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Faculty Senate Executive Committee Agenda, April 19, 2004

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Faculty Senate Executive Committee
19 April 2004
3:00 - 4:30 p.m.
Champ Hall Conference Room

AGENDA PACKET

3:00 Call to Order

[Approval of minutes of 15 March 2004](#)

Announcements

The next FSEC lunch with Pres. Hall will be this Thursday, Apr. 22nd, 2004

moved from the 15th

3:05 Information and Consent Agenda Items

[EPC Business](#)
[Committee on Committees](#)
[Calendar Committee](#)
[Budget and Faculty Welfare Committee](#)

Joyce Kinkead
Marv Halling
Sydney Peterson
Stephen Bialkowski

3:30 Key Issues & Action Items

[Research Policy #306](#)
[Tuition Task Force Report](#)

Russ Price
Glenn McEvoy

4:00 University Business

Administration

4:30 Adjournment

Faculty Senate Executive Committee Meeting Minutes for March 15th, 2004

Attendance:

Senators:	Kevin Kesler (0930)	Tom Kent (1189)	Marv Halling (3179)
	Adrienne Moore (3023)	Ed Heath (3306)	Carol Kochan (2676)
	Dean Miner (801-370-8469)	Dale Blahna (2544)	Chris Coray (2861)
	Vance Grange (2702)		
Presenters:	Joyce Kinkead (1706)	Tyler Bowles (2378)	Jeff Johnson (2350)
	Karla Petty (1726)	Pat Lambert (2603)	Craig Simper (1156)
Administration:	Kermit Hall (1157)	Stan Albrecht (1167)	
Visitors:	Terry Peak (4080)	Richard Crapo (1080)	
Excused:	Janis Boettinger (4026)	Bruce Miller (2232)	Kevin Doyle (4025)

Call to Order

Kevin Kesler called the meeting to order at 3:05 pm.

Minutes:

Dale Blahna moved to accept the minutes of February 23rd. The motion, seconded by Tom Kent, was passed.

Announcements:

The next FSEC Lunch with President Hall will be held on Friday, March 26th, at noon in Champ Hall. (It was later decided between the President and the attending FSEC members that this lunch will not take place.)

New Business

Kevin Kesler explained the Policy code which explains the involvement of BFW in the Budgetary and Degree proposal process. This has not happened in the last few years, and should be revived. Joyce Kinkead, (representing the Provost) moved that the FSEC do an analysis of the rules of BFW regarding program approval. The motion, seconded by Vance Grange, was passed. Dale Blahna proposed not only program approval, but to have them continue in all their responsibilities listed in the Policy Code. The amendment to the motion, seconded by Tom Kent, was passed. The original motion was voted on, and passed.

Committee Reports:

EPC Business

Joyce Kinkead listed the latest items that have passed the EPC, which included 4 discontinuations of inactive programs, and the proposal for a new doctoral degree in Geology. Also underway is a clean-up of the definition of Dual Majors, and adding a composite major definition. Joyce Kinkead moved to place EPC Business on the Consent Agenda. The motion, seconded by Tom Kent, passed.

Honorary Degrees and Awards Committee

Tyler Bowles presented the selected Honorary Degrees and Awards recipients. They are Ruth Novak, Merlin Olsen, and Booth Wallentine. The selection for the honorary commencement speaker has not been finalized, and will be announced at a later date. Carol Kochan moved to place the Honorary Degrees and Awards report on the agenda as an information item. The motion, seconded by Vance Grange, passed.

PRPC Annual Report

Jeff Johnson presented the annual report of the Professional Responsibilities and Procedures Committee. The issues PRPC are currently reviewing are the return of the ombudsperson proposal, implementation of PRPC recommendations, lecturer sabbaticals, extra service compensation, and recognition of creative works for promotion and tenure. Carol Kochan moved to place the PRPC report on the Consent Agenda. The motion, seconded by Dale Blahna, passed.

Kevin Kesler brought up the inconsistency in the Policy Code of the termination of faculty. This issue applies to temporary faculty hired on grants or contracts. He recommended that PRPC review the code and correct the inconsistency.

Key Issues and Action Items:

Academic Freedom and the Student Bill of Rights

Karla Petty explained the newly approved Academic Bill of Rights, which passed ASUSU last semester. She reviewed the changes made to the resolution, specifically regarding the placing of a link to the student code on all course syllabi. She also presented the recommended changes made to the grievance process. Discussion continued regarding certain points of the resolution and recommendations were given to strengthen the resolution. Ed Heath moved to make a resolution to be sent to the Provost regarding the placing of the link to academic freedom on syllabi, and place the report on the agenda as an action item. The motion, seconded by Carol Kochan, passed. Chris Coray volunteered to aid the students in this effort.

Domestic Partner Benefits

Pat Lambert presented a packet of information that contained comparison data on other institutions and major companies and their acceptance of domestic partner benefits. She explained that without the acceptance of domestic partner benefits, current members of the faculty are being discriminated against, and have strong tendency to seek other employment where these benefits are offered. Also, individuals with domestic partners seeking employment are discouraged to apply for positions where these benefits are not offered. After much discussion President Hall suggested that the issue not be brought up for a vote, but rather that the Faculty Senate be given the opportunity to study the issue and make recommendations for further action. Ed Heath moved to place the Domestic Partner Benefits report on the agenda as an information item, and that the issue be sent to BFW for further consideration. The motion, seconded by Dale Blahna, passed.

Blue Cross/Blue Shield Meeting

Kevin Kesler invited Chris Coray, who attended a Blue Cross/Blue Shield meeting to report on the meeting. He explained that the essence of the discussion is that the faculty of USU feel that the Universities per person share of administrative cost is too

low compared to smaller institutions. He then said that they were not cooperative in explaining their actions simply because that information is proprietary.

Faculty/Course Evaluations on the Web

Craig Simper presented his interpretation of law regarding the privacy issue of putting course and teacher evaluations on the internet. They are that the privacy act does not apply to what is effectively "customer satisfaction" evaluations. Therefore, placing them on the internet is entirely up to the university administration. Chris Coray moved to place this report on the agenda as an information item. The motion, seconded by Carol Kochan, passed.

University Business:

President Kermit Hall and Provost Stan Albrecht were both in attendance to present the University Business. The Legislature is closed. We received a 1% salary increase and 1% bonus, as well as support for revenue bond projects, and the climate center. They are also providing funding for 770 new students and a 5.7% health benefits increase. The Legislature turned down support to fuel and power costs and operating and maintenance costs. The Capital Improvements budget will receive \$2.5 - \$3.25 million. We also received an approval for Tier II tuition for 4% for on-going students 6% for incoming students, much of this will go towards operating budgets. Also received was a \$1 million engineering initiative, half one-time, half on-going.

Adjourn:

Kevin Kesler called for adjournment. The meeting adjourned at 5:12 pm.

Introduction: Educational Policies Committee Report for Faculty Senate 4/19/2004

Joyce Kinkead-Chair, Stanley Allen-Agriculture, Duke DiStefano-ASUSU Pres., Todd Crowl-Natural Resources, Karla Petty,-ASUSU Acad VP, Richard Cutler-Science, Jan Roush-HASS, Stephanie Kukic-GSS, Scott Hunsaker-Education, David Olsen-Business, David Luthy-DEED chair, Weldon Sleight-Extension, Cheryl Walters-Library, Jeffrey Walters- ASC Chair, Paul Wheeler-Engineering

Meeting Dates:

September 8, 2003, October 2, 2003, November 6, 2003, December 4, 2003, January 8, 2004, February 5, 2004, March 4, 2003, April 1, 2004.

Curriculum Subcommittee

In April meetings, the Curriculum Subcommittee approved the following reports.

- [Academic Standards](#) - Incomplete Grade Documentation Form
- [General Education](#) - Computer and Information Literacy Competencies and Skills to be effective Fall 2004

Recommendations

EPC recommends approval of above changes by Faculty Senate.

COMMITTEE ON COMMITTEES REPORT April 19, 2004

Executive Committee of the Faculty Senate

The Executive Committee shall perform the following duties: (a) prepare Senate meeting agendas; (b) propose such standing and

special committees of the Senate as may be needed; (c) examine the work of Senate committees to discourage duplication of effort and to ensure that all committee assignments are carried out; (d) act as a steering committee to direct problems to the proper committees; (e) act as a liaison to harmonize the work of all committees; (f) transact such business as may be referred to it by the Senate; and; (g) compile the Senator's Handbook and oversee its reproduction and distribution.

The Senate Executive Committee shall consist of the following 14 members: (a) the Senate President; (b) Senate President Elect; (c) nine elected faculty senators representing each of the colleges and the Extension and Library units; (d) the President of the University and Provost, who shall serve as ex officio members; (e) one senator elected by the Senate from the Presidential appointees of the Senate.

Janis Boettinger (05) Faculty Senate President
Derek Mason (06) Faculty Senate President-Elect
Provost Stan Albrecht, Ex Officio
Dale Blahna (05) Natural Resources
Kevin Doyle (05) HASS
President Kermit L. Hall, Ex Officio
John Kras (06) Education
David Luthy (06) Business
Brent Miller (06) VP of Research
Bruce Miller (06) Agriculture
Rob Morrison (06) Libraries
Shawn Olson (06) Extension
pending (06) Engineering
pending (06) Science

Executive Committee of the Faculty Forum

The Executive Committee of the Faculty Forum shall have the duty of composing the agenda for the annual meeting and any special meetings of the Faculty Forum. The membership of this committee shall consist of the 12 elected members of the Executive Committee of the Senate.

Committee on Committees

The responsibility of the Committee on Committees is to: (1) apportion Senate elective positions annually; (2) coordinate and supervise the election of members to the Senate ; (3) prepare eligibility slates and supervise nominations and elections within the Senate; and (4) recommend to the Senate the appointed members of all Senate committees and the members of university committees that include Senate representatives.

The Committee on Committees shall consist of three elected faculty senators. They are elected according to the same procedures, at the same time, and with the same eligibility restrictions that govern elections of the Senate President and President-Elect; that is, they must be nominated from the floor of the Senate during the April Senate meeting. Elections shall be by ballot completed prior to the May meeting. Members of the Committee on Committees serve two-year terms. They elect a chair from within their membership. To maintain the balance of retirement of terms, the following appointments are recommended:

Mark Krumm, Chair (06)
Kathleen Riggs (06)
Greg Podgorski (06)

Academic Freedom & Tenure Committee

The Academic Freedom and Tenure Committee, as represented by each of its hearing panels is an administrative hearing body, with jurisdiction in matters related to academic freedom, tenure, promotion, dismissals and other sanctions, and actions alleged not to be in accordance with the adopted standards, policies, and procedures of the university. In relation to these matters, the committee may hear both complaints initiated by the university against a faculty member and grievance petitions brought by a faculty member.

