Richardo Dumont of Sasaki & Associates concerning the master plan for the Innovation Campus as well as portions of the master plan. She stated that the expansion of the Innovation Campus will be from 600 East to 1200 East along 1400 North. She showed pictures of the proposed development phases (Appendix UUU). Phase I is the existing campus, including buildings upgrades and renovation, Phase II includes the Research Foundation Administration Building and the Biomolecular Building, which are under construction. Private developers are also scheduled to build on specific areas. Phases III, IV, and V will be completed over the next several decades.

Ms. McKnight discussed infrastructure and land acquisition. An Economic Development Administration (EDA) grant has been requested in the amount of \$2.5 million for the curb, gutter, sidewalks, utilities, information technology, street lighting, and roads. They are also considering land acquisitions to accommodate off-campus parking.

Projected growth of the USU Innovation Campus highlights Cache Valley's need to expand fiberoptic systems, to upgrade the airport, and to build relationships with surrounding communities and economic development groups. Ms. McKnight stressed that this is a community project, and Logan Mayor Thompson and North Logan Mayor Potter serve on the Facilities Advisory Council which is involved with the site plan, architectural design, and aesthetics for the Innovation Campus. Ms. McKnight and Associate Vice President Jeppesen also serve on the North Logan Economic Development Committee. Trustee Watts said he has heard concerns expressed by some citizens concerning airport needs and hotels, etc. Associate Vice President Jeppesen said that city planners for Logan and North Logan have been involved with the details of planning for the Innovation Campus so that these kinds of concerns will not become contentious issues.

Ms. McKnight reviewed significant accomplishments at the Innovation Campus. She reported that approximately 125 acres have been acquired for future development. The Governor's Smart Site companies located at various locations throughout the state generate 700 jobs, and 270 of those jobs are at the Innovation Campus. Other accomplishments include the name change to Innovation Campus, the development of a new logo and website, and completion of the master plan. Ms. McKnight and Associate Vice President Jeppesen were invited to present at the Association of University Research Parks Conference in New Orleans. She said USU is becoming one of the leaders in this area.

Implementation of new programs for the Innovation Campus includes a corporate benefit program, a corporate wellness program (Appendix VVV), business partner ID cards, daily shuttle service, an employee recognition program, and pursuit of an energy efficient program with Utah Power.

In the last 60 days, 10 new companies with 50 employees have chosen to locate at the Innovation Campus. That will increase the companies from 43 to 53, and employees from 1,900 to 1,950. There are approximately 1,000 students employed at the Innovation Campus in research and development.

The Innovation Campus is in the process of developing a long-term partnership with a developer/private investor, which will be a major player in constructing new buildings, one of which will be built this year. Two tenants at the Innovation Campus have outgrown their space and are planning to construct new buildings this year also.

Needs of the Innovation campus include: attracting new businesses, spin-off and formation of new companies through the technology transfer process, a university or private developer to construct buildings to accommodate department and college building needs, and development of momentum and visibility to attract potential investors and developers.

Ms. McKnight stated that the infrastructure will require millions of dollars for construction of new buildings, additional staff, a business and marketing plan, financial analysis, and strategies for funding expansion, promotion, media, and public relations.

C. Financial Plans for Phase I and Phase II of the Innovation Campus

Trustees were given Budget Information for Phase I and II (Appendix WWW).

Associate Vice President Jeppesen stated that the area of the existing Innovation Campus, Phase I, is from 400 East to 600 East and 1400 North to 1800 North. The estimated cost to complete and renovate Phase I is \$27.2 million. The estimated cost for infrastructure and construction during 2003 to 2007 for Phase II, which is from 600 East to 700 East and 1650 North to 1800 North, is \$72.3 million. He said they are looking for federal funding, state funding, private donors, and for investment by developers. He referred to the Budget for Phase I and Phase II (Appendix WWW) which included revenues, expenditures, and capital outlay. He stated that one challenge is that the Innovation Campus operates as a service center, so it cannot put money away for replenishment of assets.

