

EXECUTIVE SESSION
UTAH STATE UNIVERSITY BOARD OF TRUSTEES
MARCH 6, 2009

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 1:00 p.m.

MEMBERS PRESENT

Richard L. Shipley	Chairman
Suzanne Pierce-Moore	Vice Chairman
Grandon B. Brimley	
David P. Cook	
Robert L. Foley	
Douglas S. Foxley	
Ronald W. Jibson	
David Johnson III	
Paul D. Parkinson	
Scott R. Watterson	

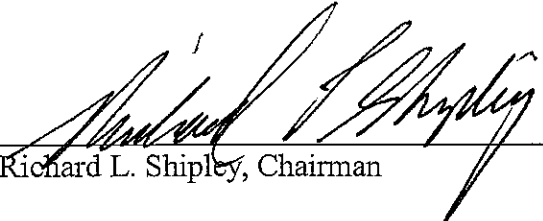
UNIVERSITY REPRESENTATIVES PRESENT

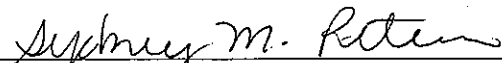
Stan L. Albrecht	President
Sydney M. Peterson	Chief of Staff and Board of Trustees Secretary (for part of the discussion)
Craig J. Simper	General Counsel

Chair Shipley conducted the meeting.

Personnel and legal items issues were discussed.

The Executive Session adjourned at 2:00 p.m.


Richard L. Shipley, Chairman


Sydney M. Peterson, Secretary

10 April 2009
Date

REGULAR MEETING
UTAH STATE UNIVERSITY BOARD OF TRUSTEES
MARCH 6, 2009

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 2:05 p.m.

MEMBERS PRESENT

Richard L. Shipley	Chairman
Suzanne Pierce-Moore	Vice Chairman
Grandon B. Brimley	
David P. Cook	
Robert L. Foley	
Douglas S. Foxley	
Ronald W. Jibson	
David Johnson III	
Paul D. Parkinson	
Scott R. Watterson	

UNIVERSITY REPRESENTATIVES PRESENT

Stan L. Albrecht	President
Gary A. Chambers	Vice President for Student Services
Brent C. Miller	Vice President for Research
F. Ross Peterson	Vice President for University Advancement
Ned M. Weinshenker	Vice President for Strategic Ventures and Economic Development
Jodi Bailey	Chief Audit Executive
Scott Barnes	Director of Athletics
David T. Cowley	Associate Vice President for Business and Finance
Jeff Crosbie	Assistant Athletics Director for Business Operations
John DeVilbiss	Executive Director of Public Relations and Marketing
Doug Garrett	President of the Professional Employees Association
Eric Hawley	Associate Vice President for Information Technology
Karen Hoffman	President of the Classified Employees Association
Michelle Larson	Assistant Provost
Christopher Luecke	Department Head, Watershed Sciences
Michael Parent	President of Faculty Senate
Sydney M. Peterson	Chief of Staff and Board of Trustees Secretary
Mira G. Thatcher	Secretary

OTHERS PRESENT

Kara Brown	Student
Tyler Tolson	ASUSU President-elect
Jeremy Winn	ASUSU Athletics Vice President-elect

MEMBERS OF THE MEDIA PRESENT

Kim Burgess	<i>The Herald Journal</i>
Rachel A. Christensen	<i>The Statesman</i>

Chair Shipley conducted the meeting and welcomed those present. He excused Provost Coward, and Vice Presidents Cockett and Hunsaker. He extended congratulations to Trustee Brimley, whose wedding was the next day.

I. Chairman's Report

A. Introduction of Tyler Tolson, ASUSU President-elect and Jeremy Winn, ASUSU Athletics Vice President-elect

Trustee Brimley introduced Tyler Tolson, newly-elected student body president effective April 17, and Jeremy Winn, new Athletics Vice President.

Mr. Tolson stated that he is from Maryland. He attended Southern Virginia University for two years then served a mission for the LDS church. After his mission he visited USU and chose to attend. Mr. Tolson said he looks forward to working with the student body and with the Trustees. Chair Shipley welcomed Mr. Tolson and extended his congratulations.