The Academic Freedom and Tenure Committee consists of the following 12 members; (a) seven faculty members, one elected by and from the faculty in each college; (b) one faculty member elected by and from the faculty in Extension; (c) one faculty member elected by and from the faculty in the Library; and (d) three faculty members appointed from the 55 elected faculty senators by the Committee on Committees. The following appointments are recommended:

Kim Openshaw, Chair (07) Education
Jeff Banks (06) Extension
Paul Barr (07) Senate

Dan Drost (05) Agriculture
Thomas Higbee (06) Senate
Ken Olsen (05) Senate
Ted Pease (05) HASS
Fred Provenza (06) Natural Resources
Steven Hanks (07) Business
Robert Spall (06) Engineering
John Walters (07) Libraries

Educational Policies Committee

The major function of this committee shall be to serve as the Senate committee on educational policy, including program discontinuance for academic reasons (Sections 405.2). In addition to conducting studies and making recommendations as specifically instructed by the Senate, the committee itself may initiate such activities. Routine actions taken under established policy, such as approval for specific course changes, additions, or deletions, shall be submitted to the Senate as information items. All policy recommendations and major actions shall be referred to the Senate for approval or disapproval. Specific duties of the Educational Policies Committees shall include consideration of standards and requirements for University designated honors such as cum laude, magna cum laude, and summa cum laude.

The Educational Policies Committee consists of the Provost, one faculty representative from each college, one faculty representative from Extension and one faculty representative from the Library, two student officers from the ASUSU, and one student officer from the GSS. The term of office for student members shall be one year.

Joyce Kinkead, Chair, Provost Office
Stanley Allen (07) Agriculture
Scot Allgood (07) Education
Todd Crowl (05) Natural Resources
Richard Cutler (06) Science
Jennifer Duncan (07) Libraries
Les Essig (05) ASUSU President
Heidi Evans (05) ASUSU Academic Vice President
Kathy Fitzgerald (05) HASS
David Luthy (05) DEED Chair
Rhonda Menlove (07) Extension
David Olsen (06) Business
AJ Rounds (05) GSS President
Jeff Walters (05) ASC Chair
Paul Wheeler (05) Engineering

Professional Responsibilities and Procedures Committee

The Professional Responsibilities and Procedures Committee shall advise the Faculty Senate regarding revision and implementation of the USU Policy Manual, and the composition and revision of the Faculty Handbook. Needed revisions and implementation failures shall be submitted to the Senate for its consideration.

The membership, election and appointment of members, terms of members, officers, and meetings and quorum of the Professional Responsibilities and Procedures Committee shall be parallel to those of the Academic Freedom and Tenure Committee.

Jeff Johnson, Chair (05) Business
Ted Alsop (07) Natural Resources
Kurt Becker (06) Engineering
Cathy Bullock (07) HASS
Ronda Callister (06) Senate
Scott Cannon (07) Science
Ann Goebel (05) Libraries
Dallas Holmes (06) Extension
Jennifer MacAdam (06) Agriculture
Rob Morrison (06) Senate
Richard Roberts (05) Education
Richard Sherlock (06) Senate

Faculty Evaluation Committee

The Faculty Evaluation Committee shall (1) assess methods for evaluating faculty performance; (2) recommend improvements in methods of evaluation; (3) recommend methods of faculty development; and (4) decide university awards for Professor and Advisor for the Year. The committee shall consist of one faculty representative from each college, one faculty representative from Extension, one faculty representative from the Library, two student officers from ASUSU, and one student officer from the GSS. The faculty representatives are elected to the committee in accordance with Section 402.11.2. The committee will elect a chair from its members.

Ruth Struyk, Chair (06) Education
Noel Carmack (06) Libraries
Chuck Hawkins (07) Natural Resources
Rick Heflebower (05) Extension
Darin Humphreys (05) ASUSU Science Senator
Rhonda Miller (07) Agriculture
AJ Rounds (05) GSS President
Shelly Ryan (05) ASUSU Education Senator
Bryce Smith (05) ASUSU Business Senator
Edwin Stafford (07) Business
Gary Stewardson (06) Engineering
Kathryn Turner (05) Science
pending (07) HASS

Budget and Faculty Welfare Committee

The duties of the Budget and Faculty Welfare Committee are to: (1) participate in the budget preparation process; (2) periodically evaluate and report to the Senate on matters relating to faculty salaries, insurance program, retirement benefits, sabbatical leaves, consulting policies, and other faculty benefits; (3) review the financial and budgetary implications of proposals for changes in academic degrees and programs, and report to the Senate prior to Senate action relating to such proposals; and (4) report to the Senate significant fiscal and budgetary trends which may affect the academic programs of the University.

The membership, election and appointment of members, terms of members, officers, and meetings and quorum of the Budget and Faculty Welfare Committee shall be parallel to those of the Academic Freedom and Tenure Committee.

Stephen Bialkowski, Chair (06) Senate
Vicki Allen (07) Science
Jim Bame (05) HASS
Dan Davis (06) Libraries
Kathryn Fitzgerald (06) Senate
John Kras (06) Education
Irvin Nelson (07) Business
Jeanette Norton (05) Agriculture
Adrie Roberts (05) Extension
Lori Roggman (07) Senate
Gene Schupp (06) Natural Resources
Blake Tullis (07) Engineering

Athletic Council

The Athletic Council advises the President about the athletic programs. Six faculty members, three men and three women with academic rank are elected by the Senate for terms of three years, with terms staggered so that two retire each year. The Chair of the Athletic Council is one of the six elected members or the NCAA representative. The following appointments are recommended:

DeeVon Bailey (05)
Maria Cordero (07)
Lynn Dudley (06)
Julie Foust (06)
Barry Franklin (07)
Janis Hall (05)

Cultural Activities Council

The Cultural Activities Council is responsible for the establishment of general policies concerning the cultural activities available to the University. The primary activity of the council is the governance of the Performing Arts Series. The council includes three faculty appointed by the president of the Senate. The following appointments are recommended:

Dale Blahna (05)
David Goetze (06)
Dallas Holmes (05)

Graduate Council

The Graduate Council establishes regulations and standards for graduate study with the approval of the Faculty Senate and advises the Dean of the School of Graduate Studies on exceptions or adjustments to policy.

The Graduate Council consists of : (1) the Dean for the School of Graduate Studies; (2) the Dean of Information and Learning Resources; (3) one faculty member from each of the colleges of the University; (4) one representative from the Faculty Senate; and (5) two graduate students. The Faculty Senate representative is nominated by the Faculty Senate for a two-year term.

Doug Ramsey (06)

Honors Program Advisory Board

The Honors Board reviews activities and policies of honors programs and serves as liaison with the Faculty Senate.

JR Dennison (05)

Research Council

The Research Council advises the Vice President for Research in all matters pertaining to research and other scholarly or creative activity of the University: (a) in the formulation of policy, including research priorities and procedures for attaining them; (b) in the encouragement and stimulation of research in the context of instructional and other goals of the University; (c) in monitoring, reviewing, and evaluating cross-college research programs in the University; and (d) in recommending to the Vice President for Research the allocation of funds available for research and related purposes to be expended through the office of the Vice President for Research.

Gary Merkle (07)

Bookstore Committee

The Bookstore Committee establishes and promotes communications and understanding between the Bookstore and the faculty and students. The Committee includes two faculty appointed by the Senate. The committee is chaired by one of the two faculty members.

Tyler Bowles (05)
Terry Peak (06)

Calendar Committee

The Calendar Committee determines the beginning and ending days of the school year and the holidays within each of the three semesters. In addition, the committee projects the academic calendar for 3 to 5 years in advance. Membership on the committee includes four faculty appointed by the president of the Faculty Senate for three-year terms. The Committee on Committees recommends the following to the Faculty Senate President:

Susan Crowley (05)
Gilberto Urroz (06)
J.R. Dennison (07)
Lance Littlejohn (07)

Parking Transportation Advisory Committee

Two faculty members are appointed by the President of the Senate to serve on this committee. The Committee on Committees recommends the following to the Faculty Senate President:

Steve Allan (05)
Todd Moon (07)

Facilities Naming Committee

The Facilities Naming Committee considers recommendations for naming buildings and lesser facilities in recognition of major donations or for outstanding service to the University. The committee membership includes two faculty appointed by the President of the Senate. The following appointment is recommended:

Jeffrey Banks (05)
Darwin Sorensen (07)

Honorary Degrees and Awards

A Senate vote is required for this committee. The Faculty Senate nominates a slate of seven candidates and votes for three. The top three names are sent to the president of the university. From this slate, one is appointed each year for a total of the three faculty members representing the Faculty Senate. The term of office is three years.

Elizabeth York (07)
Tyler Bowles (05)
Barbara White (06)

University Assessment Coordinating Council

The University Assessment Coordinating Council coordinates and represents the University's efforts in educational and program assessment at the university, college, department and unit levels. This council also coordinates the University's regional accreditation.

John Kras (06)
Kathleen Robinson (07)

REPORT OF THE
CALENDAR COMMITTEE
to the
Faculty Senate
26 April 2004

Committee Members:

Sydney M. Peterson, Chair
Susan Crowley, Senate [05]
Glenn Davis
Stacie Gomm, PEA
Dallas Holmes, Senate [04]
Stephanie Kukic, ASUSU GSS
John Mortensen
Judy Nielson, CEA
Vicki Simmonsmeier, Senate [04]
Weldon Sleight
Gilberto Urroz, Senate [05]

Purpose

The Calendar Committee is charged with the responsibility of reviewing, evaluating, and recommending the University's academic calendar. The Calendar Committee determines the beginning and ending days of the academic year and the holidays within each of the semesters. In addition, the committee projects the academic calendar three to five years in advance. The actions of this committee with respect to each annual calendar are ratified by the Executive Committee upon the advice of the Faculty Senate.

Committee Actions

1. Academic Calendar: The Calendar Committee reviewed and evaluated several options for changes to the Spring 2005 calendar needed to accommodate the awarding of diplomas at the 2005 commencement. Three proposed calendars for Spring 2005 were presented to Faculty Senate and students for input. The three proposed calendars included (1) less instruction days/no interim day, (2) less instruction days/interim day/less time for finals and closeout, and (3) earlier start

date. There was overwhelming support for option #2, less instruction days/interim day/less time for finals and closeout.

