

REGULAR MEETING
UTAH STATE UNIVERSITY BOARD OF TRUSTEES
Utah State University, University Inn
Logan, Utah
June 27, 2014

Minutes of the Regular Meeting of the Utah State University Board of Trustees held via conference call in Champ Hall commencing at 10:00 a.m.

MEMBERS PRESENT

Scott R. Watterson Vice Chair
Linda Clark Gillmor
Mark K. Holland
Susan D. Johnson
J. Scott Nixon
Frank Peczuh, Jr.
Suzanne Pierce-Moore

MEMBERS EXCUSED

Ronald W. Jibson Chair
Jody K. Burnett
Douglas K. Fiefia
Mark K. Holland
Stephen F. Noel

UNIVERSITY REPRESENTATIVES PRESENT

Stan L. Albrecht	President
Noelle E. Cockett	Executive Vice President and Provost
James Bankhead	Department Head, Music
Richard Beard	Assistant Department Head, Applied Sciences, Technology, and Education
Carolyn Brittain	Staff Assistant
David T. Cowley	Vice President for Business and Finance
Amanda DeRito	Social Media Marketing Coordinator
Craig Jessop	Dean, Caine College of the Arts
Vijay Kannan	Professor, Operations Management
Mark McLellan	Vice President for Research and Dean of Graduate Studies
Sydney M. Peterson	Chief of Staff and Secretary to the Board of Trustees
Craig J. Simper	General Counsel
Tim Vitale	Executive Director of Public Relations and Marketing

Vice Chair Watterson conducted the meeting and welcomed the Trustees and members of the administration.

I. CHAIRMAN'S REPORT

A. Report on Audit Committee Meeting held June 19, 2014 – Trustee Nixon

Trustee Nixon gave a report on the Audit Committee meeting. He noted that in connection with the normal audit activities, the Committee reviews a number of institutional risks that may have financial or reputational impact to the University. When there is a perceived risk, the Committee asks those closer to the situation to follow-up. The Audit Committee asked Vice President McLellan to examine risks for compliance in the area of time and effort reporting for research grants that are received by and administered by the University. Vice President McLellan reported that he has minimized this risk and USU has approved policy which the Committee feels has significantly increased the University's effort to comply with requirements.

Vice Chair Watterson expressed his appreciation for Trustee Nixon, the Audit Committee and the fine work they are doing.

B. The next meeting will be held on October 24, 2014 on campus in Logan with a workshop to follow the regular meetings.

II. PRESIDENT'S REPORT

A. Information Items

President Albrecht highlighted two items on his agenda. First, Vice President and Director of Athletics Scott Barnes was one of 28 administrators across the country who received the 2013-2014 Under Armour Athletics Director of the Year. This is a great compliment to Vice President Barnes. He will be recognized during an athletic event later in the year. Secondly, with regard to the enrollment report, all indicators are positive. Enrollments on the Logan campus, as well as at the regional campuses, are up over 600 students from last year. Our out-of-state numbers are very good. These are exceptional, well-prepared students with above average index scores. We are seeing a record number of applications and admissions. With students applying to multiple institutions the yield rates will be lower and harder to predict. The challenge going forward will be addressing enrollment growth. Vice President for Student Services James Morales will report in the future about changes affecting regional campus and international recruiting.

1. Enrollment Management Information (Appendix A)
2. Faculty and Staff Activities and Achievements – 2013
Follow this link to see the files posted by college:
<http://www.usu.edu/trustees/agenda/2014/>

B. Recent Events

1. Equine Center Groundbreaking – May 13, 2014
2. Wayne Estes Center Opening – May 14, 2014
3. Tooele Science and Technology Building Groundbreaking – Tooele, May 15, 2014
4. Board of Regents at Weber State – Ogden, May 16, 2014
5. USU Foundation Board Meetings – Park City, May 16-17, 2014
6. Professional Employees Association Luncheon – May 20, 2014
7. Mtn. West Conference Board of Directors Meeting – Colorado Springs, Colorado, June 1-3, 2014
8. Regence BlueCross BlueShield Community Board Meeting – Salt Lake City, June 5, 2014
9. Salt Lake Chamber Board of Governors Retreat – Draper, June 10, 2014
10. Donor meeting with John and Barbara Wilkerson – New York City, New York, June 10, 2014
11. Donor meetings with Ardeshir Zahedi – Montreux, Switzerland, June 11-15, 2014
12. LDS Church Presiding Bishopric – Salt Lake City, June 19, 2014
13. Association of Public Land-Grant Universities Council of Presidents Summer Meeting – Washington, D.C., June 25, 2014
14. Northwest Commission on Colleges and Universities Board of Commissioners – Seattle, Washington, June 26, 2014
15. USU Board of Trustees Teleconference – June 27, 2014