B. ASUSU Report

Trustee Brimley reported on the following (see Appendix HH) :

- Jackson Olsen, Executive Vice President, organized a rally which was held on January 30, 2009, at the State Capitol to lobby legislators regarding the proposed budget cuts to higher education. More than 500 students statewide participated.
- Renovation of the third floor of the Taggart Student Center is almost completed.

- The Student Fee Committee met and proposed a \$12.50 increase to student fees – 4% (see Appendix Q). There will be two referendums for students to vote on in the upcoming general election – \$1.25 fee for Aggie Blue Bikes (rental bicycles), and an increase to the athletics fees (see Appendix WW).
- Student body officer elections were held. Several students ran for offices and voter turnout was good.

C. Alumni Association Report

Trustee Parkinson reported on the following (see Appendix GG):

- Founder's Day will be held March 6, 2009. Recipients of the Distinguished Alumnus Awards will be Sandra S. Buys and John R. Miller. Recipients of the Distinguished Service Awards will be Michael Dmitrich and L. John and Barbara S. Wilkerson.
- Call for nominations for Homecoming awards for Alumnus of the Year, Grand Marshal, and Distinguished Alumnus of the Year.
- Four merit citations have been awarded to deserving individuals. More awards are scheduled. These citations provide opportunities to honor more individuals.
- The WAC Tournament pre-game event will be held on Friday, March 13, in Reno, Nevada.
- The license plate program has generated almost \$100,000 for student scholarships. Trustee Parkinson encouraged anyone who does not have an Aggie license plate to get one.

D. Athletics Committee Meeting Report

Committee Chair Johnson reported that the Athletics Committee met on March 6. Director of Athletics, Scott Barnes; Assistant Athletics Director, Jeff Crosbie; and Football Coach, Gary Andersen attended the meeting. Spring football training will begin in April. Trustee Johnson expressed his support and respect for Coach Andersen, who was his coach at Ricks College twenty years ago.

A presentation was given to the Committee concerning the proposed increase in student athletics fees.

E. Audit Committee Meeting Report

Committee Chair Cook reported that the Audit Committee met on March 6 (Appendix A). The Committee approved the minutes of the November 21, 2008, Audit Committee meeting (Appendix B) and reviewed and voted to accept the External Audit reports which the full Board will consider in the Consent Agenda. The Committee recommended approval of the reports (see Appendix L).

The Committee also received a review of activities of the Internal Audit Services from Chief Audit Executive, Jodi Bailey. She reviewed accomplishments and the reports conducted during the year, as well as audit plans for 2009. Committee Chair Cook said that USU has an outstanding Internal Audit Department, and he expressed appreciation to them for their efforts. He also expressed appreciation to Business and Finance, and to Associate Vice President Cowley for his exceptional work.

Trustee Foxley stated that the USU Board of Trustees Audit Committee is outstanding, and he expressed his appreciation to members of the Committee.

F. Date of the Next Board of Trustees Meetings

The next Board of Trustees meeting will be held on Friday, April 10, 2009, as a telephone conference call.

G. Summer Commencement 2009

Chair Shipley emphasized the importance of Trustees attending Commencement ceremonies.

H. Sociology, Social Work and Anthropology

Chair Shipley expressed appreciation and support to the Anthropology Program for their work with the Paleoindian project in southern Idaho and northern Utah.

II. President's Report

A. Student Resolution of Commendation to Kara Brown

Trustee Brimley read the Student Resolution of Commendation to Kara Brown (Appendix C). Ms. Brown is a junior majoring in Social Work.

B. Revenue Bond Update

A request to seek legislative bonding authority was approved by the Trustees on January 9, 2009. Associate Vice President Cowley distributed a fact sheet concerning the Research Revenue and Refunding Bonds Series 2009 which totaled approximately \$30,435,000 (Appendix D). He stated that the request will go to the Board of Regents for consideration on March 26-27, 2009.