There have been other requests for changes to the academic calendar which would impact Fall 2005. These requests include changes to accommodate Week of Welcome/First-Year Experience activities, and the inclusion of a possible December commencement. If a December commencement is implemented these changes could be considered at the same time, likely resulting in an earlier start date for fall semester. Once the decision has been made regarding a December commencement the Calendar Committee will review and evaluate the 2005-2006 Academic Calendar as well as future calendars and make recommendations to Faculty Senate.

Utah State University 2004-2005
Academic Calendar
(Revised)

Summer Session 2004 (14 weeks, May 10 - August 13)

Early Session - 4 weeks	May 10 - June 4 (18 instruction days, 1 test day)
Test Day	June 4
 Workshop Week	 June 7 - June 11
 8-Week Session	 June 14 - August 6 (37 instruction days, 1 test day)
Holiday	July 5
Holiday	July 23
Test Day	August 6
 1st 4-Week Session	 June 14 - July 9 (18 instruction days, 1 test day)
Holiday	July 5
Test Day	July 9
 2nd 4-Week Session	 July 12 - August 6 (18 instruction days, 1 test day)
Holiday	July 23
Test Day	August 6
 Workshop Week	 August 9 - August 13

Fall Semester 2004 (71 Instruction Days, 5 Test Days)

August 30	M	Classes Begin
September 6	M	Labor Day (no classes)
November 24, 25, 26	W, Th, F	Thanksgiving Holiday (no classes)
December 10	F	Classes End
December 13,14,15,16,17	M, T, W, Th, F	Final Examinations

Spring Semester 2005 (70 Instruction Days, 1 Interim Day, 41/2 Test Days)

January 10	M	Classes Begin
January 17	M	Dr. Martin Luther King, Jr. Day (no classes)
February 21	M (T schedule)	Washington and Lincoln Day (no classes)
March 14,15,16,17,18	M, T, W, Th, F	Spring Break (no classes)
April 26	T	Classes End

April 27	W	Interim Day
April 28, 29; May 2, 3, 4	Th, F, M, T, W(½)	Final Examinations
May 4, 5, 6	W(½), Th, F	Close out
May 6, 7	F, S	Graduation

Approved by Executive Committee

Report of the Budget and Faculty Welfare Committee for Academic Year 2003-2004 February 16, 2004, last edited April 9, 2004

Stephen Bialkowski, Chair; Senate	Dan Davis, Library
Jim Bame, HASS	Kathryn Fitzgerald, Senate
Adrie Roberts, Extension	Jeanette Norton, Agriculture
Kathleen Riggs, Senate	Gene Schupp, Natural Resources
Gaylen Chandler, Business	Kathryn Turner, Science
John Kras, Education	Paul Wheeler, Engineering

Overview

The Budget and Faculty Welfare (BFW) Committee is authorized by the Faculty Senate to represent the faculty on key matters concerning the university budget and faculty welfare issues. Below is a description of committee duties and our perception of how well we are able to function with regard to the duties. There are also statements on our concerns regarding our health benefits and retirement. University budget trends are summarized in the charts and tables at the end of this report.

As we are all aware, the university operating budget has been under funded for several years, and faculty have not had cost of living adjustments or merit in pay raises for two years. Shortfalls in benefits have been paid by instituting monthly premiums for all employees, increasing deductible expense, and increasing copayments. Retaining faculty has become a serious problem across colleges. Faculty replacements and competitive offers to retain faculty increase average salary levels. E&G money surplus from open positions has apparently been used for operating expenses and wages for temporary employees.

As the cost of living and medical costs continue to rise, our out of pocket expenses also continue to rise. This has an obvious impact on the morale of the faculty. Unfortunately, decisions regarding operating budgets, salaries, and health benefits are being made with less input from the faculty. There is often no BFW representation on these committees.

The current trend to use *ad hoc* committees and taskforces to perform functions that are within the BFW's purview, according to the Faculty Senate Handbook, is of concern to the committee. There are now health benefits, compact planning, new programs, etc. committees and taskforces, all dealing with budget, welfare and program items, and without having any representation from this committee.

Nonetheless, this committee will continue to gather information and faculty views regarding budget and welfare items which we will communicate to the faculty and the administration through appropriate committees. Since the BFW is the only committee authorized by the Faculty Senate to fulfill this role, we request that the role of this committee be explicitly recognized and accommodated by other faculty senate committees, and *ad hoc* or standing committees appointed by the administration. This will allow us to better fulfill our obligations to the faculty. Recommendations are given in this report.

Budget and Faculty Welfare Description

The Faculty Senate Handbook gives the description of the Budget and Faculty Welfare Committee as: The Budget and Faculty Welfare committee is concerned with budget matters, faculty salaries, insurance programs, retirement benefits, sabbatical leaves, consulting policies, and other faculty benefits.

The duties of the Budget and Faculty Welfare Committee are to: (1) participate in the budget preparation process; (2) periodically evaluate and report to the Senate on matters relating to faculty salaries, insurance program, retirement benefits,

sabbatical leaves, consulting policies, and other faculty benefits; (3) review the financial and budgetary implications of proposals for changes in academic degrees and programs, and report to the Senate prior to Senate action relating to such proposals; and (4) report to the Senate significant fiscal and budgetary trends which may affect the academic programs of the University.

Detailed Look at Duties

(1) Participate in the budget preparation process.

The Budget and Faculty Welfare (BFW) Committee did not participate in the budget preparation process this year. The BFW discussed this issue in our February meeting. It was noted that many duties formerly assigned to the BFW Committee have been moved to *ad hoc* committees. While dedicated faculty members serve on these various committees, these individuals are not authorized by the Senate as representatives of the faculty, nor do they have channels for communicating with the faculty. Given the mandate of the BFW committee, members feel that the committee should be involved in representing faculty views with regards to salaries, health and retirement benefits, and academic programs and operating expenses. We suggest that this can best be accomplished by having representation from our committee on any University committee, *ad hoc* or not, that is making decisions that affect the budget and faculty welfare.

Faculty Senate President Kevin Kesler is aware of the problem this committee faces in trying to get involved in this process. He has been talking to the university President and Provost about ways that the faculty could have a voice, through this committee, in the budget preparation process. This is an ongoing task.

(2) Periodically evaluate and report to the Senate on matters relating to faculty salaries, insurance program, retirement benefits, sabbatical leaves, consulting policies, and other faculty benefits.

Again, an *ad hoc* committee, the Health Benefits Committee, has been appointed to perform duties that have previously been part of the BFW purview. Although not actively involved in the decision-making process, the Chair of BFW has collected information about activities in health insurance and retirement benefits. This information is summarized below.

Faculty Senate President Kevin Kesler and BFW Chair, Stephen Bialkowski, recently talked with Terry Hodges, Human Resources Director about potential faculty participation in decisions related to faculty health and retirement benefits. Terry Hodges said that these types of decisions were administrative and affected all employees. Thus faculty representation would necessitate representation by staff, etc. Terry Hodges acknowledges that faculty should have access to benefits information.

BFW members were recently invited to talk to the new TIAA-CREF fund representative to discuss the health of our retirement funds and changes to the administration structure. There are no problems gathering information regarding the TIAA-CREF retirements.

Most recently, Terry Hodges talked to BFW about the current state of our health and dental insurance accounts, and about the administration fee increase requested by Regence Blue Cross Blue Shield. This is also summarized in the sections below.

(3) Review the financial and budgetary implications of proposals for changes in academic degrees and programs, and report to the Senate prior to Senate action relating to such proposals.

The BFW Committee has not been in a loop to get information on proposals for changes in academic degrees and programs for some time. Paul Wheeler asked that program information given to EPC be routed through BFW for input on the budget implications. This was done with the proposal for a Geology degree, which the BFW reviewed on March 22, 2004. However, BFW did not receive all proposals for academic program changes that month. We still need to determine at what point BFW should receive the proposals, what should be addressed, and how comments are to be input into the process.

(4) Report to the Senate significant fiscal and budgetary trends which may affect the academic programs of the University

The amount and variety of on-line budget, financial, and assessment information has grown in the past few years. The BFW committee does not have any problems getting information regarding budget, faculty numbers, etc. trends. In addition to public information, the Controller's Office has been helpful and cooperative in sharing budgetary information with this committee.

Oversight of fiscal and budgetary trends on faculty welfare issues has become more complex due to recent administrative and organizational changes. The move toward more "transparent" administration and finances is a national trend. Public corporations have made budget and management information available to shareholders for years. The new trend is for all organizations to follow suit. This is part of the national vogue to apply the so-called "business model" to governance of all organizations. The new data allows faculty, staff, and even the public at-large the opportunity to inspect and make recommendations regarding

governance. This may lead to more efficient governance since recommendations can be focused toward top-level management. It may also reduce liability of the organizations and their administration in the event of management errors, fiscal or otherwise. But this places additional burdens on individual faculty and staff. Faculty members now have the responsibility to read and understand the operation of different units, and to make recommendations regarding administration operations. This new task may be well outside of faculty areas of expertise.

Another business trend is a move toward more choices. We saw this exercised last year with the institution of "blue" and "white" medical benefits plans.

Examples of the trend toward management transparency and more flexibility in individual choices are given below. Coincidentally, both of these trends require more personal and/or professional time. The decisions we make may not always be the best and may cost us more money in the end.

Health Benefits

There are presently two issues pertaining to health benefits; the amount faculty members are spending out of pocket for health care and the proposed cost increases by Regence Blue Cross Blue Shield.

This year faculty and staff were presented a choice in health care plans. There about even numbers of persons enrolled in blue and white plans. The plans differ in deductibles and copayments. Information regarding these plans is on the USU web at <http://personnel.usu.edu/healthoptions.html>.

A summary of the out-of-pocket expense increase is shown in the table below.

	Old Plan	White	Blue
Hospitalization	Member paid 10%	Member pays 30%	Member pays 20%
Surgery	Member paid 10%	Member pays 30%	Member pays 20%
Deductible	None	\$250/person \$500/family	\$150/person \$400/family
Copayment	\$15/visit \$50/incident	\$25/visit \$75/incident	\$20/visit \$50/incident
Prescriptions	30% copay \$857 max. annual	35% copay \$1200 max. annual	30% copay \$1000 max. annual
Major Medical	\$1000/person/year \$2000/family/year \$1M/person/lifetime	\$2000/person/year \$4000/family/year \$2M/person/lifetime	\$1500/person/year \$3000/family/year \$2M/person/lifetime
Employee cost	\$0/month	\$17/month	\$57/month

The employee cost was figured based on an average base salary range of from \$30,000 to \$50,000 and 3 or more persons insured per employee. The later is consistent with the rule of thumb figure of roughly 3,000 employees and 10,000 insured.

