

REGULAR MEETING
UTAH STATE UNIVERSITY BOARD OF TRUSTEES
20 MAY 2005

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 10:10 a.m.

MEMBERS PRESENT

Gayle McKeachnie	Chairman
L.J. Godfrey	Vice Chairman
David P. Cook	(by way of telephone)
Linda J. Eyre	
Quinn W. Millet	
Richard L. Shipley	
Randy Watts	

MEMBERS EXCUSED

Lynnette T. Hansen
R. Brent Nyman
Dinesh C. Patel

UNIVERSITY REPRESENTATIVES PRESENT

Stan L. Albrecht	President
Noelle E. Cockett	Interim Provost
Ronald S. Godfrey	Vice President for Business and Finance
M. Kay Jeppesen	Interim Vice President and CIO for Information Technology
M. Scott Mietchen	Vice President for University Advancement
Brent C. Miller	Vice President for Research
Ann E. Aust	Associate Vice President for Research
Kevin C. Womack	Associate Vice President for Business and Finance
Clinton G. Moffitt	Assistant Vice President for Finance/Controller
Sydney M. Peterson	Chief of Staff
John DeVilbiss	Executive Director of Public Relations and Marketing
Jodi Bailey	Director of Internal Audits
J. Michael Brooks	Director of Innovation Campus and Vice President
Dale C. Huffaker	Director of Real Property/Risk Management
Jon Y. Takemoto	Head of the Biology Department

Henry Nowak	Special Projects Manager, Technology Commercialization
Janis Boettinger	President of Faculty Senate
Marsha Howell	President of the Professional Employees Association
Milton Johnson	President of the Classified Employees Association
Jill J. Ballard	President-elect of the Classified Employees Association
Trent Kemp	Research Assistant (as of July 1)/Student Regent
Lee H. Burke	Assistant to the President and Board of Trustees Secretary
Mira G. Thatcher	Secretary

MEMBERS OF THE MEDIA PRESENT

Heather Bailey	KVNU
Rashae Ophus-Johnson	<i>Herald Journal</i>
Amy Stewart	<i>Ogden Standard Examiner</i>

Chairman McKeachnie conducted the meeting. He excused Trustees Hansen, Nyman, and Patel. He welcomed those present including members of the media and Jill Ballard who will take over as President of the Classified Employees Association in July. President Albrecht also expressed appreciation to student Regent, Trent Kemp, for attending the meeting. He has been hired by Research and participated in the Strategic Agenda presentation.

I. Invocation: Trustee Watts.

II Chairman's Report

A. Oath of Office for Quinn W. Millet

Chairman McKeachnie welcomed the new student body president, Quinn W. Millet, as a member of the Trustees. He administered the oath of office to Mr. Millet.

B. Committee Assignments for Trustee Millet

Chairman McKeachnie assigned Trustee Millet to serve on the Student Welfare Committee, the Government and Public Relations and Marketing Committee, and the Athletics Committee.

C. Appreciation to Faculty and Staff Representatives Whose Terms as President End

Chairman McKeachnie expressed appreciation to Janis Boettinger, President of Faculty Senate, and to Milton Johnson, President of the Classified Employees Association. Their terms of office will end in June.

D. Report on Financial Resource Committee Meeting

Trustee Shipley, Chairman of the Financial Resource Committee, reported that during the Financial Resource Committee Meeting Vice President Mietchen and colleagues presented an update on the long-term comprehensive campaign, and reviewed a preliminary document of strategy, organization, etc.

Trustee Shipley said the campaign is on track. By the end of summer there should be a detailed comprehensive campaign in place. Vice President Mietchen said that the Trustees received a basic blueprint for the campaign. It will also be shared with the vice presidents and deans. It is hoped that the full plan for the comprehensive campaign will be ready by August.

Trustee Shipley stated that the committee is confident that the planning has been satisfactory.

E. Date of the Next Board of Trustees Meeting

The Board of Trustees Workshop is scheduled for 11-12 August 2005.

President Albrecht said the date for the workshop and items to present at the workshop had been discussed. When the new Trustees are appointed and new leadership is selected we will meet with them to determine the best time and location for the workshop.