Associate Vice President Cowley stated that the 2009 bonds are being issued for the following purposes:

- Financing the construction of the Emma Eccles Jones Early Childhood Education and Research Center.
- Financing a portion of the construction costs for the Bingham Entrepreneurship and Energy Research Center in Vernal, Utah.
- Refunding, in advance of their maturity, approximately \$9 million of outstanding Research Revenue Bonds.
- Paying capitalized interest and associated issuance costs.

President Albrecht stated that the bonds will be paid from donations from the Eccles family and the Uintah Impact Mitigation Special Service District (mineral lease funds), not University funds.

Associate Vice President Cowley indicated that the current environment for issuing bonds is favorable. He stated that the source of revenue pledged to secure the bonds currently has more than eight times coverage for debt service payments, and that we are only required to have a coverage ratio of 2.5 times.

C. Enrollment Update

Vice President Chambers reported that as of the end of February, total enrollment applications increased by 11% for new freshman compared to the same period last year. There is an increase of almost 9% in transfer student applications (see Appendix BB). Vice President Chambers expressed appreciation for his tremendous staff.

The Student Affairs and Enrollment Committee met later that day (Appendix E). They were shown a new video and given detailed enrollment information.

D. Strategic Ventures and Economic Development Update

Vice President Weinshenker reported the following (see Appendix AA):

1. USTAR

- If Senate Bill 240, Utah Science, Technology, and Research Initiative Amendment, passes the Legislature, it will add an additional \$10 million to USTAR. Currently, \$15 million is split between USU and the University of Utah.
- Governor Huntsman may use \$25 million of stimulus money from the federal government for USTAR to help spin-out companies.
- USTAR projects have recently received positive media coverage. KSL television reported on the Center for Active Sensing and Imaging (CASI), and KUTV carried a story on the biofuels project.
- The biofuels group won a contract as a subcontractor and will receive approximately \$4 million.

2. Innovation Campus

- The sale of ownership in buildings 1750 and 1770 to Woodbury Stokes will soon be finalized.
- The USTAR building construction is moving forward. The rebar is in place, the foundation will be poured in the next few weeks, then the steel will be installed. Construction estimates quoted in September are approximately 26% higher than current costs.

E. Comprehensive Campaign Report

Vice President Peterson reported to the Trustees on the comprehensive campaign (see Appendix CC). Last year on Founders Day, an announcement was made that the \$200 million goal had been reached much earlier than expected. In August 2008, a new goal of \$400 million was announced. Soon after that the nation and world faced a financial crisis. Vice President Peterson said they have raised an additional \$35 million, which is very good during these hard economic times.

Vice President Peterson said he is impressed by the loyalty of USU alumni. Large numbers attend alumni events. He said his staff is working on stewardship and cultivation. In January they met with 120 more individuals than in any other month. He said that fundraising is about scholarships. The endowment has decreased, and they are asking for cash donations.

Vice President Peterson stated that it would be beneficial to USU for the Legislature to pass the House Bill 364, Border Student Amendments, which would allow out-of-state children and grandchildren of alumni to attend USU without paying out-of-state tuition. Vice President Peterson said the more alumni are connected back to USU, the more opportunity there is to secure USU's future. He said this is a stressful period, but there are many individuals who are willing to help fund another generation of students.

Trustee Brimley left at this time.

F. Search Update for Vice President for Student Services

Vice President Peterson, Chair of the search committee for Vice President for Student Services, reported that the committee has received applications and held preliminary interviews. The four finalists will visit campus the last two weeks of March.

G. Utah State GREATS (in brief)

Utah State GREATS (in brief) was distributed to the Trustees for their information (Appendix F).