Insurance pay out data for the first quarter (starting July 1) of the last three plan years are shown in a table below. The first year shown is 2001-02. This plan had no deductible and relatively low co pays. The University implemented a \$100 deductible the following year. Then in 2003-04, the University implemented White and Blue Plan options. Approximately 50% on the employees chose the White Plan, 50% in the Blue. This cost analysis does not include prescriptions.

As predicted based on medical premiums plus co-payment and deductible increases, the amount of money being spent out-of-pocket has increasing under the plans. This is most apparent by examining the "Patient Coinsurance, Deductible, etc. as % of Eligible Charges" row. In the 2001-02 plan-year, patients paid 8.7% of the eligible charges. In the current year, patients are paying 17%. This constitutes about a factor-of-two increase in the eligible charges that the insured has to pay out-of-pocket. This figure does not include the monthly premium, which all employees pay out-of-pocket as well. With half of the employees in White, the other in Blue, the average per month premium is \$37 per employee. Employees thus paid about \$366,300 into the plan this same quarter.

In terms of out-of-pocket employees' expenses for medical, employees spent \$576,439 for deductibles, etc. in 1st quarter 2001-02. They spent \$1,100,273 for the first quarter of the current year. That constitutes a 91% increase alone. If the amount paid for

premiums is added, the total comes to \$1,466,573 or a 154% increase in out-of-pocket medical expenses in two years.

In addition, the total charges submitted against the plan have decreased. This may suggest that the monetary penalties imposed on the faculty are sufficient for them to avoid health care. First, if you look at the details of the two plans relative to that in place in the 2001-02 fiscal year, copayments for routine visits, hearing, vision, etc. tests, and especially laboratory tests, have increased substantially. Now look at the top row labeled "Charges Submitted against the Plans". Charges submitted against the plan actually decreased by 3% from 2001-02 to 2003-04. This is in sharp contrast to the prediction that medical costs would increase by 11% per year.

It is also interesting to look at the "Total PAID by PLAN" row. This shows that the insurance has paid out less and less each consecutive year. Yet, the E&G budget shown in the tables below shows that the amount of money put into medical benefits has increased by 16.3% over the same period that Total PAID *decreased* by 14%.

Excess money is apparently going to increase the "medical reserve." The medical reserve is a fund that is held in case of emergency. The University plan includes insurance that will pay if we have charges that are over 25% that predicted for the year. To cover the gap in cases of emergency, our current medical plan has a "reserve." The target for this reserve fund is four months expense, or 33% annual. At the present rate of accumulation, the reserve will be at \$5.2M by the end of this fiscal year. The target four-month reserve is \$6.8M.

Terry Hodges invited the BFW Chair to participate in discussions regarding how the university should respond to an increase in Regence Blue Cross Blue Shield charges to administer our health insurance. Regence Blue Cross Blue Shield will raise health and dental administration costs to USU by about 123% over the next three years. Administration costs are fixed. There was some discussion about the course the university administration might take on this. We could lower some costs by raising cut-off points for catastrophic injury insurance, etc. But it is too early to tell what the outcome of these discussions will be.

In the absence of substantive additional benefits funds, this will have to be taken from either our insurance, by decreasing coverage, or our paycheck, by increasing monthly premiums.

To summarize, it appears that our health benefits have degraded over the last three years. Out-of-pocket costs have increased and the amount paid out by insurance has decreased. Fewer costs are covered. Also during this same period, E&G benefits funds have increased. And money brought into this university by the faculty for research support has increased as well. The increased research support should bolster medical insurance funding through faculty using support to pay their summer salary. They pay benefits on this additional salary as well. All the arrows are in the right direction for having a healthy surplus in medical insurance funds.

The BFW was not represented on the committee who formulated the present medical insurance plan or on the present committee to address cost increases proposed by Regence Blue Cross Blue Shield. Given the present Faculty Senate rules, BFW believes that this committee should be represented in the budget preparation process involving budgets for faculty benefits.

We recommend that the Chairman of BFW and a BFW representative, to serve for three years, be appointed to the *ad hoc* committee(s) addressing university budget and faculty benefit items.

Retirement Benefits

BFW members were recently invited to talk to the new TIAA-CREF fund representative to discuss the health of our retirement funds and changes to the administration structure. This took place in the backdrop of rather recent news regarding how over 100 national retirement funds went bankrupt last year, and the large fraction (over 300) of Fortune 500 corporations that only have about 20% of future retirement liability in hand.

TIAA-CREF is restructuring. It has more mutual fund investment options, institutional retirement funds, and individual retirement account options. The client base is expanding to the public at-large. It is also increasing consulting services. A permanently-staffed office is going to be opening in Salt Lake City to be more accessible to us when we have questions regarding the management of our accounts.

TIAA-CREF now offers IRAs and mutual funds, in addition to managing retirement accounts. TIAA-CREF manages three different types of funds; institutional retirement funds, IRAs, and mutual funds. Each type is managed differently, though the overall makeup of the individual funds may be similar. Institutional retirement funds, which make up our retirement, are managed for maximum profit. Since there are no taxes involved in moving these funds, the fund managers have great flexibility and actively manage these accounts. On the other hand, since taxes are paid when transferring mutual funds, these funds are managed less aggressively.

The TIAA traditional annuity is the only fund guaranteed to have money when we retire. This fund does not grow very fast owing to the modest interest of about 7% per year on average over the last 10 years. On the other hand, some of CREF funds had high growth performance. For example, CREF Growth funds had over 300% growth (4x) in the five years leading up to fall 2000, while TIAA grew a modest 50% (1.5x) over the same period.

Most CREF stock funds have outperformed traditional TIAA annuity even with the huge losses in value of these stock funds over the last three years. But CREF funds are not guaranteed. They could go broke if there was to be a number of bankruptcies.

A couple comments are in order. First, one may wonder how much the new services will cost. Second, one should question how shifting emphasis from strictly managing institutional retirement funds to managing a broad range of investments will affect the performance of institutional fund management. We have no answers to these questions nor did we receive guarantees from the TIAA-CREF representatives on these issues.

Some TIAA-CREF television commercials have recently been seen on educational channels. They show professors and researchers working while a narrator says 'we worry about your retirement so you don't have to'. These are misleading. While increased flexibility provides greater opportunities to manage investments and to meet personal goals, in fact, the flexibility of having several different TIAA and CREF funds to choose from comes with increased responsibility on the part of the employee. Increased flexibility comes with commensurate decreased accountability on the part of fund managers. Faculty can lose or minimize their retirement funds if they make poor investment choices.

The BFW, therefore, encourages faculty to be more active and to be more diligent in managing their retirement accounts especially under the current economic conditions.

Budget Trends

The university has substantially increased the amount and type of information available to the public. This on-line information reports the number of employees, budgets, sources of funds and expenditures, and trends in "dashboard" metrics, such as; number of faculty employees, student-faculty ratios, tuition, salaries, etc. Many of these are ranked relative to our peer institutions.

There are several important trends illustrated by these data. First, the faculty are paid 8% - 11% less (compensation) than our peer institutions. This has not improved over the past several years. Of course faculty and staff have not received cost of living adjustments or merit pay raises for two years. The state of Utah issued cost of living increases of 4% in FY 2000 (July 1999-June 2000), 4% in FY 2001, 4% in FY 2002, 0% in FY 2003, and again 0% in FY 2004.

Real performance increase is apparent on the part of the faculty. Research funding is up as are the number of patent applications.

The following figures and tables illustrate some trends in national health care costs, retirement fund performance, university budget, and E&G (state) budget.

Recommendations

We strongly recommend that every *ad hoc* university committee that addresses Faculty interests in any way should have at least one member appointed from the Senate to represent the interests of the Senate and Faculty. Since the BFW Committee is the sole authorized Faculty Representative on matters concerning university budget and faculty welfare, we recommend that members of our committee be selected as members of any University-wide committee organized to address issues impacting budgets and faculty welfare.

In particular, we recommend that the Chairman of the BFW Committee be appointed to *ad hoc* committees addressing university budget and faculty welfare items. In this regard, faculty welfare is defined in the Faculty Senate Handbook as pertaining to "faculty salaries, insurance programs, retirement benefits, sabbatical leaves, consulting policies, and other faculty benefits."

In addition to the Chairman, a BFW committee member should be appointed to appropriate *ad hoc* committees for a three year term. This term should be coincident with their assignment to the BFW Committee.

The BFW Committee Chairman and BFW Committee member will represent faculty interests on these committees.

We also suggest that when an *ad hoc* committee assumes duties that had previously been the purview of an established Senate committee, the Faculty Representative should be chosen from that Senate committee's membership.

Conclusion

The BFW is concerned with the centralization of decision-making by means of transferring duties previously assigned to Senate standing committees to *ad hoc* committees where the real decisions are made. While we appreciate the Administration's efforts to make decisions in a fully-informed, orderly and efficient manner, we sense that Faculty do not feel that their interests are being represented in accountable ways. We believe that Faculty frustration and low morale in this period of budgetary restrictions could be ameliorated if a representative selected by the Senate to represent and report to the Senate served on the *ad hoc* committees that address faculty interest.

Consumer Price Index Trends

<http://www.bls.gov/>



An often reported trend is the raising costs to health insurance funds. The state of Utah reported health and dental costs increases 11.2% for Fiscal Year 2003, and 11.48% for Fiscal Year 2004. (<http://www.dhrm.utah.gov/>). This is in contrast to the U.S. Bureau of Labor Statistics Consumer Price Index reports. According to the US BLS, prescription of medical supply costs are up from 3% to 5%, medical care services are increasing about 5% per year, and total medical costs are at 4% inflation this past year.

It is speculative to say why realized health care costs have risen by about 11% per year in Utah. This trend appears to be national. Nonetheless, the discrepancy it might due to an aging population that is accessing health care more often and for more costly services. Another reason might be due to increases in administration costs.