Trustee Watts suggested that a future meeting could be held at USU's new Botanical Garden facility.

F. Election of New Chairman and Vice Chairman

Trustee Watts, Chairman of the Nomination Committee, stated that the Nomination Committee consisted of Trustees Cook, Eyre, himself, and Dr. Burke. The committee was assigned to recommend possible candidates to Governor Huntsman to serve as new Trustees. Fourteen names were submitted, but the appointments have not yet been made.

The Committee was also assigned to recommend Trustees for nomination to serve as Chairman and Vice Chairman, to be voted on by the entire Board. The Executive Committee will be chosen after the new Trustees are appointed. .

Action: Trustee Watts nominated Richard L. Shipley for Chairman of the Board of Trustees, and L.J. Godfrey as Vice Chairman of the Board of Trustees as determined by the Nomination Committee. There were no further nominations, and the voting was unanimous in the affirmative. Trustees Cook, Hansen, Nyman, and Patel (who were not present) turned in their absentee votes prior to the meeting.

Trustee McKeachnie congratulated Chairman Shipley and Vice Chairman Godfrey and asked Chairman Shipley to conduct the rest of the meeting.

Chairman Shipley expressed appreciation to the Trustees for their confidence in him. He said that the Board of Trustees will make the comprehensive campaign its number one priority. He expressed appreciation to President Hall and President Albrecht for involving him in the new campaign.

An ongoing concern for Trustees will be student enrollment. The students come first and the Board will look at counseling and careers for students. He said USU needs to give students the best possible opportunities for careers and successful futures.

A side agenda for the Trustees will be southeastern Idaho and southwestern Wyoming nonresident students. Chairman Shipley recently learned that there were alumni scholarships offered to Preston students that went unclaimed.

Chairman Shipley said that the Trustees made a special effort to attend several of USU's graduation ceremonies. He said their commitment to Extension will remain strong.

Chairman Shipley expressed appreciation for the privilege of working with Trustee McKeachnie and observe his skills. He served well as Chairman of the Trustees, at the same time being a father, husband, and Lt. Governor of Utah. Vice Chairman Godfrey added that this was all accomplished from the Uintah Basin.

Chairman Shipley said Trustee McKeachnie is well recognized and honored in the Uintah Basin. Trustee Watts said that tribute was paid to Trustee McKeachnie during the Commencement ceremony at the Uintah Basin, and it was very emotional to hear what he has done for that community and the respect he has earned.

President Albrecht stated that Chairman McKeachnie is a great Aggie and a great friend of USU. He extended his personal appreciation for his dedication and the opportunity to work with Chairman McKeachnie. Trustee McKeachnie received the grateful applause of those present.

Chairman McKeachnie stated that it had been a privilege to serve on USU's Board

of Trustees.

III. President's Report

A. Commencement 2005

President Albrecht expressed appreciation to all of the Trustees for attending the 2005 Commencement ceremony on campus. It was impressive to have 100 percent of the Trustees attend, indicating the measure of their commitment to USU. He said that Trustees also attended graduation ceremonies in Brigham City, Tooele, and at the Uintah Basin.

B. Physics Day at Lagoon

President Albrecht reported that more than 5,800 high school students from throughout the intermountain area participated in the annual USU Physics Day at Lagoon on 20 May. It is an opportunity to explore basic physics concepts such as gravity and centrifugal force. He stated that this gives great exposure to the quality of the work at USU and is an effective recruiting device.

C. USU's Performance Dashboard for May 2005

USU's performance dashboard for May 2005 (Appendix A) was given to the Trustees for their information.

D. Banner Report

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

Interim Vice President Jeppesen reported that the Banner software project continues to progress. In April a successful student registration was accomplished using Banner software. There were positive comments from students. He indicated that there are still several areas that need refining before Banner Student is fully implemented.

Interim Vice President Jeppesen reported that the next main focus for Banner will be the Human Resources area. He said there are always challenges, but the system is moving forward without any major problems.