H. Recent Events

1. Governor's Reception, Salt Lake City, January 12, 2009
2. Legislative Session, Salt Lake City, January 26-March 12, 2009
3. Sunrise Sessions, Salt Lake City, January 23, 2009
4. Research on Capitol Hill, Salt Lake City, January 29, 2009
5. Athletics Hall of Fame Weekend, February 6-7, 2009
6. University of Nevada-Reno Presidential Evaluation, February 18-20, 2009
7. Sterling Scholar Competition, March 4, 2009

I. Upcoming Events

1. Founder's Day, March 6, 2009
2. Mandatory Furlough, March 9-13, 2009
3. WAC Basketball Tournament, Reno, March 10-14, 2009
4. Ag Memorial Dedication, March 18, 2009 – President Albrecht invited those present to attend the unveiling of the memorial sculpture which is to honor the eight students and one instructor who were killed in a van accident in 2005.
5. Daniel's Fund Scholarship Selection Interviews, April 1, 2009
6. Rural Business Conference, Brigham City, April 17, 2009
7. Meeting with Board of Regents Audit Committee, April 17, 2009

8. Robins Awards, April 18, 2009 – President Albrecht said this was formerly sponsored by Sigma Nu Fraternity. Vice President Chambers said the University-wide recognition event will be sponsored by the Student Involvement and Leadership Center.
9. Sunrise Sessions, Salt Lake City, April 24, 2009
10. USU Commencement, May 1-2, 2009
11. USU Foundation Board Meeting, May 15-16, 2009
12. USU Retirement Dinner (tbd)
13. Regional Campuses and Centers Commencements
 - Brigham City, April 17, 2009
 - Price, April 22, 2009
 - Moab, April 23, 2009
 - San Juan, April 24, 2009
 - Uintah Basin, April 25, 2009
 - Tooele, April 29, 2009
 - Ephraim/Southwest, April 30, 2009

III. Consent Agenda

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

- Minutes of the Executive Session Held on January 9, 2009
- Minutes of the Regular Meeting Held on January 9, 2009
- Resolution 09-3-1 Faculty and Staff Adjustment (Appendix G)
- Resolution 09-3-2 Certificate of the Treasurer for November 2008 (Appendix H)
- Resolution 09-3-3 Certificate of the Treasurer for December 2008 (Appendix I)
- Resolution 09-3-4 Report of Investments for November 2008 (Appendix J)
- Resolution 09-3-5 Report of Investments for December 2008 (Appendix K)
- Resolution 09-3-6 Review and Approval of the External Audit Reports (Appendix L)
- Resolution 09-3-7 Housing Review and Recommendation for 2009-2010
(Appendix M)
- Resolution 09-3-8 Delegation/Administrative Reports for December 11, 2008 to
February 18, 2009 (Appendix N)
- Resolution 09-3-9 Contract/Grant Proposals and Awards for December 2008
(Appendix O)
- Resolution 09-3-10 Contract/Grant Proposals and Awards for January 2009
(Appendix P)
- Resolution 09-3-11 Proposal to Increase Student Fees as Recommended by the Utah
State University Student Fee Board (Appendix Q)

Resolution 09-3-12 Amendment to Add a New Article to the *Code of Policies and Procedures for Students at Utah State University* – University Regulations Regarding Academic Integrity Policy (Appendix R)

Acceptance of the following written reports:

Academic/Provost (Appendix S)

Faculty and Staff Activities and Achievements (Appendix T)

Business and Finance (Appendix U)

Extension/Continuing Education (Appendix V)

Information Technology (Appendix W)

Research (Appendix X)

Research Performance Dashboard, FY 2008 (Appendix Y)

Undergraduate Research Report (Appendix Z)

Strategic Ventures and Economic Development (Appendix AA)

Student Services (Appendix BB)

University Advancement (Appendix CC)

Campaign Progress by Purpose, July 1, 2003 to February 23, 2009

(Appendix DD)

Monthly Gift Comparison (Appendix EE)

Significant Gifts Received, October 2008 to January 2009 (Appendix FF)

Alumni Relations (Appendix GG)

ASUSU (Appendix HH)

Athletics (Appendix II)

Public Relations and Marketing (Appendix JJ)

Public Relations and Marketing Performance Dashboard, January 2009

(Appendix KK)

Faculty Senate (Appendix LL)

Professional Employees Association (Appendix MM)

Classified Employee Association (Appendix NN)

Executive Session to be held on April 10, 2009, to discuss those items which are permitted by law to be discussed in Executive Session.

