

UVU BOARD OF TRUSTEES

March 26, 2015

12 p.m. – SC213c

Board of Trustees Members Present

Karen L. Acerson
Curtis B. Blair
Tyler Brklacich
Taran K. Chun
Anne-Marie W. Lampropoulos
Steven J. Lund
R. Duff Thompson

UVU Regular Attendees

President Matthew S. Holland
Marc Archambault, Vice President Development & Alumni
Linda Makin, Vice President Planning, Budget and Human Resources
Cameron Martin, Vice President University Relations
Fidel A. Montero, Chief of Staff
Karen Olsen, Assistant to the Board
Kathren Brown, Associate Vice President Academic Affairs
Val Peterson, Vice President Finance and Administration
Kyle Reyes, Special Assistant to the President
Michelle Kearns, Associate Vice President-Student Success & Retention

Board of Trustee Members Excused

Greg S. Butterfield
James N. Clarke
Elaine S. Dalton
Terry E. Shoemaker

Guests:

Melinda Colton, Director of Public Relations
Dylan Swarts, Student body president-elect
Mark Wiesenberg, Associate Vice President-Human Resources

I. ACTION

A. Resolution of Appreciation for Tyler Brklacich. Chair Steve Lund read the resolution of appreciation for service for Trustee Tyler Brklacich. Tyler responded it has been an honor to serve, to learn from the other Trustees, and to advocate for students. He will always remember this experience.

He also introduced Dylan Swarts who will be replacing him as student body president. Dylan comes from Las Vegas originally, and more recently from the Salt Lake area. He is an accounting major and would like to run his own company.

B. Policy 607. Course and Lab Fees. Dr. Kat Brown said to ensure that lab and course fees are addressed properly and expeditiously, we needed to update this policy that was last updated in 1993. Request is for temporary emergency to bring policy in line with best practices that have been established. Policy will also go through the regular policy review process. Trustee Lampropoulos motioned for approval of Policy 607. Course and Lab Fees. Trustee Acerson seconded. Voting was unanimous.

C. 2015-16 Tuition. Vice President Linda Makin reviewed process of tuition setting in Utah. 1st tier is established by Board of Regents and is applied to every institution in the state. Tomorrow they will approve a 3% 1st tier tuition increase. Those funds are utilized to meet the 25% match for compensation as determined by the legislature, which funded 75% of a 2% COLA increase for all employees. 2nd tier is established by institutions with Board of Regent approval and is generally used to invest in areas that benefit students. Variables in plan when determining tuition are compensation, tax fund support, enrollment changes, and commitment to access and affordability. Non-resident tuition is required to be at least three times the resident rates, with the idea state funds support in-state students. We are below national average and near the bottom for our peer institutions, plus relatively low as compared to other WICHE and Rocky Mountain state institutions. This will be the second year in a row, and third out of the last five years where UVU has not recommended a 2nd tier increase. Undergraduate and graduate tuition numbers were reviewed.

D. 2015-16 General Student Fees. Trustee Brklacich reported UVUSA and student government hold yearly student fee hearings where different groups ask for student fees. These are reviewed, then brought to Student Council, President's Council and to Trustees. They recommend a \$2 increase for student summer programs related to increase of students, reduction of \$7 to the building bond with payment of a bond, increase of 60 cents for computer labs for growth and replacement of labs in the library; reduction of 60 cents to the PE issue room, with ultimate decrease of 2.75% or \$10 per student. In addition, all course and lab fees below \$10 were eliminated. The \$52 fee for on-line and distance courses has also been eliminated, which will impact the 39% of students who take at least one distance education course, but these students will now pay the general student fee for these credits. Also changed the fee structure to increase at 10 credits, previously at 7 credits, which will lower costs for part-time students. Trustee Brklacich motioned for approval of 2015-16 Tuition and General Student Fees. Trustee Blair seconded. Voting was unanimous.

E. 2014-15 Education and General Appropriated Revenue Revision One. This is a revision to operating budget for current year with addition of \$4.5 million in growth funds. This funding can be allocated in current year as one-time and the following year as on-going. Trustee Lampropoulos motioned for approval of the 2014-15 Education and General Appropriated Revenue Revision. Trustee Acerson seconded. Voting was unanimous.

F. 2015-16 Compensation Changes. Vice President Makin explained the Benefits Committee and Human Resources spend a great deal of time reviewing benefit and compensation changes. A 2% cost of living adjustment, plus 4.9% medical premium increase was funded by the legislature, who provides tax funds for 75% of cost, with 1st tier tuition covering the additional 25%. Compensation and benefit changes have been reviewed with both PACE and Faculty Senate.