E. Update on Easement of Utah Power

Trustee Nyman had previously asked for an update on the proposal for Real Property Disposal for adjustments to easement rights on 600 East in North Logan. A map showing the location of the high voltage line was given to the Trustees for their information (Appendix C).

Associate Vice President Womack stated that after the Trustees tabled the proposal at the April Trustees meeting and subsequently approved the proposal during a conference call meeting, the Board of Regents approved the real property disposal. Utah Power and Light started work the last week of April. That project will be completed by the end of May. The difference is easily noticed at 1800 North. The poles and cables are larger. The project runs from Third East to the mouth of Green Canyon. This project was high priority for Utah Power and Light, and they appreciated USU's cooperation. The project will benefit USU as it provides power to the Innovation campus and eventually to the main campus. Vice President Godfrey added that Utah Power and Light put the two stronger and larger poles on the corners.

F. The President's Report, 5/20/05

The President's Report for 5/20/05 (Appendix D) was given to the Trustees.

President Albrecht noted that on 5 May, USU received \$4.5 million from Ray and Eloise Lillywhite, the second largest philanthropic gift from an individual in the history of the university.

President Albrecht drew attention to the article about his visit to the Dominican Republic to sign a five-year scholarship agreement to train Dominican students at USU. This will bring forty Dominican students to USU. Also, the program will expand to include additional students as well as government officials for intensive English language training. President Albrecht said that he has been invited to speak at a celebration of the Autonomous University of Santo Domingo on 27 October. It was founded in the 1500s and has a student body of 158,000 on the main campus. He said this is a wonderful opportunity and partnership for USU.

(Trustee McKeachnie left the room at this time.)

President Albrecht said that USU Extension was very helpful during recent flooding throughout the state, and he expressed appreciation for what they accomplished.

President Albrecht also pointed out that USU's Women's Basketball team is scheduled for a twelve-day basketball tour in Australia beginning on 20 May. He said that the new Assistant Head Coach for women's basketball is Kristy Baker-Flores, who will be a great addition to the coaching staff.

G. Report on Searches

1. Dean of the College of Natural Resources

President Albrecht reported that one of the candidates for the Dean of the College of Natural Resources is currently on campus. The other finalists will visit campus during the next two weeks, and the appointment will be made soon after their visits.

2. Dean of the School of Graduate Studies

Interim Provost Cockett reported that she is ready to make a recommendation to President Albrecht concerning the Dean of the School of Graduate Studies position.

3. Provost

President Albrecht reported that there were forty-three nominations for provost, and twenty-one applications. He said that the list is impressive. That search will close on 1 July, and it is hoped that the final candidates will visit campus this fall.

IV. Consent Agenda

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

Minutes of the Executive Session Held 8 April 2005;

Minutes of the Regular Meeting Held 8 April 2005;

Minutes of the Special Meeting Held 14 April 2005;

Resolution 05-5-1 Faculty and Staff Adjustments (Appendix E);

Resolution 05-5-2 Certificate of the Treasurer for the Period 1 July 2003 to 28 February 2005 (Appendix F);

Resolution 05-5-3 Certificate of the Treasurer for the Period 1 July 2003 to 31 March 2005 (Appendix G);

Resolution 05-5-4 Report of Investments for February 2005(Appendix H);

Resolution 05-5-5 Report of Investments for March 2005(Appendix I);

Resolution 05-5-6 Amended Travel and Institutional Advancement Policy (Appendix J);

Resolution 05-5-7 Approval of Authorization to Act in Capacity of Vice President for Business and Finance and Public Treasurer (Appendix K);

Resolution 05-5-8 Approval of Authorization for the Same Auditing Firm for Both Utah