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

IV. Action Agenda

- A. Proposal from the Department of Environment and Society and the Department of Watershed Sciences in the College of Natural Resources at Utah State University (USU) to Jointly Offer a Bachelor of Science Degree in Geography, which is Currently Offered Only in the Environment and Society Department, Effective Fall Semester 2009

Trustees were given the proposal from the Department of Environment and Society and the Department of Watershed Sciences in the College of Natural Resources at Utah State University (USU) to jointly offer a Bachelor of Science degree in Geography, which is currently offered only in the Environment and Society Department, effective fall semester 2009 (Appendix OO) for their consideration. Assistant Provost Larson stated that the requested curriculum change is significant enough to go to the Board of Regents for consideration. It will now be a jointly offered degree between two different departments.

Action: Trustee Johnson moved approval of Resolution 09-3-13 the proposal from the Department of Environment and Society and the Department of Watershed Sciences in the College of Natural Resources at Utah State University (USU) to jointly offer a Bachelor of Science degree in Geography, which is currently offered only in the Environment and Society Department, effective fall semester 2009 (Appendix OO). Trustee Jibson seconded the motion, and the voting was unanimous in the affirmative.

- B. Proposal from the Department of Instructional Technology and Learning Sciences in the Emma Eccles Jones College of Education and Human Services at Utah State University (USU) to Change the Name of the Master of Science (M.S.) and Doctorate of Philosophy (Ph.D.) Degrees to a M.S. and Ph.D. in Instructional Technology and Learning Sciences, Effective Fall Semester 2009

The Trustees were given the proposal from the Department of Instructional Technology and Learning Sciences in the Emma Eccles Jones College of Education and Human Services at Utah State University (USU) to change the name of the Master of Science (M.S.) and Doctorate of Philosophy (Ph.D.) degrees to a M.S. and Ph.D. in Instructional Technology and Learning Sciences, effective fall semester 2009 (Appendix PP) for their consideration. According to Assistant Provost Larson, the change in the name of masters and Ph.D. degrees will reflect the recent name change of the department.

Action: Trustee Foley moved approval of Resolution 09-3-14 the proposal from the Department of Instructional Technology and Learning Sciences in the Emma Eccles Jones College of Education and Human Services at Utah State University (USU) to change the name of the Master of Science (M.S.) and Doctorate of Philosophy (Ph.D.) degrees to a M.S. and Ph.D. in Instructional Technology and Learning Sciences, effective fall semester 2009 (Appendix PP). Trustee Cook seconded the motion, and the voting was unanimous in the affirmative.

- C. Proposal from the Department of Nutrition and Food Sciences in the College of Agriculture at Utah State University to Change the Name of the Department to the Department of Nutrition, Dietetics and Food Sciences, Effective Summer 2009

Trustees were given the proposal from the Department of Nutrition and Food Sciences in the College of Agriculture at Utah State University to change the name of the Department to the Department of Nutrition, Dietetics and Food Sciences, effective summer 2009 (Appendix QQ) for their consideration. Assistant Provost Larson stated that dietetics make up the majority of the majors in this department. Approximately 40 degrees are issued a year, and about 30 of those are in dietetics. This name change will better reflect the composition of the department.

Action: Trustee Foley moved approval of Resolution 09-3-15 the proposal from the Department of Nutrition and Food Sciences in the College of Agriculture at Utah State University to change the name of the Department to the Department of Nutrition, Dietetics and Food Sciences, to be effective summer 2009 (Appendix QQ). Trustee Parkinson seconded the motion, and the voting was unanimous in the affirmative.

D. Proposal from the Faculty Senate to Change the Utah State University Policy and Procedures Manual, Policy 402.12.6 (2&8) – Senate Standing Committees

Trustees were given the proposal from the Faculty Senate to change the Utah State University Policy and Procedures Manual, Policy 402.12.6 (2&8) – Senate Standing Committees (Appendix RR) for their consideration.

(See action below.)