Along with the 2% COLA, faculty will be funded for rank and tenure promotions, along with a multi-year effort to bring salaries closer to market. This is done through reviewing CUPA and specialized-accrediting groups. This year we want to bring all non-terminal degree faculty to 90% of market and terminally degreed to 92% of market, and are close to 100% overall. Staff will receive 2% COLA and market equity by moving all current staff to a minimum of 80% of market median and those with at least two years in position to 90% of market median with a maximum of \$4,000 increase. Each vice president will be given 1/2% for merit and key retention. Executives will receive 2% COLA, with an additional 1% for merit and key retention. We have worked hard to increase adjunct faculty salaries to bring them closer to comparable institutions, and will increase the rate by \$100 for a three-credit hour course or 3.8%, paid from acute equity funding. Hourly staff will receive 2%. We have had discussions on how to do merit in a more transparent way, and the legislature gave us more flexibility doing a COLA this year, so it is a good alignment and a good morale boost.

Medical benefits: Benefits committee recommends an increase of 4.09% to our base medical plan, with change to one traditional PPO plan, along with HDHP that has been in place the past two years. Both have a buy-up option to provide more medical options in the Salt Lake area. This will result in lower deductibles and co-pays, 100% coverage of preventative/therapy Rx, with a minimum \$75 and maximum \$250 for specialty Rx and lower out of pocket maximum. Those on a traditional family plan will see an increase of \$6.22 /month and with the COLA increase will have more take-home salary. VP Makin also explained how other institutions in the state manage benefits and why there is not a state-wide contract. Trustee Acerson motioned for approval of the 2015-16 Compensation changes. Trustee Brklacich seconded. Voting was unanimous.

G. Self-Funded Benefits Plan Reduction of Reserve. VP Makin explained in the years leading up to 2006-07 we carefully reviewed benefits claims experience relative to being self-insured. With Board approval, we moved to self-funding. At the end of each year whatever is left goes into a reserve, and according to policy, need six months' reserve. At the end of 2013-14 we had 7.44 months in reserve. With the change in vendor and wellness programs, and claim projections, we could add additional millions to the reserve and increase reserve by an additional few months. Based on this data, recommendation is to reduce reserve by reduction of 1.5-2.25 months' of reserve between April and July of this year. If we don't reduce, we run the risk of reaching a point where the federal government would request money from this fund. Reduction would be accomplished by a temporary premium holiday for full-time employees of 3-4 pay periods. In addition, we requested a premium rebate in a one-time payment. Trustees cautioned on risk, but financials have been carefully reviewed and with a younger employee population it is felt the risk is mitigated. We also have a seed account which won't go below three months. Our employees requested we look at costs and have responded with new health plan and cost savings. We are also working with our new provider for adoption of an on-line wellness program with a three-year plan. Trustee Blair motioned for approval of reduction of reserve in the self-funded benefits plan. Trustee Lampropoulos seconded. Voting was unanimous.

H. Purchase of Water Shares. VP Val Peterson explained Riverside Country Club wants to sell 414 acre feet of water shares. We own 37 shares of water which we utilize to water the campus. In addition, we spend about \$165,000 a year on culinary water from Orem City to augment our shares. We believe by purchasing the 414 acre feet of water we can service the Orem campus as well as the Geneva Vineyard site. It is two second/feet of flow from the Provo River which we can change to our diversion and store in the ponds. We are in negotiation with the Country Club and request approval to purchase these shares. The estimated value is \$2.4 million. We would put \$1 million down and receive a loan from the Foundation at 6% for ten years at a cost of \$190,000 per year, with the majority paid with the savings from purchasing water. Water is becoming a capital asset and will be valuable in the future. Trustee Chun motioned for approval of the purchase of water shares from the Riverside Country Club. Trustee Blair seconded. Trustee Thompson recused himself from voting, and remainder voted in the affirmative.

I. Rank Advancements. Dr. Kat Brown said sixteen faculty made application to the Senior Vice President of Academic Affairs for rank advancement, and fifteen were forwarded (one did not meet requirements). They all fulfilled department criteria as well as institutional criteria. Those advancing from Associate Professor to Professor are recognized by peers as outstanding in their field and are required to have a terminal degree. They also receive a base pay adjustment. Trustee Thompson motioned for approval of rank advancement to Professor for John Anderson, Information Systems & Technology; Matthew R. Draper, Behavioral Science; Debora Ferreira, Languages; John Goshert, English & Literature; Joseph B. Jensen, Physics; Margaret A. Mittleman, Emergency Services; Shannon M. Mussett, Philosophy & Humanities; D. Terry Petrie, Theatrical Arts; Axel D. Ramirez, Secondary Education; Abdus Samad, Finance & Economics; David Scott, Communication; Michael M. Shaw, Philosophy & Humanities; Doris Hudson-Trujillo, Dance; Machiel Van Frankenhuisen, Mathematics; and Frederick H. White, Languages. Trustee Acerson seconded. Voting was unanimous.

II. CONSENT CALENDAR

A. Minutes of February 19 and March 11, 2015 Board meetings

B. Investment Report for January 2015.

Trustee Acerson motioned to approve Consent Calendar. Trustee Brklacich seconded. Voting was unanimous.