State University and the USU Research Foundation (Appendix L);
Resolution 05-5-9 Amendments to University Policy #385 Appointments of Opportunity (Appendix M);
Resolution 05-5-10 Capital Facility Acquisition – Roosevelt Property (Appendix N);
Resolution 05-5-11 Capital Facility Acquisition – Moab Building (Appendix O);
Resolution 05-5-12 Proposal from the Department of Business Administration to Establish a General Business Major for Distance Education (Appendix P);
Resolution 05-5-13 Approval to Name the New Library the “Merrill-Cazier Library” (Appendix Q);
Resolution 05-5-14 Proposed Amendment to the USU Policy Manual, Sections 405.2.2(2), 405.3(2), and 405.4: Tenure and Promotion Criteria for Core Faculty Ranks, Librarians, and Faculty with Extension Ranks to include Patents, Inventions, and Other Intellectual Property (Appendix R);
Resolution 05-5-15 Contract/Grant Proposals and Awards for March 2005 (Appendix S);
Resolution 05-5-16 Real Property Conveyance–UDOT Logan Canyon Bridges (Appendix T) (Director of Real Property explained the proposal which was brought as an addendum to the Consent Agenda)
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, May 2005 (Appendix X);
Extension/Continuing Education (Appendix Y);
 Cooperative Extension Performance Dashboard (Appendix Z);
 Continuing Education Performance Dashboard, 2003-2004 (Appendix AA);
 Conference Services Performance Dashboard, FY 2003-04 (Appendix BB);
Information Technology (Appendix CC);
 Information Technology Services Performance Dashboard for May 2005 (Appendix DD);
Research (Appendix EE);
 Research Performance Dashboard, FY 2004 (Appendix FF);
 Technology Management Indicators (Appendix GG);
Student Services (Appendix HH);
University Advancement (Appendix II);
 University Advancement Dashboard, May 2005 (Appendix JJ);
 Development Fund Report for Fiscal Year 2004-2005 (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);

Athletics (Appendix OO);

Graduate Education (Appendix PP);

Public Relations and Marketing (Appendix QQ);

Public Relations and Marketing Performance Dashboard, May 2005 (Appendix RR);

Faculty Senate (Appendix SS);

Professional Staff (Appendix TT);

Professional Employees Association Scholarship Recipients for 2005-2006 (Appendix UU);

Classified Staff (Appendix VV);

Executive Session, to be held on 11-12 August to discuss those items which are permitted by law to be discussed in Executive Session.

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

V. Utah State University 2005-06 Budget

Trustees were given information concerning USU's 2005-06 Budget (Appendix WW) for their consideration.

Vice President Godfrey distributed the 2005 Legislative summary results for USU for fiscal year 2006 (Appendix XX). He pointed out that USU's E & G budget from the state for fiscal year 2005 was \$142,225,000. Vice President Godfrey reviewed the following summary results:

- Compensation, health, and dental are shared by the institutions of higher education throughout the state.
- The legislature was generous with O & M giving USU \$206,000 one-time for this fiscal year and ongoing \$1.2 million which will help with O & M for the new Library, Engineering Building, and the Recital Hall.
- Fuel and power is our most serious issue. The Legislature funded one-time \$1.6 million for 2005 and another \$1.6 million ongoing. Vice President Godfrey said we will continue to work with the Legislature on that every year to reduce the deficit, which will be approximately \$8.5 million by the end of this year. We are working with local, city, and other companies to try to get the rates reduced.

- Research received \$1.6 million for the economic development plan. Ongoing funding was approved for professorships and setting up a research facility.
- USU received \$5 million for the agriculture relocation away from the Innovation Campus. We are in the process of developing plans for that move. We will report our progress at the next Legislative session in January.

Vice President Godfrey stated that for many years USU had a large discretionary fund which could be used for critical needs. Those discretionary funds have been almost exhausted over the last three years because of the tightness of the budget and the economy in Utah. It would help USU to have more discretionary funds so that we can solve problems that might arise.

Vice President Godfrey said that last year USU received \$142 million, and this year we will receive approximately \$147 million of state monies. That does not include the Tier I tuition allotment to USU which is generated through the legislative process.

Trustee Watts asked if the agriculture relocation will take place in 2005. Vice President Godfrey said we need \$10 million for the entire project. We received half of that this year. Provost Cockett said that the first phase will be to construct a teaching research building, and the majority of the second phase will be to move the animals to the area of the Caine Dairy. Vice President Godfrey said USU is trying to procure the property between the Caine Dairy and the south farm. That will improve the safety of those who operate the farm and the dairy. It has not yet been determined where the building will be constructed.