C. Upcoming Events

1. K-16 Alliance – June 30, 2014
2. Council of Presidents – Salt Lake City, July 1, 2014
3. Board of Regents Facilities Tour of USU – July 8, 2014
4. Board of Regents – Southern Utah University, Cedar City, July 18, 2014
5. Sunrise Session – Salt Lake City, August 1, 2014
6. Remarks at Department Heads Retreat – August 11, 2014
7. Department Heads Reception – August 11, 2014
8. Remarks at New Faculty Orientation Reception – August 12, 2014
9. RCDE and USU Eastern Faculty Dinner and Award Ceremony – August 13, 2014
10. Utah's Washington DC Delegation Staffers – August 18, 2014
11. Welcome at Connections – August 20, 2014
12. Touchdown Club Dinner – August 23, 2014
13. Football – USU at Tennessee, August 31, 2014
14. Common Hour State of the University Speech – September 3, 2014
15. Football – Idaho State at USU, September 6, 2014
16. Regence BlueCross BlueShield Western Conference – Vancouver, Canada,

September 7-10, 2014

17. Council of Presidents – Salt Lake City, September 9, 2014
18. Hall of Fame – September 12, 2014
19. Football – Wake Forest at USU, September 13, 2014
20. College of Agriculture and Applied Sciences Awards and Honors Banquet – September 18, 2014
21. Football – USU at Arkansas State, September 20, 2014
22. Salt Lake Chamber Board of Governors – Salt Lake City, September 23, 2014
23. Board of Regents at Utah State University – September 25-26, 2014
24. Leonard J. Arrington Dinner and Lecture – October 2, 2014
25. Sunrise Session – Salt Lake City, October 3, 2014
26. Football – USU at Brigham Young University, October 3, 2014
27. Homecoming Events – October 11, 2014
28. Football – Air Force at USU, October 11, 2014
29. Salt Lake Chamber Board of Governors – Salt Lake City, October 14, 2014
30. Football – USU at Colorado State, October 18, 2014
31. NCAA Division I Board of Directors – Indianapolis, Indiana, October 30, 2014
32. USU Board of Trustees – October 24, 2014

III. CONSENT AGENDA

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

Minutes of the Executive Session held on May 2, 2014

Minutes of the Regular Meeting held on May 2, 2014

Minutes of the Audit Committee Meeting held on March 7, 2014

Audit Committee Agenda to be held on June 19, 2014 (Appendix B)

Resolution 14-6-1 – Capital Development Priority List for Fiscal Year 2014-15
(Appendix C)

Resolution 14-6-2 – Certificate of Treasurer – March 2014 (Appendix D)

Resolution 14-6-3 – Contract Grant Awards – April 2014 (Appendix E)

Resolution 14-6-4 – Delegation Administrative Reports – 03-17-14 to 04-21-14
(Appendix F)

Resolution 14-6-5 – Delegation Administrative Reports – 04-21-14 to 05-19-14
(Appendix G)

Resolution 14-6-6 – Faculty and Staff Adjustments (Appendix H)

Resolution 14-6-7 – Report of Investments – March 2014 (Appendix I)

Next Board of Trustee Meeting to be held on the Logan Campus on October 24, 2014

Vice Chair Watterson asked if any items on the Consent Agenda needed to be moved to the Action Agenda for discussion.

Action: Trustee Pierce-Moore moved the approval of the Consent Agenda. Trustee Gillmor seconded the motion. The voting was unanimous in the affirmative.

IV. ACTION AGENDA

1. Proposal for a Business Education Bachelor of Science degree, School of Applied Sciences, Technology, and Education within the College of Agriculture and Applied Sciences.

Provost Cockett explained the request to offer a new degree, a Bachelor of Science degree in Business Education offered through the School of Applied Sciences, Technology, and Education (ASTE). The degree will lead to a teaching license for business education allowing graduates to teach business classes as part of their career and technical education program in middle and high schools. With the merger with USU Eastern and as we develop programs with regional campuses, we are offering classes with BUS designations. USU has a very strong business program in education offered through the regional campuses and USU Eastern, and USU also has a strong background in career and technical education through ASTE. By bringing these three units together, we will be able to reconstruct the Business Education degree. It will primarily be available through the regional campuses and USU Eastern. There is also strong interest in making it available to the Logan campus via broadcast from the regional campuses and USU Eastern. There is a demand for graduates with this license. The entities are in place to support this degree: Teacher Education and Licensure (TEAL) has made available credits needed in the teacher secondary education program, the Huntsman School of Business (HSB) has agreed to the delivery of business classes to the regional campuses and USU Eastern. Dennis Gardner at the Uintah Basin provides leadership at the national level for requirements for certification. Richard Beard, Assistant Department Head for ASTE, added that many students in the major currently get minors in business.