D. Utah Constitutional Revision Commission–Resolution Exception to Subscribing to Stock Prohibition

Vice President Miller called attention to the proposed Resolution Exception to Subscribing to Stock Prohibition and House Joint Resolution H.J.R 12 (Appendix XXX) which would amend the Utah State Constitution and clarify that a university could acquire an equity interest in exchange for intellectual property and it would modify the prohibition relating to subscription of stock. If this were passed by both houses of the legislature it would go on to the general election ballot next fall, and if approved would become law in January 2005. Vice President Miller said this would be of value to research at USU and assist with economic development in the state of Utah. As an example, the University could take equity interest in a small start-up company which would enable the company to move forward and give the university a holding in the potential value of that company. He said this would be a tool toward growing small businesses that come out of university technology and allow the university to have an equity interest in the growth and development of that business. It would be a positive step forward for the state of Utah.

Carole Golden, Manager of the Life Sciences area in USU's Office of Technology Management and Commercialization, stated that there is no liability to USU if we take equity in a company. The stock comes to the university in lieu of cash, so we become a shareholder, but do not pay money for the stock. Vice President Miller explained that the University would own the intellectual property and the company purchases the right to use the technology from USU. He said we will invest in a number of companies and some of the companies will not succeed, but some

companies will, and we will be partners in their success.

Vice President Miller stated that most major research universities are following this practice now, forming partnerships with business and industry, and giving the university ownership interest in start up companies. USU has a detailed royalty-sharing policy which benefits the inventor, the department or unit, and the University. He stated that the larger picture is that we are trying to create an economic engine to develop technology for the good of the general public.

President Hall stated that USU has a royalty policy, but not a stock exploitation policy for businesses that are successful. He said this is an area that needs major consideration. It will need to be determined whether the profit is put into the main budget of the University, or in the Research Foundation. He felt that H.J.R. 12 may require that a percent of the profit go to the State of Utah. President Hall said that approximately two-thirds of universities have a provision which allows them to take stock as payment—USU is currently the exception to the rule.

E. Trustees Discussion

Trustee Watts asked how it is decided which companies to include at the Innovation Campus. Vice President Miller said the Office of Technology Management and Commercialization makes the decision after receiving competitive bids for a license. Ms. Golden said sometimes there is only one option, but in some cases of advancing existing technology, there are more bidders. She said there are options such as sharing the market between companies, licensing parts to different companies, or issuing just one license. She said they consider the license fee, royalty, the ability to penetrate the market, and the best opportunities for success. They then make the best deal they can.

Trustee Shipley asked how USU protects its asset. Ms. Golden said a provisional application for a patent is filed at a cost of approximately \$2,000. In response to Trustee Watts' concern about how to keep key people with the intellectual knowledge from going private, Vice President Miller said there is an initiative concerning intellectual property (IP). He works with faculty to make them aware of the value of IP and to disclose them. He said that is part of their responsibility, and it is our responsibility to protect IP appropriately. Also, if researchers accept federal funds, they incur obligations of disclosure and obligation to the institution. The Federal government has given universities the right and responsibility to identify, protect, and commercialize intellectual property for the benefit of society. Vice President Miller said this has been beneficial in getting intellectual property into the market place.

President Hall asked Vice President Miller to explain where the Innovation Campus fits with the researcher, the university, and private economy. Vice President Miller said the Innovation Campus is the nexus for private companies wanting interaction

with faculty and students to benefit from their ideas and energy. The traditional academic campus has been less flexible with business and industry partners and less entrepreneurial.

President Hall stated that the Innovation Campus should be an environment where faculty can develop ideas. It provides the facility and the support. He emphasized that it is important to build the infrastructure so that people will choose to locate there, but the Innovation Campus should not be considered a real estate development.

It is a place for knowledge exchange and enhancement. President Hall pointed out that it is the quality of our faculty, their innovation and inventiveness that will make the difference. He said that USU has hired approximately eight-five new faculty in the last three years, and everyone is a junior faculty member. We need to draw faculty who will generate the knowledge base necessary to drive research. The Innovation Campus will be a tremendous plus, and research people will know that USU is serious.

Trustee Eyre expressed appreciation for the presentation. She thanked everyone for their input and comments, and said the video was extremely well done and would be a great tool to promote the Innovation Campus. She said what has been done at the Innovation Campus is tremendous.

Action: Trustee Di Stefano moved that the meeting adjourn, and Trustee Hansen seconded the motion. The voting was unanimous in the affirmative.

The Regular Meeting adjourned at 11:55 a.m.

Linda J. Eyre, Member of Executive Committee

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

Date Approved