

UVU BOARD OF TRUSTEES

February 7, 2013

7 p.m. – SC213c

Board of Trustees Members Present

Karen L. Acerson
Rebecca Marriott Champion (by phone)
Ronald K. Hawkins
Steven J. Lund
Carolyn Merrill
Curtis J. Morley
Doyle Mortimer
Chad Workman

Board of Trustee Members Excused

Debbie Bingham
Greg S. Butterfield
Terry Shoemaker

UVU Regular Attendees

President Matthew S. Holland
Marc Archambault, Vice President Development and Alumni
David Connelly, Faculty Senate President
Cory Duckworth, Vice President Student Affairs
Linda Makin, Chief Planning, Budget & Policy Officer
Cameron Martin, Vice President University Relations
Karen Olsen, Secretary to the Board
Val Peterson, Vice President Administration and Finance
Kyle Reyes, Assistant to the President
Ian Wilson, Academic Vice President

Guests:

Jack Zenger, Board of Regents
Alexander Sousa, UVU Review
Wayne Dornan, Dean College of Aviation and Professional Services
Tom Sturtevant, Associate Dean College of Aviation and Professional Services

Dinner guests were members of the College of Aviation and Professional Services: Dustin Berlin, Director of Aviation Online Education; Rodger Broomé, Emergency Services Department Chair; Brent Bullock, Criminal Justice Department Chair; Steve DeMille, Director of Law Enforcement Academy; Wayne Dornan, Dean of College of Aviation & Public Services; Diane Hager, Chief Flight Instructor; Russell Hopkinson, Director of Aviation Safety; Mario Markides, Director of Flight Operations; Greg Schwab, Aviation Department Chair; Tom Sturtevant, Associate Dean of College of Aviation & Public Services; Ryan Tanner, Director of Aviation Academic Support and Jacob Bracken, CAPS Student Senator.

Regent Jack Zenger was welcomed. He is a former UVU Trustee and now on the Board of Regents and spends much time on higher education in this role.

I. INFORMATION

A. President's Report

1) Dean Wayne Dornan presented on the College of Aviation and Public Services. This College was created to better focus on the various programs within the College. There are three departments—Emergency Services, Criminal Justice and Forensics Science, along with the Utah Fire and Rescue Academy. 100% of the fire fighters in the state are trained by this academy, along with many volunteers. They host a Winter Fire School where over 800 fire fighters were in attendance, and volunteer fire chiefs are very appreciative of this service. Training is also taken to various locations in the state at a very reduced or free cost because of the state grant funding. 61 Cadets graduated from the Law Enforcement Academy and every one of them became a police officer. Emergency Services awarded 61 certificates last year – 49 for fire fighters and 12 for paramedics. 100% of them got jobs and 90% of them were in the state of Utah. Forensic Science and Criminal Justice have hosted conferences at the undergraduate level and also nationally. At the regional competition, the Criminal Justice students took all three medals and one national gold medal. There are ten full-time and 45 part-time aviation faculty, and each one comes with industry experience which the students demand and appreciate. UVU also has the largest fleet of Diamond aircraft in a collegial setting, and Diamond watches the fleet carefully. A DA-42 was recently flown from Belgium and is the first in the US in an academic setting. A Director of Safety is on-site at all times, and reports on any safety concerns weekly, and there is one full-time Chief Flight Instructor and three Assistant Chiefs. Aircraft maintenance is done in-house and is carefully regulated by the FAA. A Maintenance Training program is being planned. The College is hosting the annual University Aviation meeting in the Fall of 2015, which is the largest in the world. We have a student flight team that competes at the regional and national level, and despite being only 2 years old, won the privilege of competing in the national competition in May. Dean Dornan showed a YouTube video created by Dustin Berlin on the History of Aviation and promotion of the UVU Aviation program. They are working with the FAA to be the main on-line provider of aviation training. Dean Dornan will be in Washington DC to discuss and support unmanned aircraft systems.