Action: Vice Chairman Godfrey moved approval of Resolution 05-5-17 the USU 2005-06 Budget (Appendix WW), and Trustee Watts seconded the motion. The voting was unanimous in the affirmative.

VI. Strategic Agenda– “Utah Science, Technology, and Research (USTAR) Economic Development Initiative”

Trustees were given materials concerning the “Utah Science, Technology, and Research (USTAR) Economic Development Initiative” for their information (Appendix YY and additional information is in the files of the Secretary of the Board of Trustees).

President Albrecht pointed out that at the last Trustees meeting Chairman McKeachnie talked about economic development opportunities in the state linked to higher education. USU and the U of U received initial funding from the State Legislature to begin the USTAR program, which is a cooperative program between the two universities.

Vice President Miller introduced Ann Aust, Associate Vice President for Research; Trent Kemp, Research Intern/Student Regent; Jon Takemoto, Head of the Department of Biology; and Michael Brooks, Director of the Innovation Campus and Associate Vice President for Research and Development.

(Trustee Cook left the meeting at this time.)

A. Overview of USTAR Economic Development Initiative

Vice President Miller distributed information about USTAR, and pointed out that this is a major initiative for economic development. It is supported by major business and industry groups in the state including the Salt Lake Chamber of Commerce, Utah Information Technology Association, Utah Life Sciences Association, and the Economic Development Corporation of Utah.

Vice President Miller reviewed the following information (see Appendix ZZ):

- Research universities drive economic development.
- There is an accelerating worldwide investment in science.
- At USU Technology Commercialization is increasing.
- USU's Intellectual Property Policy was revised to increase faculty motivation to create inventions and technologies.
- USU's Technology Commercialization Office has recently hired four professionals in Technology Commercialization (see Appendix AAA).
- The Innovation Campus is growing.
- The USTAR Initiative Vision includes a programmatic investment at USU and the U of U to hire twenty-five major new research teams at a cost of \$5 million each.
- Additional facilities will be needed at a cost of \$250 million, and three statewide Technology Innovation Centers were proposed.
- USTAR Investment began with Senate Bill 192 allocation of \$7.35 million.
- In Fiscal Year 2006 USU will advance Microbe Biotechnology—funding \$1.6 million.

Vice President Miller outlined the steps to be taken to begin the USTAR program:

- (1) Recruit top research talent this year.
- (2) Focus on microbe biotechnology the first year, other areas to follow.
- (3) Develop a prospectus or business plan for USTAR as soon as possible coordinating with the U of U.
- (4) Ensure statewide benefit and involvement.
- (5) Additional laboratory research facilities are critical.

Dr. Burke pointed out that the business community played a major role in getting the Economic Development Initiative (Senate Bill 192) passed by the Legislature. The cooperation, leadership, and support of the Salt Lake Chamber of Commerce and other business groups was key, and will be in the future as well.

When asked by Vice Chairman Godfrey if the funding received was enough, Vice President Miller said he is pleased that the Legislature funded enough to hire the first research team and to begin the program, but it was disappointing that there was not funding for planning the buildings which are so important to the program.

Chairman Shipley mentioned that several of the Trustees went to the University of Arizona as part of the Task Force for Economic Development. Trustees met with Republican and Democratic leaders of both the Arizona House and Senate. They were 100 percent supportive of the economic initiative in Arizona. Trustee Eyre added that each legislator had received 500 letters from business people in support of economic development, and that influenced their voting because they knew they had the support of the business community. Vice President Miller agreed that we need to involve not just the Salt Lake Chamber of Commerce, but technology-based businesses throughout the state.

Vice President Miller said meetings are being scheduled this summer with legislative leadership and local legislators to discuss the planning process for the economic development initiative. Dr. Burke said that the entire legislature is invited to Cache Valley on 1-2 August, and the Economic Development Initiative will be part of the presentation.

B. Microbe Biotechnology

Vice President Miller introduced Jon Y. Takemoto, Head of the Department of Biology, who is one of the most distinguished scientists at USU.