E. Proposal from the Faculty Senate to Change the Utah State University Policy and Procedures Manual, Policy 403.3.3 – Professional Responsibility; Standards of Conduct – Responsibilities to the Institution

Trustees were given the proposal from the Faculty Senate to change the Utah State University Policy and Procedures Manual, Policy 403.3.3 – Professional Responsibility; Standards of Conduct – Responsibilities to the Institution (Appendix SS) for their consideration.

(See action below.)

F. Proposal from the Faculty Senate to Change the Utah State University Policy and Procedures Manual, Policy 405.7.2 – Procedures Specific to the Tenure Process – Additional Events During the Year in which a Tenure Decision is to be Made

Trustees were given the proposal from the Faculty Senate to change the Utah State University Policy and Procedures Manual, Policy 405.7.2 – Procedures

Specific to the Tenure Process – Additional Events During the Year in which a Tenure Decision is to be Made (Appendix TT) for their consideration.

(See action below.)

- G. Proposal from the Faculty Senate to Change the Utah State University Policy and Procedures Manual, Policy 405.8.3 – Procedures Specific to the Tenure Process – Procedures for Promotion

Trustees were given the proposal from the Faculty Senate to change the Utah State University Policy and Procedures Manual, Policy 405.8.3 – Procedures Specific to the Tenure Process – Procedures for Promotion (Appendix UU) for their consideration.

(See action below.)

- H. Proposal from the Faculty Senate to Change the Utah State University Policy and Procedures Manual, Policies 202 and 401 through 407 (non-substantive changes)

Trustees were given the proposal from the Faculty Senate to change the Utah State University Policy and Procedures Manual, Policies 202 and 401 through 407 (non-substantive changes) (Appendix VV) for their consideration.

Mrs. Peterson pointed out that the changes made in this section of the Code are available on the web site listed on the Resolution. The changes are non-substantive.

Action: Trustee Johnson moved approval of Resolution 09-3-16 the proposal from the Faculty Senate to change the Utah State University Policy and Procedures Manual, Policy 402.12.6 (2&8) – Senate Standing Committees (Appendix RR); Resolution 09-3-17 the proposal from the Faculty Senate to change the Utah State University Policy and Procedures Manual, Policy 403.3.3 – Professional Responsibility; Standards of Conduct – Responsibilities to the Institution (Appendix SS); Resolution 09-3-18 the proposal from the Faculty Senate to change the Utah State University Policy and Procedures Manual, Policy 405.7.2 – Procedures Specific to the Tenure Process – Additional Events During the Year in which a Tenure Decision is to be Made (Appendix TT); Resolution 09-3-19 the proposal from the Faculty Senate to change the Utah State University Policy and Procedures Manual, Policy 405.8.3 – Procedures Specific to the Tenure Process – Procedures for Promotion (Appendix UU); and Resolution 09-3-20 the proposal from the Faculty Senate to change the Utah State University Policy and Procedures Manual, Policies 202 and 401 through 407 (non-substantive changes) (Appendix VV). Trustee Pierce-Moore seconded the motion, and the voting was unanimous in the affirmative.

I. Proposal for Increase in Athletic Student Fees

Trustees were given the proposal to increase Athletics student fees for their consideration (Appendix WW).

Scott Barnes, Director of Athletics, congratulated Tyler Tolson and Jeremy Winn on their election to ASUSU offices. He introduced Jeff Crosbie, the Assistant Athletics Director for Business Operations.

Director Barnes said the Student Fee Committee voted 13 to 1 to move the Intercollegiate Athletics (ICA) request for an increased student fee for athletics forward to a referendum. Students will vote on March 23-24. ICA has met with 20-25 student groups in the past month as part of an educational campaign.

The presentation, which has been shown to the student groups, was presented to the Trustees. Director Barnes also mentioned that the Intercollegiate Athletics Strategic plan was presented to the Board of Trustees last fall and included overhauling the intercollegiate budget as the number one priority.

- Department of Athletics Priorities
 - Overhaul Intercollegiate Athletics (ICA) budget, analyze funding source (one option is to increase student fees).
 - Reorganize ICA development operations.
 - Implement a football program enhancement plan.
 - Increase football season ticket sales.
 - Establish capital campaign focus areas.
 - Improve internal and external communication.