2) President Holland referred to the headline in the Herald about the recent State of the University address “UVU to Face Up to \$10 Million Shortfall.” Primary cause of enrollment decline is a result in the change in LDS missionary age. State

of the University provided an opportune time to discuss future direction. He presented the realities, why it is serious and how we will address, but also why we should remain optimistic. Enrollment decreased last summer 9% as a direct result of the change in PELL grant operation. Fall 2012 experienced another decrease, which was anticipated because of the changes in enrollment and admissions policies to have a more serious start to the semester on admission date, purge deadlines and student orientation, while remaining open admission. Also, increases in the economy resulted in more students taking job opportunities. He noted we have always had a large enrollment decrease from the beginning to end of semester, but in Fall 2012 end of term numbers were up, which indicates better prepared and more serious students, along with more students taking block classes. Spring 2013 is down 6.8%, in large measure from the missionary age impact. We anticipate Summer 2013 will remain consistent, as we took the big hit last year and summer enrollments are typically upper division. We are projecting a 6.6% decrease in Fall 2013 and 4.2% in Spring 2014, with a possible \$10 million impact. Because of good management, the university will be able to absorb the reduction this year. We need to decide where we will get the \$10 million difference moving forward, and listed options and strategies: a) Leave of Absence and Deferred Admission. Students Affairs saw how vital it was to have an effective program, which was put in place several years ago. Prospective students can apply and defer their admissions and scholarships, and parents can access information through completed FERPA approvals. We want to ensure students are in the system before they leave so we can get them back in the system more seamlessly upon return. President Holland asked the Superintendents who are part of the K-16 Alliance to work with Principals and Counselors to encourage students to apply now. A marketing and recruiting effort is in full swing both within the state, out of state, and for non-traditional students. A bill currently in the legislature would allow us to have more out of state tuition waivers, but we have to be careful as it will impact revenue. We are trying to target populations with international recruiting which is aggressively underway and funding has been approved for this marketing and recruiting, including new personnel. 3) Spring Block. We have quickly created more second block offerings for students who still have a few months before leaving on a mission, or are returning mid-semester for various reasons. We have had 70 enroll so far. 4) Tuition. Last year 1st tier tuition was increased 4.5% and we had no 2nd tier tuition increase. We do have a responsibility for quality and delivery, so have proposed a 1-5% 2nd tier increase, and are waiting for 1st tier tuition numbers from the Regents. This will help us mitigate the shortfall. 5) Legislature. It is absolutely crucial that we get some new equity funding, because of the challenges to an institution that has grown so fast without commensurate funding. Distinctive mission-based funding is tied to specific projects which will move the institution forward, but won't help with funding shortfall, as well as the STEM initiative funding which is tied to new programs and personnel. We are also hopeful of funding for the Classroom Building. Legislature is awaiting word on revenue projections, and there is much concern about the impact of the federal government. 6) Cost reducing strategies. We must put some in place, while trying to protect and preserve human assets. Cabinet will be meeting to formalize. 6) Future. When we look at what is happening within our communities, the high tech corridor, and our region, we are optimistic we will be able to get through this short decline and live up to long-term greatness. 7) Projections for next 8 Years. Newly projected targets for growth have UVU at 43,000 students by 2020, rather than 46,000. We are still within the realm to achieve benchmarks such as a new fine arts facility, Thanksgiving Point campus, new Business Building, new degrees, including additional master degrees, and we anticipate enrollment to return. 8) Highlights of last 8 Years. Within the past 8 years we have had a new library, Liberal Arts Building, Business Resource Center, remodeling of other buildings, growth from 24-30,000+ students, increase of bachelor degrees from 35 to 65, addition of Master degrees, increase of full time faculty from 350 to 550, new athletic conference, new athletic track and baseball field, and visits from Michael Moore and Sean Hannity. A lot can happen in 8 years and we have weathered budget cuts and took on much growth without funding, and the future is bright. Trustees will be asked for counsel as we begin that dialogue. Trustee Acerson noted the President's ability to convey the great spirit and optimism that is here at the university.

B. Foundation Report.

Vice President Archambault reported on final fundraising totals for calendar year 2012. There were 2,860 cash gifts, up 7%, for a total of \$2,231,765. 879 new pledges, up 118%, for a total of \$2,547,999 (up 80%) while sustaining a rate of 90% fulfillment on previous pledges. Overall, 3,744 individual gifts were received, up 21%, for a total of \$5,180,270 (up 16%). At the beginning of the new year we are up slightly in the number of cash gifts, have doubled the number of pledges and are ahead in stock gifts at over \$400,000. The Foundation received several modest unrestricted gifts and has elected to contribute an additional \$150,000 to the Wee Care Center expansion. The fall goal is an increase of \$1 million in new scholarships, and we are already at 60% of this goal.