Health Benefit Claims Data Comparison for 1st Quarter Each Plan Year

	2001-02	2002-03 ¹	2003-04 ²	% Change 2001-02 to 2003-04
Charges Submitted Against the Plan	\$7,496,643	\$8,016,119	\$7,246,579	-3%
Administrative Savings	\$865,676	\$824,969	\$782,263	-10%
Eligible Charges	\$6,630,967	\$7,191,150	\$6,464,316	-3%
Provider Savings	\$1,616,792	\$1,937,992	\$1,561,874	-3%
Subtotal	\$5,014,175	\$5,253,158	\$4,902,442	-2%
Patient Coinsurance, Deductible, etc.	\$576,439	\$968,582	\$1,100,273	91%
Other Carrier Savings	\$324,330	\$390,151	\$250,185	-23%
Total PAID by PLAN	\$4,113,406	\$3,894,425	\$3,551,984	-14%
Admin Savings as % of Total Charges	12%	10%	11%	
Provider Savings as % of Eligible Charges	24%	27%	24%	

Patient Coinsurance, Deductible, etc. as % Eligible Charges	9%	13%	17%
Total Paid as % Eligible Charges	62%	54%	55%
Total Paid as % Submitted Charges	55%	49%	49%

Notes:

1: In the 2002-03 Plan year, the University implemented a \$100 up-front deductible.

2: In the 2003-04 Plan year, the University implemented the White and Blue Plan options. Approximately 50% of employees selected each of the options.

Above data EXCLUDES RxData present by Terry Hodges, Director, USU Human Resources.

Historic Trends in TIAA-CREF Retirement Funds

<http://www.tiaa-cref.org/>



Trends in our retirement accounts can be seen in the figure. Major CREF and traditional TIAA annuity fund performances are shown from January 1995 through January 2004. This figure shows share values, in dollars of a share bought for \$1 in January 1995. Starting from data with the highest value in 2000 and working down, the funds are; CREF Growth, S&P 500, CREF Stock Market, CREF Global Market, CREF Bonds and CREF Money Market funds. The only fund to outperform the Standard and Poor 500 index (S&P 500) over this time period was CREF Growth. Significantly underperforming the S&P 500 were the CREF Bond and Money Market accounts, and TIAA traditional. The TIAA traditional performance is estimated based on the 10-year average interest rate of nearly 7% per year. It is shown as blue diamonds.

Data from the USU web site

<http://aaa.usu.edu/FactsFigures/>

Revenues, FY 2003	Amount
Tuition and Fees	\$47,356,409
Contracts, Grants, and Federal Appropriations	\$155,467,675
State Appropriations	\$124,048,756
Private Gifts	\$8,304,180
Auxiliary Enterprises	\$32,625,680
Other	\$30,938,673
Total USU	\$398,741,373

Expenses, FY 2003	Amount
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Salaries and Wages	\$173,141,870
Employee Benefits	\$57,507,585
Scholarships and Fellowships	\$16,251,503
Depreciation	\$20,613,153
Other	\$120,232,117
Total	\$387,746,228

E&G Budget Data from USU Controller's Office

Summary Schedule of Budgeted E&G Funds For Years Ending June 30, 1995 Through 2004						
Fiscal Year	Salaries	Wages	Benefits on Salaries and Wages	Benefits as Percentage of Salary & Wage	Other Current Expenses	Total
1994/95	\$56,486,000	\$3,518,200	\$18,963,600	32%	\$16,627,600	\$95,595,400
1995/96	\$59,816,100	\$3,604,100	\$20,660,900	33%	\$18,625,700	\$102,706,800
1996/97	\$61,929,500	\$3,774,500	\$21,860,100	33%	\$18,063,400	\$105,627,500
1997/98	\$63,994,600	\$4,561,300	\$22,785,600	33%	\$18,269,200	\$109,610,700
1998/99	\$67,594,800	\$5,224,700	\$23,507,200	32%	\$18,767,900	\$115,094,600
1999/00	\$69,473,200	\$5,526,000	\$24,091,300	32%	\$19,403,300	\$118,493,800
2000/01	\$73,399,800	\$5,600,100	\$25,446,400	32%	\$19,283,400	\$123,729,700
2001/02	\$77,497,400	\$5,234,500	\$26,535,100	32%	\$21,269,800	\$130,536,800
2002/03	\$79,600,600	\$5,207,400	\$29,116,500	34%	\$22,826,800	\$136,751,300
2003/04	\$80,477,500	\$4,703,800	\$30,850,700	36%	\$23,287,700	\$139,319,700

Summary Schedule of Expended E&G Funds Years Ending June 30, 1995 Through 2003						
Fiscal Year	Salaries	Wages	Benefits on Salaries and Wages	Benefits as Percentage of Salary & Wage	Other Current Expenses	Total
1994/95	\$52,205,900	\$4,708,900	\$19,620,400	34%	\$19,947,800	\$96,483,000
1995/96	\$55,787,300	\$4,908,300	\$20,214,700	33%	\$20,296,000	\$101,206,300
1996/97	\$58,747,800	\$5,274,400	\$21,113,400	33%	\$20,041,800	\$105,177,400
1997/98	\$61,579,600	\$6,047,900	\$22,471,500	33%	\$21,470,500	\$111,569,500
1998/99	\$63,838,700	\$6,196,700	\$23,135,600	33%	\$22,853,000	\$116,024,000
1999/00	\$65,933,700	\$7,102,800	\$24,325,300	33%	\$22,675,000	\$120,036,800
2000/01	\$69,336,000	\$8,178,200	\$25,369,900	33%	\$22,704,900	\$125,589,000
2001/02	\$73,371,000	\$6,807,900	\$27,190,500	34%	\$24,765,300	\$132,134,700
2002/03	\$75,901,900	\$7,173,800	\$29,017,000	35%	\$24,328,900	\$136,421,600

E&G Funds Difference; Budgeted less Expended

Fiscal Year	Salaries	Wages	Benefits on Salaries and Wages		Other Current Expenses	Total
1994/95	\$4,280,100	-\$1,190,700	-\$656,800		-\$3,320,200	-\$887,600
1995/96	\$4,028,800	-\$1,304,200	\$446,200		-\$1,670,300	\$1,500,500
1996/97	\$3,181,700	-\$1,499,900	\$746,700		-\$1,978,400	\$450,100
1997/98	\$2,415,000	-\$1,486,600	\$314,100		-\$3,201,300	-\$1,958,800
1998/99	\$3,756,100	-\$972,000	\$371,600		-\$4,085,100	-\$929,400
1999/00	\$3,539,500	-\$1,576,800	-\$234,000		-\$3,271,700	-\$1,543,000
2000/01	\$4,063,800	-\$2,578,100	\$76,500		-\$3,421,500	-\$1,859,300
2001/02	\$4,126,400	-\$1,573,400	-\$655,400		-\$3,495,500	-\$1,597,900
2002/03	\$3,698,700	-\$1,966,400	\$99,500		-\$1,502,100	\$329,700
Totals	\$33,090,100	-\$14,148,100	\$508,400		-\$25,946,100	-\$6,495,700



E&G Budget Trends; 1994-95 through 2003-04



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POLICY MANUAL

GENERAL

Number 306
Subject: Research
Effective Date:
Date of Last Revision: 14 APR 04

306.1 INTRODUCTION

1.1 As Utah's land- and space-grant university, Utah State University (USU or "University") is committed to advancing knowledge through engagement in research and scholarship, and to integrating an excitement for discovery into the education of its students. USU provides a creative and ethical environment that supports free inquiry through both discovery- and applications-related research that will contribute to the economic, social and cultural welfare of humankind.

1.2 The Vice President for Research has the primary responsibility, under the direction of the President and Trustees of the University, for the review and approval of proposals and the oversight of Research conducted at USU. The Office of the Vice President for Research supports the execution of Sponsored Research programs involving a wide array of sources.

1.3 USU is charged with supporting Utah's economic development and fostering the health, well-being and cultural improvement of citizens here and abroad. USU contributes to Utah's entrepreneurial spirit by focusing on applied research that has a direct impact on the economy of the state, while also fostering new ideas through innovative basic research.

1.4 The purpose of this policy, in conjunction with related policies #307, "Conflicts of Interest," #308, "Human Participants in Research," #309, "Animal Care and Use," #327, "Intellectual Property and Creative Works," #377, "Consulting Service," #403, "Academic Freedom and Professional Responsibility," and #407, "Academic Due Process," is to provide guidance to USU's Investigators and administrators as they develop and execute programs of Research within the university.

1.5 For the purposes of this policy, definitions shall be as follows:

1.5.1 "Research" shall be understood to encompass all those activities carried out by Investigators within their respective role statements, employment assignments or courses of study which are designed to increase knowledge or improve upon human inventions.

1.5.2 "Sponsored Research" shall mean Research for which USU has dedicated funding, either from internal or third-party sources, and for which USU has oversight responsibility, either by contract or statute.

1.5.3 "Investigator" shall mean a person or entity affiliated with USU, whether as an employee, student or otherwise, whose role statement, job description, employment assignment and/or function within the University is, either in whole or in part, to carry out Sponsored Research. Such Investigators shall include, but not be limited to, USU faculty, professional researchers, research assistants, laboratory and clinical staff, and others as may be designated by the Vice President for Research.

1.5.4 "Utah State University Research Foundation" (USURF) is a wholly-owned foundation of USU. Under its bylaws, USURF is authorized to act independently in certain functional areas including testing and Sponsored Research of a secret or classified nature.

1.5.5 "Technology Transfer" shall mean that body of activities calculated to fulfill the requirements of 37 CFR 401 (The Bayh-Dole Act of 1980) to provide the public with the benefits of technologies developed under Sponsored Research programs at USU. Responsibility for transfer of technology invented and developed at USU resides in the Technology Commercialization Office (TCO), within the USURF.

1.5.6 "Consulting Activities" shall mean activities carried out by employees of the university with third parties in accordance with Policy # 377, "Consulting Service."

1.5.7 "CFR" shall mean the Code of Federal Regulations, the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the United States (U.S.) federal government.

1.5.8 "Human Research Participant" shall be a living individual, about whom an Investigator conducting Research obtains data through intervention or interaction with the individual, and/or identifiable private information.

306.2 HARMONY WITH USU'S INSTITUTIONAL MISSION

2.1 The quality of both undergraduate and graduate education is dependent upon active participation of Investigators in Research and other creative work in fields related to those they are teaching.

2.2 Sponsored Research, whether basic or applied, is to be encouraged when it is of such a nature and scope as to augment the learning and engagement programs of USU, such as when it may serve to extend the opportunities for student involvement and learning, Technology Transfer or diffusion of information to the public.

306.3 SOURCES OF RESEARCH SUPPORT

3.1 USU encourages its Investigators to actively seek external funding for their Research activities. Guidelines for seeking and accepting such funds are provided below.

3.2 Legislative and Congressional Appropriations

3.2.1 The State of Utah provides support for departmental and organized research in all colleges at Utah State University. The state government and U.S. federal government also appropriate research and operational funds to certain units of the University.

3.2.2 All efforts to augment existing appropriations or initiate new appropriations for Research activities at the University shall be coordinated through the Office of the Vice President for Research, and shall be conducted in accordance with state and federal statutes regarding lobbying.