Director Barnes indicated the following reasons for the budget deficit:

- We did not make the needed investment when we transitioned into the WAC.
- The USU Intercollegiate Athletic budget is at a financial tipping point.
- The rising cost of Intercollegiate Athletics has caught up with us.

He listed the following things that need to be done:

- Reverse the trend of growing the annual deficit.
- Overhaul the funding model by increasing the three main revenue streams which include self-generated revenues, institutional support, and student fees. Director Barnes pointed out that because institutional support will not come at a higher level for some time due to the economy, we need to focus on self-generated revenue and student fees. Not any one of the three revenue streams will solve the problems by themselves, but all three working together, over time, will allow Athletics to first stabilize the budget and ultimately grow.

Jeremy Winn met with student groups to discuss the importance of athletics to a university. He said the reason he chose to attend USU is because he attended a basketball game in 2007 and felt the spirit of USU. He stated the following reasons athletics are important to USU:

- The quality of student life is enriched.
- Athletics is a unifying force in Cache Valley, northern Utah, and throughout the state.
- The value of degrees from USU is enhanced. Athletics is central to the "Reputation Endowment" of a university. With name recognition comes value.

Mr. Winn said the success in USU athletics makes it a good time to ask for an increase in student fees. He said that investing in athletics will help to increase enrollment. Students have been supportive of the referendum initiative.

Mr. Winn pointed out that 40% of basketball seats and 25% of football seats are reserved for students. The value of all-ticket benefits per student is \$730 to \$1,520 per year. The total value of men's basketball and football ticket benefits is \$3,880,720 per year. He said it is important to have a great student section.

Director Barnes referred to newspaper articles that indicate there are increased enrollments, increased donations, increased bookstore sales, and increased diversity to universities because of athletics programs.

Director Barnes listed the following reasons for requesting an increased student fee now:

- To help maintain the status in the Western Athletic Conference and D1-A.
- To assist in balancing and stabilizing the annual budget.
- The Athletics annual operating budget is at a tipping point.
- This is one piece of a three-part funding plan.
- To sustain successful programs and improve others.

Director Barnes indicated that 47% of the total Athletics budget is self-generated. When comparing similar-sized budgets, USU Athletics is near the 75 percentile in generating external revenue through donations, ticket sales, television, sponsorships, etc. He said that football revenue increased by 100%, but the deficit is still significant. USU is unable to compete with Boise State, the University of Utah, BYU, or Fresno State in terms of self-generated revenue. Their venues, markets, and alumni bases are larger. Other 1A institutions similar to USU rely more heavily on student fees and institutional support, and we must do so as well. When comparing similar sized budgets, USU Athletics falls well below the 25th percentile in athletic expenditures as a percentage of total institutional expenditures.

Assistant Athletic Director Crosbie compared USU student fees with other institutions. He said this year USU will generate \$1.7 million in student fees while Miami University will generate \$14 million. USU's student fee is \$113 annually (student reserved seating is 25% football and 40% basketball), the University of Idaho's fee is \$238 which generates \$2 million (student reserved seating is 27% football and 29% basketball), San Jose State's fee is \$64 which generates \$4 million (student reserved seating is 16% football and 40% basketball), the U of U's fee is \$117 annually which generates \$3.8 million (student reserved seating is 15% football and 27% basketball), and the University of Ohio's fee is \$1,539 (student reserved seating is 21% football and 13% basketball). Director Barnes added that Western Michigan has a budget of \$19 million, and \$17 million is funded through institutional support.

Director Barnes said that students have received information about the fee increase in meetings with student groups, through flyers, television, and on the Athletics web site. A town meeting is scheduled, and information will continue to be available via radio and newspaper interviews.

Chair Shipley expressed appreciation for the presentation. Trustee Johnson thanked Director Barnes and his team for their hard work. He said the \$65 fee will support the community because athletics is important to a small community. He stressed the importance of athletics at USU, not only for the community, but for student athletes.

President Albrecht clarified that approval of the proposal is contingent on the referendum passing. If approved by the Trustees, and if the referendum passes, the proposal will go to the Board of Regents for consideration.