Trustee Gillmor added that there is a demand even beyond the demand for teachers. In rural Utah the best opportunity for growth is for business growth from within and to have high school students prepared by qualified teachers is excellent.

Action: Trustee Gillmor moved the approval of Resolution 14-6-8 the proposal for a new Business Education Bachelor of Science degree, School of Applied Sciences, Technology, and Education within the College of Agriculture and Applied Sciences. (Appendix J) Trustee Johnson seconded the motion. The voting was unanimous in the affirmative.

2. Proposal to add a Landscape Architecture Minor within the Department of Landscape Architecture and Environmental Planning in the College of Agriculture and Applied Sciences.

Provost Cockett explained that there is an existing major in Landscape Architecture. The proposed minor will be utilized by students in the Residential Landscape Design and Construction Program that is offered through the Plants, Soils and Climate Department for residential landscaping. Current students take design and landscaping courses through the Landscape Architecture and Environmental Planning Department (LAEP), but other than seeing the classes on their transcript no one realizes that they also have training in landscape architecture. LAEP is now housed within the College of Agriculture; no additional faculty are required to add this minor. This minor will designate to employers that these students have training in landscape architecture.

Action: Trustee Pierce-Moore moved the approval of Resolution 14-6-9 the proposal to add a Landscape Architecture Minor within the Department of Landscape Architecture and Environmental Planning in the College of Agriculture and Applied Sciences. (Appendix K) Trustee Peczuh seconded the motion. The voting was unanimous in the affirmative.

3. Proposal to rename the existing MBA specializations – Entrepreneurship - HR Management - Personal Finance Planning within the Huntsman School of Business.

Provost Cockett explained that there are three specializations under the current Master of Business Administration (MBA) offered through the Huntsman School of Business (HSB). The HSB has proposed to rename the specializations based on how the qualifications of these students are described in today's world marketplace. The proposed new names are as follows: "Entrepreneurship" will become "Strategic Business Development and Venturing," "Human Resource Management" will become "Business Analytics," and "Personal Financial Planning" will become "Finance."

Vijay Kannan, Professor of Operations Management, presented the rationale for these changes. Currently the MBA is a one-year program and there is a certain body of knowledge that all students have to acquire during the program. What the HSB is trying to do is to combine a generalist approach with a skill-based component. Students will be required to choose a specialization at the time of application; the students would then have a targeted set of rigorous coursework that would create a focused skillset to complement the broad-based core curriculum. This will better prepare students for the workplace. At graduation the student will have a more cognitive skillset either in the area of business development, business analytics, or business finance. None of the curriculum changes require any additional resources; it is a matter of creating a greater sense of focus.

With regard to the Strategic Business Development and Venturing specialization name, Professor Kannan explained that Jim Davis, Director of the MBA program, has done considerable benchmarking of programming nationwide, in terms of curriculum and how programs are positioned. This change is consistent with what other schools are doing and with the nature of the curriculum.

Professor Kannan explained the change from Human Resource Management to Business Analytics. By repositioning this as a specialization in analytics, the intent is for a broader-based audience. Graduates will have an MBA degree and a depth of knowledge and skillset specific to analytics.

Action: Trustee Nixon moved the approval of Resolution 14-6-10 the proposal to rename the existing MBA specializations – Entrepreneurship - HR Management - Personal Finance Planning within the Huntsman School of Business. (Appendix L) Trustee Pierce-Moore seconded the motion. The voting was unanimous in the affirmative.

4. Proposal for the Music Department to offer a Bachelor of Arts in Music within the Caine College of the Arts.

Provost Cockett indicated there are two components of the proposal to offer a Bachelor of Arts in Music. The first is that the degree includes 12 to 14 credits of language coursework, thus allowing the BA designation. The second is to add a Bachelor of Arts in Music.

James Bankhead, Department Head of Music, explained that a Bachelor of Music (BM) is considered a pre-professional degree for students whose focus is on performance and/or education. The Bachelor of Arts is in the tradition of the arts, a liberal arts degree giving students the opportunity to combine this degree with other disciplines or still allow them to go into the music disciplines. The BA that is being proposed will allow students to enter the commercial realms of popular music, commercial music, media music, music for gaming; areas that are prevalent in the music industry right now. There is a huge marketplace for these students to enter once they have completed their degree with broader opportunities than with the Bachelor of Music. This degree will provide music business training other than that of performance or teaching. This program has been structured to help students gain admittance into great masters' programs. Dean Craig Jessop added that a more competitive program empowers students in a significant way and makes us more competitive.

Vice Chair Watterson stated that this proposal is long overdue. There is a need for music training, entertainment production, etc. This gives students a chance to respond to the industry and attain employment.

Action: Trustee Johnson moved the approval of Resolution 14-6-11 the proposal for the Music Department to offer a Bachelor of Arts in Music within the Caine College of the Arts. (Appendix M) Trustee Nixon seconded the motion. The voting was unanimous in the affirmative.