3.3 Research Grants and Contracts

3.3.1 Agreements for grants and contracts may be entered into with the U.S. federal government, state governments, foreign governments in good standing, or with private industry, foundations or non-governmental organizations. These Sponsored Research projects shall be of direct interest and importance both to the sponsor and to USU. All grants and contracts are subject to review by USU using criteria as set forth in Section 306.4, below.

3.3.2 Research contract and grant agreements shall provide stimulation which may help attract and retain imaginative and able faculty members, provide funds to support undergraduate and graduate students, and/or provide equipment and other facilities which enhance the quality of the University's learning, discovery and engagement programs.

3.3.3 Grant and contract programs accepted by the University shall be open and non-classified, as required under Section 306.4.3.

3.3.4 When the University deems it appropriate to accept contracts from the U.S. federal government in order to further knowledge in areas of national security, and work under those contracts would result in the creation or transfer of classified information, those contracts will be assigned to and carried out by the USU Research Foundation. For guidance concerning acceptance of contracts dealing with classified information, see 306.7, below.

3.3.5 The Sponsored Programs Office (SPO), under the direction of the Vice President for Research, provides support for proposal preparation and application procedures. In order to assist Investigators, the SPO maintains publications such as the Annual Register of Grant Support and the Foundation Directory that provide funding information. In addition, USU may subscribe to products which facilitate collaborative science and provide information concerning programs of funding available from the U.S. Government and other sources. The SPO may also from time to time distribute electronic newsletters or web-based announcements concerning available funding opportunities. Investigators are encouraged to consult with the SPO in early stages of proposal preparation to facilitate appropriate attention to the specific requirements of prospective granting agencies.

3.4 Scholarship and Fellowship Funds

The primary purpose of scholarship and fellowship funds available from agencies of the U.S. federal government and elsewhere, is to provide educational opportunities to deserving students. In addition, graduate students supported by these funds carry out substantial research projects and provide for their work to be made available to the public. Many undergraduate students also participate in research activities while supported on scholarships. Thus, a great deal of fundamental and applied research is supported through such funds.

3.5 Institutional Support of Research Activities

In addition to direct financial support from the sources described above, the University is committed to encouraging Research and scholarly endeavors on the part of all Investigators. Encouragement is given through the adjustment of teaching loads to provide time for such activities and, to the extent possible, provision of access to equipment, laboratory space and literature, support for travel and participation in professional meetings, and assistance in preparation and publication of the results of Research and other scholarly works. A limited number of small grants-in-aid to encourage Research initiation, especially among the recently appointed and younger faculty members, and Investigators developing new fields of Research, are provided through the Office of the Vice President for Research.

306.4 CRITERIA FOR SUBMISSION, APPROVAL AND NEGOTIATION OF CONTRACTS AND GRANTS

4.1 Any proposed Sponsored Research should be of such nature that its prosecution enhances and is compatible with the regular programs of discovery and/or learning conducted by the University.

4.2 Research funds should not be sought or accepted by the University simply because they are available. They should strengthen its capability to achieve its main purposes, as defined in the University mission.

4.3 Except in cases of classified or proprietary work performed under the direction of the USU Research Foundation, sponsored programs must be compatible with the spirit of freedom of inquiry and the rights for publication must be fully assured to the Investigator and the University.

4.4 All Investigators may submit proposals for support of Research and scholarly projects. All proposals must be approved by an Investigator's research center director (if the work is to be carried out in whole or in part through a research center), by the department head, and by the cognizant dean(s) before submission to the Sponsored Programs Office for final campus approval.

4.5 All contract and grant proposals, including proposals to private foundations, shall be submitted through the Sponsored Programs Office (SPO). Each proposal shall be accompanied by a completed Proposal Approval Form as currently provided by the SPO, and all other documentation as required. Proposals with executed Proposal Approval Forms must be completed and provided to the SPO in accordance with current SPO procedures.

4.6 Negotiations with third parties of the terms of contracts and grants must ensure appropriate legal and financial protection to the University and conformity with established University policies. Proposals for contracts and grants must provide for payment of Facility and Administrative (F&A) costs, in accordance with recognized rates governing indirect-cost reimbursement. Any waiver of F&A costs must be approved in writing by the Vice President for Research. The SPO shall have primary responsibility for the negotiation of the terms and conditions of Sponsored Research agreements.

4.7 Proposals that commit the University to establish research centers or institutes upon receipt of an award require special handling. The Vice President for Research should be consulted in the early stages of preparing such proposals. The Vice President for Research, or his/her designee, will work with the Investigator(s) to ensure that proper procedures are followed for all such proposals. Establishment of research centers and institutes must be approved by the Vice President for Research and the Provost.

4.8 The administration of Sponsored Research projects and programs is normally handled through the regular departmental and college channels. The Vice President for Research may designate an individual or committee to assume direct administrative responsibility for certain projects of an interdisciplinary character involving direct participation of more than one college and/or center.

306.5 PROPRIETARY INFORMATION, DATA AND RESEARCH

5.1 It may be necessary for an Investigator to gain knowledge of information considered to be proprietary by a private company in carrying out a research project. It is likewise possible that sharing of information proprietary to the University may be necessary.

Before entering into a research project which may involve the use of proprietary material, the parties involved, including sponsoring industries and universities, shall enter into an appropriate Confidential Disclosure Agreement (CDA), or other agreements approved by University Counsel and the Technology Commercialization Office (TCO), determining the nature and extent of the restrictions to be placed on the parties with regard to disclosure of the confidential information. Such agreements shall be negotiated and executed by the TCO, and shall be countersigned by the Investigator(s) directing the

work. To the extent that graduate students or others may become receiving parties under such an agreement, they shall execute an internal agreement acknowledging the duties of confidentiality under which they receive such materials. Any extension of the scope or nature of the proprietary material involved will require a supplementary agreement to be signed by the parties involved, as detailed above, before implementation. Acceptance or utilization of any proprietary material without prior administrative approval, or failure to comply with the terms of a CDA is inappropriate, may result in employment action as provided under Policy # 399, "Termination of Classified and Professional Staff" or Policy # 407, "Academic Due Process", and will be deemed to be the sole responsibility of the individual Investigator.

5.2 The acceptance and use of proprietary material by Investigators must not compromise or diminish the freedom of publication rights as specified in this policy, nor inhibit free discussion of any graduate student project at an oral examination. Because preliminary and final graduate student examinations must be open to all members of the faculty, student theses or reports required for advanced degrees should not contain or use proprietary information.

5.3 From time to time, the University may determine that the public good is best served with regard to Technology Transfer by entering into an agreement with a public or private entity which provides that entity with a licensed interest in the results of a given study. For example, a company may provide support for further research on a topic or idea for which the University has filed for patent protection. Under such conditions, the University may agree to provide the company with an option to license the patent, if awarded, to the company. Such an arrangement would provide the company with an interest in the research results, but the Investigator would still be free to publish, consistent with the University publication policy. Under such conditions, short-term restrictions may be placed on publications, including theses and dissertations, as provided in Section 306.6 below.

306.6 PUBLICATION POLICY

6.1 Restrictions on publication of the results of Research are incompatible with the basic concept of a research and educational institution as a source of knowledge. Short-term restrictions of usually not more than ninety days may be permitted in the interest of actual or potential patent considerations, or to provide lead time to a company or organization that has financed the Research. Long-term permanent restrictions should be undertaken only for exceptional or emergency reasons such as might occur during a period of national emergency, as provided in the National Emergencies Act (Title 50, U.S. Code, Section 1601 et seq), and would then be permitted only after review and approval by the Vice President for Research.

6.2 Except as provided in Section 7, below, the University will not knowingly enter into a research agreement with a sponsor under which Research results would be owned and/or sole controlled by the sponsor. However, from time to time testing services may be undertaken, especially within the USU Research Foundation, the results of which may become proprietary to the sponsor. Agreements to conduct services in USU labs shall define the ownership and use of data and shall establish whatever publication rights shall be granted related to data obtained from those services.

306.7 SECRET OR NATIONAL DEFENSE RESEARCH

7.1 USU will not knowingly conduct Research directed to offensive weapons development except in times of declared national emergency, as provided for in the National Emergencies Act and only upon request of U.S. federal governmental authority. The University does not attempt to determine whether or not a study, the results of which may have broader applications in the civilian economy, may conceivably also be used in some way for military purposes.

7.2 USU permits acceptance of certain research projects which are secret or otherwise classified and/or in which its rights to publish the results of the investigations are withheld, but all such research shall be administered within the USU Research Foundation.

306.8 CONSULTING ACTIVITIES AND OUTSIDE INTERESTS

8.1 The Board of Trustees of Utah State University has adopted Policy #377 entitled "Consulting Services". USU employees are required to adhere to this policy in providing consulting services. The following are some general guidelines which are considered appropriate for Consulting Activities:

8.1.1 Certain employees as defined in Policy # 377 are permitted to provide consulting services for private and/or public organizations. Provision of such Consulting Activities shall be pre-approved by the employee's direct supervisor.

8.1.2 In certain USU programs, advice and service to individuals, organizations, and other agencies are an integral part

of an Investigator's regular duties. In accordance with section 2.3.2 of USU Policy # 376, "Extra Compensation," no Investigator may receive extra compensation for performing services that are necessary to fulfilling their Primary Role Assignments. Such activities shall be excluded from the definition of Consulting Activities. However, in cases where Policy # 376 allows for extra compensation for the performance of extra services, the guidelines of this section and Policy # 377 shall be taken into consideration when supervisors and university administrators approve extra compensation in connection with such services.

8.1.3 A consulting obligation or other outside activity should be undertaken only if it does not interfere with full and complete performance of the regular duties which an Investigator has been assigned, for which he or she is receiving compensation from Utah State University and which is normally expected of its employees.

8.1.4 Investigators must not compromise the position of the University through their Consulting Activities or other outside interests. Conflicts of interest must be disclosed and appropriately managed, reduced or avoided, in accordance with Policy #307, Conflicts of Interest.

8.1.5 Serving as an expert witness during legal proceedings is normally a Consulting Activity. Investigators serving as voluntary witnesses by virtue of their expertise during any legal procedure represent themselves and not the University.

8.1.6 If a request for assistance involves the use of the University's labor, facilities, or equipment, it should generally be performed on a contractual basis with the University rather than on a consulting basis.

8.1.7 Investigators working in a private capacity are obligated to make clear to their third-party employers that this work is private. University stationery and forms shall not be used in Consulting Activities or reports. The specific arrangements and compensation rates for such consultation shall not subject other professional persons outside the University to unfair competition. Improper use of University resources may result in employment actions as provided under USU policies # 399 or #407.