III. INFORMATION

A. Campus Report. 1) Tribute was paid to Tyler Brklacich for his leadership, particularly in reducing student fees, 2) Legislative update. a) It was a good year for UVU, even though we knew we wouldn't receive as much as last year both institutionally and as a

system. Were given the authority to use donated funds for planning and design for the Arts Building. DFCM has been asked to begin the process and it is now out to bid. Programming will begin to look at needs. Then we will go through another process to find an architectural team to design and look at site. b) Activity Center. We were able to get support from the legislature to approve \$1.5 million for upgrade of the UVU Activity Center. This will provide a larger 3-4,000 seat venue for university and community events. c) \$8.2 million was received for Education in Excellence which will fund a performance model for higher education, with specific institution funding to be determined in interim meetings. d) \$4.5 million approved for engineering initiative and \$1.8 million for math competency initiative. UVU's share will be determined. e) UVU team recognized – Cameron Martin, Linda Makin, Val Peterson, UVUSA and PACE. 3) Foundation Appreciation Banquet. Very nice event recognizing donors. 4) Ecclesiastical Breakfast. Annual event was held inviting LDS stake presidents in the region and leaders from other faith traditions to talk about concerns or aspirations with those interested in education who are connected to young people. 5) Women in Education. One of our priorities is concern about women completing their educations. Paige Holland has hosted an annual First Lady's Luncheon that has been very successful. This year she partnered with Dr. Susan Madsen for a very successful event in the UCCU Center where Sheri Dew, CEO of Deseret Book spoke as keynote to a group of 5-6,000 women. 6) Presidential Lecturer. Dr. Tony Wagner, Professor at Harvard for educational entrepreneurship, spoke on the need to be curious, creative and imaginative for education of the future. He asked the question what we must do differently as parents, teachers and employees to define the capability of young people to be innovators. It was very engaging, cutting-edge academic thinking, but also very applied and practical. He loved what UVU is doing, but we also need to be mindful of the way we teach so skill sets will match employment and societal needs. We will be using some of these ideas as a basis for our next broad leadership retreat. 7) STEM Fest. 20,000 K-12 students participated, with state leadership in outreach to high school students. 8) UVU held student art show, 9) Utah data drive. Firms that deal with data analysis will come together to offer and compare service access to not-for-profit groups. 10) Constitutional Symposium on Religious Freedom. On April 15, Doug Kmiec, a legal scholar for US, both nationally and internationally, and David Archeleta will be speaking and performing, along with the Calvary Baptist Choir. 11) Commencement. Governor Mitt Romney will be commencement speaker on April 30 at what promises to be our largest group of graduates. Governor Herbert will be helping to hood Pamela Atkinson, and a posthumous honorary degree will be presented to the family of Becky Lockhart. We are planning for overflow in the Activity Center, Ballroom and Ragan Theatre. 12) Master Planning Process with EDA Architects. We are meeting with various campus groups to hear input on Vineyard and Thanksgiving Point. Will also look at south Utah County and other satellite locations, plus updates on Wasatch campus, with primary emphasis on first two locations. Trustees will have a scheduled session for input. After collecting data, EDA will refine through the end of the summer, concluding in October as part of an announcement during the 75th anniversary celebration. Master plans have helped define use of finite resources. 13) Basketball Coach. We are getting close to an announcement and the interest has exceeded our expectations. We currently have 16 athletic programs, with 350 student athletes. Men's basketball has 15 scholarships with a 100% graduation rate. We were junior college from 1972-2002, and in 2003 became Division I provisional. We won a national championship of provisional teams. Ronnie Price was a well-known alumni. Became Division I in 2009, with Ryan Toolson receiving national recognition for free-throw percentage record. We have the record of having the fastest move from junior college to Division I, and with rule changes this will never be done again. Joined Great West conference in 2008 and won titles in 2010-11, and 2011-12. Joined WAC in 2013-14 and won men's basketball title our inaugural year. Our basketball program is on the rise, and the market, development opportunities, community support and enthusiasm are all increasing. Investments in athletics have been made through the conference affiliation fund and fundraising will increase. With a new coach we expect increased visibility and student engagement. 14) UVU visit to UK. Trip will include a lecture by President Holland at Oxford, visit to Parliament, the Magna Carta exhibit, and Ireland to visit the study abroad Peace and Justice program.

C. Foundation Report. Held for next meeting.

D. UVUSA Report. Trustee Brklacich said it has been an incredible year, with a team of many people contributing to the success of UVUSA. He distributed information on events of the past year. The first UVU TEDx is next Wednesday from 8:30 am to 5 pm, with dinner. President Holland will speak at the first session.

Trustee Thompson motioned to adjourn. Trustee Brklacich seconded. Meeting adjourned at 6:20 p.m.