C. Audit Committee Report and Report from Investment Committee.

Audit Committee Chair Trustee Hawkins reported there is an active and rigorous audit committee. The number of audits completed is growing significantly, and they recently reported to the Regent Audit committee who were very complimentary. The State Auditors attended tonight's meeting where they reviewed the financial statement for June 30, 2012. It was a clean opinion with no significant findings, a few minor things that will be self-corrected. They reviewed four completed audits, where there were some important findings with issues in grant programs which will be addressed

and improved. The process for payroll approval needs to be improved and there will be significant steps forward in that area. Along with growth comes some of these procedural issues, and good progress is being made.

Investment Report: Updated information on the December university and foundation investments was distributed. The Board of Trustees approved an investment strategy to take some of the funds in the PTIF that were earning smaller amounts and invest outside of PTIF while remaining within the restrictions of the Utah Money Management Act. An investment committee was formed consisting of Vice President Peterson, Mike Francis, Ron Hawkins, President Holland and outside investment advisors to actively invest these funds. They were able to invest \$18 million before the end of the year (information on performance of this investment was distributed) and effectively doubled return on investment. One issue is the difficulty in finding appropriate investments quickly enough, as the charge was to make all decisions by committee. Trustee members approved the request of the investment committee to revisit their charge and produce ideas on how to streamline the investment process. A recommendation will be provided in an upcoming meeting.

I. ACTION

A. Board of Trustee Awards of Excellence.

Trustee Mortimer motioned to approve Board of Trustee Awards of Excellence for Briant Farnsworth, Cheryl Hanewicz, Laurie Miller and Jim Michaelis. Trustee Workman seconded. Voting was unanimous.

B. Trustee Resolution of Regent 66% Goal and Budget.

Trustees are aware of and support the 66% goal that is also supported by the Regents and Prosperity 2020. Goal is by the year 2020 66% of Utah adults will hold some form of secondary degree or certificate. Trustee Morley motioned for approval of the Trustee Resolution of the Regent 66% goal and budget. Trustee Acerson seconded. Voting was unanimous. Trustees signed the resolution which will be presented to the Board of Regents.

C. Faculty Sabbaticals.

Trustee Acerson motioned to approve one year sabbaticals (2013-14 academic year) for Elaine Englehardt, Amir Kia, and Michaela Sawyer, and one semester sabbaticals (Fall 2013) for Geoffrey Cockerham, David Johnson, Reza Sanati-Mehrzy and Jeniveve Wahlquist. Trustee Champion seconded. Voting was unanimous

D. UTA Land Purchase.

Vice President Peterson said Trustees had approved the sale of about 8 acres of property to UTA to create a FrontRunner stop. At the final survey it was discovered they had encroached on our property by about 1,215 square feet consisting of a corner and the back edge of a sidewalk. They will pay the same price per square foot as the original amount. Trustee Lund motioned for approval of 1,215 square feet of property to the Utah Transit Authority at a total price of \$11,154. Trustee Hawkins seconded. Voting was unanimous.

III. CONSENT CALENDAR.

A. Minutes of January 10, 2013 Board of Trustee meeting.

B. Human Resources Report for November and December 2012

C. Investment Report for December 2012

D. Baseball Stadium Contract. Vice President Peterson said Trustees must approve continuous contracts. The Baseball Stadium contract is in year 8, but the contract owners want to renegotiate for a ten year extension from 2012-2022, with a 5% escalation per year beyond the first five years on rent, and clarification of some function issues. It was noted it is not a lot of money, but Dr. Peterson said it used to be the highest contract of any Pioneer League team. Efficiencies have been implemented to help both parties. We are not subsidizing minor league baseball, but have benefited from a really nice baseball facility, which is listed in the top 10 of minor league stadiums in the country. The stadium also brings people to the university and gives us additional use of the facility.

Trustee Merrill motioned for approval of the Consent Calendar. Trustee Workman seconded. Voting was unanimous.

Trustee Lund motioned to hold an Executive Session under the provisions of the Open and Public Meeting Act to discuss personnel issues. Trustee Acerson seconded. Voting was unanimous.

Trustee Merrill motioned to move out of closed session. Trustee Morley seconded. Voting was unanimous.

Meeting adjourned at 9 p.m.