8.2 After an employee has provided approved consulting services, the time expended in the Consulting Activity shall be reported to the employee's immediate supervisor, in accordance with Policy #377.

8.3 USU does not take responsibility for the acts or omissions of its employees while they are engaged in Consulting Activities. University role statements shall not include language which requires faculty members to provide Consulting Activities in order to fulfill their USU role-related responsibilities.

306.9 USE OF HUMAN PARTICIPANTS IN RESEARCH

9.1 All Research projects involving the use of Human Research Participants must be handled in accordance with the principles set forth in the Belmont Report and the guidelines provided in 45 CFR 46. These guidelines apply to all human Research performed at USU, regardless of the source of funds used. Special care must be taken in protecting the rights and welfare of vulnerable populations, as further defined in Policy #308, including studies using questionnaires, surveys, interview procedures or observations, focus groups, educational tests, taste panels, existing data, clinical studies (drugs/medical devices), blood collection, or biological specimens.

9.2 Policy #308, Human Participants in Research has been adopted by USU, and shall guide USU employees recruiting for, designing and/or conducting any Research involving Human Research Participants.

9.3 USU is committed to a policy of safeguarding the rights and welfare of Human Research Participants and hereby gives assurance that it will comply with all applicable regulations of the Department of Health and Human Services (DHHS).

306.10 USE OF ANIMALS IN RESEARCH

10.1 The use of animals is essential to the research, teaching, and outreach missions of Utah State University. Significant benefits to the health and welfare of both animals and humans have resulted from animal use in Research, and continued use is crucial to future advancements. USU employees who utilize animals are morally and legally obligated to care for them properly and use them humanely. Each faculty member, staff member, or student involved in caring for or using animals under USU's jurisdiction and control is directly responsible for promoting and protecting animal welfare within the learning, discovery and engagement programs of the University. Animal procurement, care and use shall be governed by the terms of Policy #309, "Animal Care and Use", and shall be in accordance with standards and guidelines set forth in the Animal Welfare Act, the Health Research Extension Act of 1985, and subsequent revisions, and other guides as set forth in

Policy # 309.

10.2 Animals should be used in learning, discovery and engagement programs only as required to demonstrate principles, to obtain new information, and achieve results, which will ultimately benefit society. Whenever feasible, mathematical models, in vitro biological systems, demonstrations, and computer and audiovisual aids should be used to reduce, refine or replace animal use in Research.

10.3 All research projects and educational or extension activities using live vertebrate animals under the jurisdiction or control of USU shall be reviewed and approved by the Institutional Animal Care and Use Committee.

306.11 SAFETY AND HEALTH IN RESEARCH

11.1 It is the policy of Utah State University that faculty, staff and students are entitled to a safe and healthy place in which to work, study, or perform Research free from hazards which may cause serious injury or death. The safety and health aspects associated with experimentation, research and development are so varied that specific safety instructions are beyond the scope of this policy statement. Therefore, Investigators who have responsibility for the design and conduct of Sponsored Research at USU shall be responsible for designing and enforcing such safety procedures as are reasonable and prudent in their respective areas. They shall coordinate with the University's Environmental Health and Safety Office (EH&S) to be certain that all persons involved in Research and support in their areas receive appropriate training in proper handling techniques and emergency procedures. All Investigators shall take the initiative to become informed concerning exposure to toxic and hazardous materials in their work environment. The department head or unit director is responsible for the approval and safe conduct of all research projects carried out within his or her unit.

11.2 The University, by statutory requirement, must comply with the provisions of the Utah Occupational Safety and Health Act (UOSHA). To help comply with UOSH Rules and Regulations, the EH&S provides various safety-related publications, available at the EH&S website, and in their offices.

11.3 Proposals involving 1) the use of any hazardous materials which may expose Investigators or other persons to potentially unsafe conditions, including but not limited to Select Agents, as defined in 42 CFR 1003, 2) Human Research Participants, 3) live vertebrate animals, 4) the use of radiological materials or 5) the use or manipulation of Recombinant DNA must be reviewed by the appropriate committee to provide assurance that all reasonable precautions have been taken to avoid potential health or safety hazards.. Examples of such committees are: Safety, Biosafety, Chemical Hygiene, Radiation Safety, Recombinant DNA and Risk Control. Information on these committees may be obtained from the Office of the Vice President for Research or a member of the committee of interest. Committee membership is published in the "USU Councils and Committees Handbook."

306.12 PATENTS, COPYRIGHTS AND CREATIVE WORKS

12.1 The "Intellectual Property and Creative Works" Policy, #327 governs the pursuit of intellectual property rights and commercialization for Investigators. Further procedures related to intellectual property and copyrights are available in the Office of the Vice President for Research and the Technology Commercialization Office (TCO).

12.2 It is the policy of the University to carry out its scholarly work in an open and free atmosphere and to freely publish results obtained therefrom, limited only by a short time delay when necessary to establish patent rights or ensure the protection of third-party confidential or proprietary information. Although the University does not undertake Research or developmental work principally for the purpose of developing patents and commercial applications thereof, patentable inventions sometimes arise out of the Sponsored Research activities of its Investigators which are carried out wholly or in part using University resources. As mandated by the Bayh-Dole Act of 1980, and in keeping with its role as a public service institution, the University has an interest in assuring the utilization of such inventions for the public good.

12.3 As a condition of employment, and in accordance with 37 CFR 401.14, USU employees are required to disclose inventions and creative works to the TCO. It is the policy of the University to assess the commercial potential of the inventions and creative works of its employees, to retain title to them as allowed under the Utah Employment Inventions Act and 37 CFR 401, and protect them when deemed appropriate to do so by the TCO.

12.4 As a public institution, the University is committed to providing Research sponsors with access to technologies developed in whole or in part under their sponsorship that is fair to the sponsor and the inventor(s), and that does not unduly disadvantage third parties or the public at large. Sponsored Research shall be undertaken by the University under support from governmental entities and private parties only if it is consistent with, and complementary to, the University's

goals and responsibilities to the public.

306.13 RESEARCH MISCONDUCT

13.1 Integrity in research is a core University value. Those involved in academic Research must safeguard the truth and protect the public trust. It is the shared responsibility of every member of the University community to create and preserve an environment in which activities that interfere with an honest search for truth are not tolerated. Misconduct in scholarly Research cannot be prevented by university regulation or federal law but only by each individual's firm commitment to academic ideals and integrity. Investigators, mentors, project directors, and academic leaders must impress the importance of such commitment upon all who are involved in University Research.

13.2 Honest mistakes do not constitute scientific misconduct. Rather, scientific misconduct is defined as falsification, fabrication or misappropriation of data. This definition is in accord with the USU Faculty Handbook, Policy #403, "Academic Freedom and Professional Responsibility."

13.3 Research misconduct is a broader concept than scientific misconduct, and includes any instance of scientific misconduct, as well as any other unethical practice in the conduct of Research that is found not to be in keeping with the normative standards of the scientific community.

13.4 Whenever any USU Investigator is accused of serious misconduct in scientific or scholarly research, the university will conduct an inquiry, make a determination concerning the truth or falsity of the allegations, and take appropriate investigative and disciplinary action. The process of inquiry and investigation will be expeditious and protect the rights of all those concerned, including the complainant (also referred to as the "whistleblower," or "accuser") and the accused. Allegations of scientific misconduct by USU employees, whether initiated by USU faculty, staff, students, or by individuals outside of USU, shall be handled in accordance with USU Policy #403, "Academic Freedom and Professional Responsibility;" Policy # 407, "Academic Due Process: Sanctions and Hearing Procedures;" and USU's "Scientific Misconduct Procedures." In accordance with those policies and procedures, and with federal statutes, all findings of scientific misconduct at USU shall be reported to the cognizant funding agency of the federal government. USU cooperates with U.S. federal government agencies as required by statute in the prosecution of scientific misconduct inquiries and investigations.

Tuition Task Force Report

April 5, 2004

Task Force Membership:

Students: Stephanie Kukic, Karla Petty, Rebecca Warnick
Faculty: Janis Boettinger, Nicole McCoy
Administrators: Scott Hinton, Glenn McEvoy (Chair), Sydney Peterson

Given:

- USU 2003-2004 tuition and fees are 67% of the national average (\$3,141 vs. \$4,694) of four year public universities,¹ are 84% of western universities,² remain below those of the University of Utah (86% of tuition for 2003-2004), and are second lowest of the 18 WICHE schools.
- USU's tuition increase of 7% for returning students (and 9% for new students) for 2004- 2005 is lower than the statewide projected average and median increases of 11.1% and 9.5%, respectively.³ The University of Utah will increase tuition next year 10% to \$4,011 for all undergraduates. USU's new student tuition and fees next year will be \$3,374, or 84% of

the University of Utah's.

- USU tuition has increased 33% in the last three years (2001-2004), comparable to increases at other schools in Utah.
- USU does not know what the Board of Regents will do with tuition increases in the future and it is unlikely that significant increases in funding will be forthcoming from the Utah legislature in the next three years.
- The state general fund appropriations to higher education as a percent of tax revenue decreased from 16.5% in 1992 to around 8% in 2000. This percentage increased slightly (to around 10%) in 2001.
- The mission of USU is to be one of the nation's premier student-centered land-grant and space-grant universities.
- Goals of USU include reducing student-faculty ratios (#4), raising faculty and staff compensation to be more competitive with peer institutions (#5), infusing new energy into graduate programs (#7), and expanding and diversifying revenues (#2).
- The number of students at USU continues to rise, the number of 18-year-olds seeking access to higher education in Utah will begin to increase significantly beginning Fall 2006, growth in student numbers has not been funded by the legislature in the past, and USU, at 22.7:1, has one of the highest student-faculty ratios in the state and the highest among peer institutions.⁴
- There were no pay increases for USU faculty and staff for the two years 2002-2004; faculty salaries at USU are 83% of peer institutions (\$57,000 vs. \$68,900).⁵
- The proportion of graduate students at USU continues to lag our peer institutions (14% vs. 18%), USU awards far fewer doctoral degrees each year than peer institutions (69 vs. 278),⁶ and graduate student stipends are lowest among our peers.⁷
- Due to years of under-funding by the state, infrastructure needs at USU are large and growing (e.g., library, fuel and energy deficit, computer labs, Banner conversion,⁸ advising centers).
- The percentage of students receiving financial aid at USU has remained relatively stable at about 50% for the past five years.⁹
- Pell Grants for low income families used to cover 84% of the cost of an education and now only cover 39% at the national level.¹⁰
- University funding all across the country is undergoing a significant shift in philosophy in the sense that costs are increasingly being shifted from society and the taxpayers to students and their families. For example, 78% of the \$54.3B per year in federal financial aid for students is now in the form of loans rather than grants.¹¹ At USU, while student tuition funded 15% of the cost of an undergraduate education in 1985, it had increased to 24% by 2001 and has been rising in the years since.
- As Utah's land grant institution, USU has an obligation to maintain access to students of all income levels.
- A one percent increase in Tier II tuition generates approximately \$400,000 in additional dollars per year for the university.