5. Real Property Ground Lease with Brigham City

Vice President for Business and Finance, Dave Cowley, presented the real property ground lease with Brigham City. This project falls under Regents Policy R712, Nontraditional Development of Facilities on Campuses.

In the \$15 million Brigham City project it was always anticipated that the Legislature would fund half and Brigham City would fund the other half. It was also expected that Brigham City would issue bonds for their portion which would be repaid from the tax revenues from a re-development district that they had already established. Brigham City would like to get the lowest rates possible. They have the opportunity to submit a proposal to the Community Impact Board (CIB) for funding. If the CIB accepts their proposal they can obtain loan rates from 0 to 5 percent on the bonds they will issue.

Brigham City has two categorization options for the bonds: General Sales Tax Pledge or Building Ownership Authority. Brigham City wants to preserve sales tax for other uses so they are asking to use the Building Ownership Authority method of bonding. This would require that in the highly unlikely event Brigham City was defunct on their repayment of these bonds, the CIB would end up with ownership in the building. Brigham City does not want the building and USU does not want anyone else to have ownership of the building. The proposal is to have the agreement written so that Brigham City has an ownership in the building and if they ever defaulted then USU would have first right to take over payments and satisfy the debt. This is an important long-term strategic building for USU on the Brigham City campus.

Vice President Cowley explained that this proposal is seeking permission to ask the Regents for this non-traditional arrangement. USU would give Brigham City a ground lease for twenty years for one dollar to allow them to have ownership of a building on our property. The agreement under Regent's policy requires the Attorney General's Office to review the agreement to make sure that State interests are being protected. This is the best way for the city to bond. The fact that federal monies are being used requires that the CIB be involved in case they need to get their money back. USU will have full use of the building, and only in a default situation would this matter. If Brigham City defaults, USU would be allowed to take over the remaining bond payments. If that happened, USU would have ownership of the building with twenty years to repay the bond. We have no lack of confidence in Brigham City's ability to pay back the loan; but we want to be able to take over

repayment of the bond. President Albrecht noted that we would not have gotten state funding without the match from the city.

Action: Trustee Nixon moved the approval of Resolution 14-6-12 the Real Property Ground Lease with Brigham City. (Appendix N) Trustee Peczuh seconded the motion. The voting was unanimous in the affirmative.

6. Research Park Lease-Purchase with Woodbury Corporation

Vice President Cowley indicated there is a need for a new electrified test track on campus. This tract will be used by USTAR Professor Regan Zane for research that is currently underway. Due to a lack of facilities Professor Zane is turning down research funding. In addition, Zane has submitted a proposal to the National Science Foundation (NSF) and with this new facility there is an excellent chance he will win this valued ten-year NSF award.

Regents' approval is needed. The developer will build the facility and then lease it back to USU for a period of time. Woodbury Corporation has responded with interest. Vice President Cowley explained that we are evaluating lease versus buying options to see which is better for USU's interests. Woodbury would enter into a simple lease or we would buy at any time before the end of the lease period. Either way, we need the facility and are working through the best way to finance. To reserve the opportunity to keep a lease option, we need permission to go to the Regents and further to get the Attorney General's input. Between now and the July Regents' meeting if it makes more sense to do the traditional route, we will pull this request from the agenda. If USU does not get the NSF grant, we will continue with the building. Current funding is in hand to make payments for its use. Vice President Cowley explained that this could be voted on to approve either way.

Action: Trustee Pierce-Moore moved the approval of Resolution 14-6-13 the Research Park Lease-Purchase with Woodbury (Appendix N). Additionally, if the University determines that a traditional, constructed facility is more advantageous than using a lease-purchase option, approval is granted to add this project to the list of Non-State Funded Capital Development projects that will be presented to the Board of Regents and Building Board. Trustee Peczuh seconded the motion. The voting was unanimous in the affirmative.

Vice Chair Watterson concluded the meeting and thanked those who participated including, Vice President Cowley, Provost Cockett and the President.

Trustee Peczuh expressed gratitude from people in the Price area where a new building on campus has brought excitement and hope to the community. He noted that work on regional campuses is having an impact on lives of people in rural Utah.

Provost Cockett announced that USU has begun plans for a rollout for next year to be the “Year of Water.” Next year is the 50th anniversary of the Utah Water Research Laboratory (UWRL). Public Relations and Marketing as well as other various offices are uniting in preparations for a celebration to be focused on water.

Action: Trustee Gillmor made a motion to adjourn the meeting. Trustee Johnson seconded the motion; the voting was unanimous in the affirmative.

The regular meeting adjourned at 11:05 a.m.

Scott R. Watterson, Vice Chair

Sydney M. Peterson, Secretary
(Minutes taken by Carolyn Brittain)

Date Approved