Action: Trustee Johnson moved approval of Resolution 09-3-21 the proposal to increase Athletics student fees (Appendix WW). Trustee Watterson seconded the motion, and the voting was unanimous in the affirmative.

V. Strategic Agenda— State of the Economy

President Albrecht indicated that House Bill 364, Border Student Amendments, would benefit USU because children of out-of-state alumni would be able to attend USU on in-state tuition. This would allow USU to recruit in cities that have a large alumni base and help in recruiting outstanding out-of-state students. He said it would make a huge difference to development and enrollment.

House Bill 432, Higher Education Budget Authority Amendments, if passed, would grant authority to university presidents to shift funds between line items in addressing

the budget reductions. The September budget cut included intent language that did not allow an increase on the lines of more than the state-imposed cut. If there were a 5.5% cut on campus, we could not impose that 5.5% across other lines such as the Water Lab, Extension, the Ag Experiment Station, or Regional Campuses. President Albrecht said this amendment would allow for more flexibility. Some areas have greater capability to help with the budget cuts without doing harm to their operations.

President Albrecht reviewed the three rounds of budget reductions as follows:

- The Special Session in September called for a reduction of budgets in order for the state to balance its budget because it appropriated more funds than were generated through revenues. This reduction included both a 4% one-time and a 4% ongoing reduction – approximately \$6.5 million budget reduction for USU. We took the one-time cut out of fiscal year 2009 budget, and 4% reduction for fiscal year 2010.
- In January, the Legislature imposed a second budget reduction of 7.3%. Half of that was backfill. The one-time cut for USU was 3.625% or \$5.650 million. President Albrecht indicated that the challenge was to make large cuts quickly after departments had already expended 25% of their 2009 fiscal year budget. A mandatory one-week unpaid furlough was imposed on all campus employees, which generated over half of the \$5.65 million. President Albrecht stated that administration met with faculty and employee groups, and the University community has been supportive of the furlough. If that one-time cut had been taken in employee reductions, it would have constituted 140% of the classified staff. The other portion of the \$5.65 million came from money which the Department of Information Technology had set aside to replace a portion of the information technology system. Some funds left from the September cut were applied. Modest reductions were also imposed to other units. President Albrecht said that the necessary reductions for the 2009 fiscal year have been addressed.
- The Legislative Executive Appropriations Committee will probably impose another 5% budget reduction for fiscal year 2010. The actual reduction could be 17.5%, but one-time money and federal stimulus money amounting to 8.5% may be used to backfill. The impact on USU would be 9% or a \$7.8 million reduction, which will be addressed in the next four weeks as on ongoing cut.

President Albrecht stated that these are challenging times, but USU will come through successfully. He expressed appreciation to faculty and staff leadership for their help in working through the difficult challenges. He said that the academic integrity of USU's programs will be protected, and USU will move forward as the economy gets better.


Karen Hoffman, President of the Classified Employees Association (CEA), expressed her appreciation to President Albrecht and the administration. She said the CEA is supportive of the decisions that have been made, including the mandatory furlough which preserved many jobs.

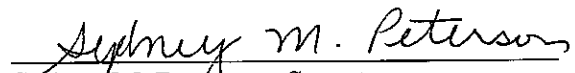
Ms. Hoffman added that the Utah Higher Education Staff Association (UHESA) met, and staff from other institutions asked about USU's furlough. She said USU employees made positive comments about the furlough. Staff from other institutions indicated that they would have liked their institutions to have imposed a furlough. They said many of their friends and colleagues had lost their jobs.

Chair Shipley expressed appreciation to President Albrecht for his report. He said the positive attitude of faculty and staff has been helpful, and they have been treated equally.

Action: Trustee Johnson moved that the meeting adjourn, and Trustee Parkinson seconded the motion. The voting was unanimous in the affirmative.

The Regular Meeting adjourned at 3:25 p.m.


Richard L. Shipley, Chairman


Sydney M. Peterson, Secretary
(Minutes Taken by Mira G. Thatcher)

10 April 2009
Date Approved