Task Force Recommendations:

Assuming Tier I tuition increases of 4% per year for the three academic years beginning 2005 through 2007, the Task Force suggests additional Tier II tuition increases for these three years in the vicinity of 6% per year, for a total Tier II tuition increase over these three years of 18%. The table below shows the projected increase in tuition per semester for a new resident full time undergraduate student. The highlighted portion of the table relates to the recommendations of this task force. Note that this table reports tuition only, not tuition and fees.

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2003-2004	2004-2005 @ 9% increase ¹² (Tier II = 6%)	2005-2006 @ 10% increase (Tier II = 6%)	2006-2007 @ 10% increase (Tier II = 6%)	2007-2008 @ 10% increase (Tier II = 6%)
\$1,307	\$1,425	\$1,568	\$1,724	\$1,897

Total tuition increase each year:

	\$118	\$143	\$156	\$173
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Portion of tuition increase that is Tier II:

	\$78	\$86	\$94	\$103
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Effect of this tuition increase:

Assuming a 5% increase per year in tuition at other universities, this 10% per year recommended increase in tuition at USU would put us at 78% of national and 98% of western states tuition rates by 2008. Of course, it is likely that other universities in other states are facing the same kind of financing dilemma that USU is facing, so the 5% assumption is probably conservative. In the view of the Task Force, it is desirable that USU’s tuition rise in relation to that of the University of Utah without surpassing it. In the most recent year, our tuition actually fell further behind (from 86% to 84%) rather than catching up. As the state’s land grant institution, USU should remain more accessible to low income Utah residents than the U, but in order to meet our strategic objectives, we need to increase our tuition.

Further, according to data on the Governor’s website and economy.com, household income in the state of Utah is projected to rise between 4% and 5.3% annually over the next three years. While tuition increases will slightly outpace the growth in household income, tuition as a percentage of household income will not exceed 7.8%. Tuition and fees as a percentage of household income will not exceed 8.8%. For the year 2002-03, the median ratio of tuition and fees to median household income was 7.7%, and the average was 8.2% for 15 western states (WICHE 2002). Therefore, the impact of these tuition increases on the average household should be minimal.

Uses of Tier II funds:

The task force’s suggested application of Tier II funds for 2005 to 2008 is as follows:

- Library
- Increase access to, and availability of, student financial aid (see details below)
- Reduce average class sizes by hiring additional faculty and providing instruction for bottleneck courses, including increasing graduate teaching assistantships
- Reduce (or eliminate) course fees in general education courses (e.g., ENGL 1010) by providing adequate department operating funds
- Invest in intelligent infrastructure (e.g., campus-wide wireless Internet connections, online applications for graduate students)
- Merit and equity salary adjustments for faculty and staff¹³

In terms of financial aid for students, the Task Force recommends the following:

- USU needs to provide better information to applicants regarding how they can pay for their education. Although most low income students are already on financial aid, there may be a perception that a college education is out of reach for low income families in the state of Utah. However, Judy Lecheminant, Director of Financial Aid, has indicated that more funding is available if more entering students would fill out the FAFSA form. The perception that USU is expensive needs to be changed, possibly through the work of the Admissions Office using a slogan such as “U-S-U can afford it!” Every student accepted to USU should be provided with a simple but complete packet of information detailing ways in which students can get help paying for their college education.
- USU should provide a guarantee for students from families below the poverty line that the total cost of Tier II increases during their four years at USU will be covered by increases in financial aid. This is expected to cost the institution little because our annual tuition projected out to 2007-2008 is still below the current Pell Grant maximum of \$4,050 per year.

- As part of the financial aid package, for about \$1,700 per year a low-income student could be provided free room and board on campus in an unused dormitory room (\$1,700 represents the variable cost of providing this service). There are currently about 200 unused dorm rooms on campus, and while it is difficult to project the future, if the same number of rooms were available each year going forward, about 70 students per year could be offered a “room/board waiver” valued at \$3,200 for a cost of \$119,000 (70 X \$1,700). If all 200 rooms eventually were filled with students on the low income “room/board waiver” program, the total cost to the university would be \$340,000 per year (200 X \$1,700), which could be funded with less than 1% of the 6% Tier II tuition increase each year.
- USU should increase access to financial aid to “late bloomers.” It is the sense of the Task Force that financial aid is not as readily available for juniors, seniors, and graduate students as it is for freshmen. Therefore, we recommend using some of the Tier II increase for “late bloomer” scholarships. Such awards could be used to reduce class sizes (graduate students could teach extra sections of high enrollment classes) and increase supplemental instruction (labs, study sections, etc., staffed by highly qualified juniors and seniors).
- USU should increase graduate stipends. In comparison with our peer institutions, funding for research and teaching assistantships is below the average. By increasing support for all graduate students, USU will not only reduce the burden of high enrollment classes but will attract high quality candidates for both Masters and PhD programs.

Additional Recommendations of the Task Force:

1) USU tuition and fees should be more transparent.

- As USU tuition remains low (and is, in that sense, a source of “competitive advantage”), we suggest that this information be made as readily available as possible. Some universities have a “tuition calculator” on their home page that allows students to easily determine the cost of four years of education. Because there are now multiple tuition scales (e.g., new vs. returning student, undergraduate vs. graduate student), it is becoming increasingly complex for students to determine the cost of their education. A “tuition calculator” on USU’s home page would simplify this determination.
- Course fees have become a hidden cost of attending USU. Such fees should also be transparent and easily estimated for each degree program at USU. As noted above, the Task Force would like to see Tier II increases replace course fees (by supplementing operating budgets) for courses taken by most USU undergraduates (e.g., ENGL 1010).

2) The Task Force believes that it is important for the President and Provost to have maximum flexibility going forward. No-one can predict what the economic climate, tax revenues, budget allocations, number of student applicants, extent of faculty turnover, etc. will be by 2008. Therefore, the Task Force suggests that the President and Provost interact with student leaders annually to determine the actual level of Tier II tuition increases in each of the three years covered by this report. We view the 6% annual recommendation as simply a target around which both students and university administrators can do some planning.

Other items discussed by the Task Force:

The Task Force also discussed the merits of the tuition plateau. There was a sense among some members that the current system forced part-time and graduate students (for whom 9 credits is considered a full load) to subsidize those students taking 18 credit hours. However, there was also the understanding that the plateau was designed to encourage more undergraduate students to graduate in four years. One option is to have the plateau begin at 12 credits, which is the minimum load for undergraduate financial aid availability. Further, there was also the sense that changing to a system without a plateau could have revenue implications to the university that are beyond the scope of the Task Force to estimate. Nevertheless, there may be alternatives to the plateau system that decrease the subsidy while still encouraging full-time enrollments. One such example is a tuition schedule in which there is no plateau but the per credit cost decreases as the total number of credits increases.

The Task Force also discussed helping students and families plan for paying rising tuition costs. Transparency of true costs of tuition, fees, and living expenses was discussed. USU may also be able to provide access to information on financial planning for future college costs, including information on tax-free college savings plans. Alternative payment options also should be considered and promoted, such as tuition payment in installments. This can include better advertising of, and reducing (or eliminating) the \$50 fee to enroll in, the SPOT program.

The Task Force notes that BYU’s tuition has increased more slowly than the public universities in Utah. USU tuition is now

about even with BYU, and there is every expectation that with the recommended tuition increases presented here, USU tuition may be as high as 120% of BYU's by 2008 (BYU has stated they expect to see 4% annual increases in the next year, but future increases are unknown). The enrollment impact of this shift is unknown, but the Task Force believes that such a pricing differential deserves careful attention as the plan rolls out, with the possibility of mid-course adjustments needed in USU's plan if there are unforeseen negative consequences.

More work needs to be done before certain Task Force recommendations can be implemented. Total course fees are not yet known for all degree programs at USU. The exact cost of a guarantee to low income students that Tier II increases will be covered by financial aid is not known. The costs of investments in intelligent infrastructure on campus, enhancements to web pages (e.g., tuition calculator, on-line application), and development of better financial aid information for incoming students are not known. The number and size of graduate student stipends and late bloomer teaching assistantships needs to be estimated. An exact cut off for determining when a student's family income is low enough to qualify for the "room/board waiver" needs to be determined, perhaps balanced with an indicator of incoming student quality (the admissions index). Going forward, USU staff who are involved in these issues on a day to day basis need to determine more precise data to fold into the Tier II tuition increase application plan.

Link to USU's aspirations:

In all cases above, the Task Force has made its recommendations with the following three university goals in mind:

Goal #2. Expand and diversify the revenues of the University.

Goal #4. Strengthen the recruitment, retention, graduation, and placement of students and, as part of that goal, reduce the student-faculty ratio.

Goal #7. Infuse new energy into graduate programs, particularly at the doctoral level.

As we have seen in the recent economic downturn, USU cannot become "one of the nation's premier student-centered land-grant and space-grant universities" (USU Mission Statement) by relying only on the state of Utah's largess. Tier II tuition increases are one of several ways in which USU can control its own destiny, enrich the educational experience for students, and enhance the value of our alumni's degrees by building the national and international reputation of their alma mater.

¹ Newsweek, Feb. 2, 2004.

² USU Performance Dashboard, Oct. 2003.

³ Deseret News, Jan. 12, 2004.

⁴ USU Performance Dashboard, Jan, 2004.

⁵ USU Performance Dashboard, Jan, 2004.

⁶ USU Performance Dashboard, Jan. 2004.

⁷ President Hall address, Sept. 12, 2002.

⁸ For example, students interested in graduate programs at USU cannot apply on-line.

⁹ USU Performance Dashboard, Jan. 2004.

¹⁰ Newsweek, Feb. 2, 2004.

¹¹ Lumina Foundation Focus, Summer 2003.

¹² Note: this analysis applies to new students only. The tuition is slightly lower for returning students.

¹³ This item is listed last because the Task Force believes it is the obligation of the State to fund such increases. However, should the State not be forthcoming with funding, the President should consider using part of the Tier II increases to attract, reward, and retain the best faculty and staff.