Dr. Takemoto said he is one of the committee charged to identify people to formulate plans for microbe biotechnology in the USTAR initiative program at USU. Others on the committee include Jeff Broadbent, Nutrition and Food Science; Henry Nowak, Technology Commercialization Office; Lance C. Seefeldt, Chemistry and Biochemistry; Ronald C. Simms, Biological and Irrigation Engineering; and Bart C. Weimer, Nutrition and Food Sciences and Director of the Center for Integrated Biosystems.

Dr. Takemoto reviewed the following information about microbe biotechnology at USU (see Appendix BBB):

- Description of microbe biotechnology.
- Why Utah should invest in microbe biotechnology.
- Why microbe biotechnology at USU is important.
- How microbe biotechnology will be enhanced at USU.

Dr. Takemoto reviewed the practical applications, USU expertise, and USU faculty involved in the areas of bioremediation and waste management, food fermentation and processing, and plants and soils.

Dr. Takemoto said that the plan is to identify and hire high-profile researchers who will compliment USU's existing strengths in microbe biology. Nominations have been solicited and individuals will be recruited.

Interim Provost Cockett added that it is exciting that the current faculty involved with microbe technology are well integrated and already involved in technology commercialization, patents, and licenses.

Trustee McKeachnie returned to the meeting.

C. Statewide Innovation Centers

Vice President Miller introduced J. Michael Brooks, Director of Innovation Campus and Associate Vice President for Research and Economic Development.

Director Brooks discussed the plans to establish three Technology Innovation Centers in Utah—one in Weber/Davis counties, one in Utah county, and the third in Washington/Iron counties. He reviewed the following information about the Technology Innovation Centers (see Appendix CCC):

- The purpose.

- The Committee structure—Richard Kendell, Chair, Henry Nowak and himself. The Committee will recommend the structure and the program.
- Why research, technology, commercialization, and entrepreneurship are important strategies which should be used.
- Proposed regional technology application and entrepreneurship centers—economic growth and state colleges and universities.
- Wisconsin entrepreneurs’ network is an example of what the centers could be like.
- USU participation with Technology Innovation Centers.

In response to Vice Chairman Godfrey’s question about whether other states have economic initiatives, Director Brooks said that some states do. We are not in the lead, but we are not far behind. Using a statewide approach, the networking, and the opportunity to tie into the research universities, Utah will be close to the cutting edge. Vice President Miller said there are at least a dozen or fifteen states using statewide innovation center concepts. He agreed that Utah is behind. We are looking to Arizona, which started in the last few years, as an example.

Vice President Miller said Trustee McKeachnie met with Director Brooks and himself to discuss the initiative. Trustee McKeachnie said the Governor’s Rural Partnership Board a year ago asked that USU be designated as the statewide lead agency to get other state agencies, local government, and economic development together. That should continue. Economic development has become a buzz word and there are several different ideas. Some will be successful and some will fail. We need to learn from each other to determine what is successful.

Trustee McKeachnie emphasized the need to determine the market and then focus on the product to fit the market. USU has a built-in constituency that may start us ahead of others.

Vice President Miller said that the next six months will be crucial in planning USTAR and the way it includes and provides value to the rest of the state.

Trustee McKeachnie said Governor Walker’s program of reading with our children each day for twenty minutes would do more than appropriating \$100 million to teach reading in the schools. Colleges and universities should recognize that if the level of education is raised one year past high school, that translates to a 5 to 15 percent jump in the economic output. He stressed that our main mission is education. Education may be the secret that means more than all the other programs. Give individuals a basic education and that will provide the link for people who will use what we are

doing.

Vice President Miller said he hopes to report at the August meeting that the senior microbe biotechnology researchers have been identified and are being recruited. He will also give an interim report about the investment for USTAR. This will be presented to the Legislature next year.

Action: Trustee Eyre made a motion that the meeting adjourn, and Vice Chairman Godfrey seconded the motion. The voting was unanimous.

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

Richard L. Shipley, Chairman

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

Date Approved

