

The Utah College of Applied Technology (UCAT)
Board of Trustees Special Meeting

DATE: 25 October 2012

TIME: 10:00 AM – 12:00 PM

LOCATION: Utah College of Applied Technology
2801 Ashton Boulevard
Lehi, UT 84043

(Anchor location for telephone conference access)

MINUTES

Board of Trustees Present

Tom Bingham, Chair – TATC
Michael Madsen, Vice Chair – BATC*
Michael Jensen – DATC
Ron Larsen – DXATC*
Jim Evans – MATC*
Steven Moore – OWATC*
Don Roberts – SWATC*
Mark Dennis- UBATC*
Kendall Willardson – Snow College*
Stanley Parrish –SLCC*
Dale Cox – Union Apprenticeship*
Brad Tanner – Non-Union Apprenticeship*
Teresa Theurer – State Board of Regents*

Excused

Mike McCandless – USU - CEU
Jim Olsen – Business-Industry Governor’s Appointee
Dave Buhler – Commissioner of Higher Education
Spencer Eccles – Governor’s Office of Economic
Development
David Crandall – State Board of Education

UCAT Administration

Robert Brems – President
Tyler Brinkerhoff – VP, Administrative Services
Kimberly Robert – Executive Assistant
Doug Richards – Assistant Attorney General

Others Present

Richard Maughan – BATC, Campus President*
Mike Bouwhuis – DATC, Campus President
Kelle Stephens – DXATC, Campus President*
Collette Mercier – OWATC, Campus President*
Clay Christensen – MATC, Campus President*
Dana Miller – SWATC, Campus President*
Ellen Lange-Christenson – TATC, Representative*
Russell Galt – DATC Staff
JoAnn Matery – DATC Staff
Jay Greaves – DATC Staff
Jim Blair – Charter Applicant
Robyn Bagley – Charter Applicant

*Attended via telephone conference call

MINUTES OF MEETING

UTAH COLLEGE OF APPLIED TECHNOLOGY Board of Trustees- Special Meeting 25 October 2012

I. Introduction

Call to Order

Meeting was called to order at 10:02 a.m.

Approval of Agenda

Motion: Mike Madsen, Second: Jim Evans; Voting: Unanimous

II. Action Items

II.A FY 2012 Data Summary Corrections

Earlier drafts of the FY 2012 student data summaries that were printed prior to reconciliation and campus certification (dated August 20, 2012) were inadvertently included with the 18 October 2012 Board of Trustees agenda (Item II.J – Certification of FY 2012 Student Data). The correct data summaries were provided with the agenda, and represent the final data that was submitted, reconciled, and certified by the campuses. Although the differences between the drafts are miniscule, board approval of the correct reports is necessary to assure that what has been submitted, reconciled and certified by the campuses is what is consistently reported.

UCAT Administration recommended the Board of Trustees approve the corrected FY 2012 data, as summarized in the attached reports dated September 5, 2012, replacing the reports approved in the 18 October 2012 meeting.

Motion: Mark Dennis, Second: Brad Tanner; Voting: Unanimous

II.B Approval of DATC Board of Directors Authorization of UCAP Charter High School

Based on feedback provided by the Utah College of Applied Technology Board of Trustees at the October 18, 2012 meeting, the Davis Applied Technology College Board of Directors considered several revisions to the UCAP Charter High School application in a special board meeting on Wednesday, October 24, 2012. The DATC Board of Directors approved the revised application in that meeting. Specific details of the revisions include:

- 1- The revised application is now 'DATC-specific'. All references to other ATC campuses have been stricken from the application.
- 2- The UCAP Charter School Board now requires a business/industry representative from the Davis Applied Technology College Board of Directors as an additional member.
- 3- The fees for instructional services have been modified for 11th and 12th grade students only. Rent for 9th and 10th grade charter school student usage of the Davis Applied Technology College is now included.
- 4- The revised Charter Application includes financial projections for two years only, as required by law. Additional projections previously discussed for years 3, 4 and 5 have been withdrawn.

The revised application includes financial details for the first two years of operation as required by state law for a charter school application. Significant discussions have been held between UCAP, DATC and UCAT over the past several weeks, and especially since October 18th, regarding a five-year financial model based on 'good faith estimates' for years 3-5. Since October 18th, the discussions have focused on a differentiation between the needs of 9th and 10th grade students in the charter school for academic education and for 11th and 12th grade students who would enroll in DATC technical programs with a goal of obtaining a postsecondary certificate.

On October 24, 2012 UCAP communicated the following to both DATC and UCAT:

"In trying to put together projections for years 3-5 and in reviewing the projections we gave you for year 3, we have determined that although we are happy with the increased fee we have projected for year 2, we are not comfortable with the projections for years 3-5 and the accompanying further increases in ATC fees. As our revised application shows, in year two we project paying \$765/student enrolled in an ATC course (11th and 12th graders) in addition to a \$35,000 lease for the space our students will use. For these reasons and because we

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will only send the required years 1-2 to the state board, we ask that you not distribute the supplemental year 3 projections to your board."

Although the revised UCAP application appears to improve the financial benefit to DATC during years 1 and 2, UCAP's request to remove years 3-5 projections from the discussions adds more questions and concerns to the long-term conceptual discussion.

UCAT Administration recommended that: **(1)** the UCAT Board of Trustees deny approval of the request of the Davis Applied Technology College Board of Directors to authorize the UCAP Charter School and its application at this time. (This recommendation was based on significant questions about budget projections and the unknown impact on the resources of the DATC beyond the two years described in the revised application); and **(2)** that the Board of Trustees charge the UCAT president, UCAT vice presidents and eight campus presidents to investigate the feasibility of establishing their own technical charter schools at UCAT campuses and develop innovative charter school applications that allow the campus boards of directors and their affiliate charter school boards full oversight of curriculum, management and financial issues. As those plans develop, campus boards of directors are encouraged to bring those charter school applications forward to the Board of Trustees for discussion and approval.

Stan Parrish expressed appreciation for the due diligence and respect for President Brems for the stand he has taken. He sustains President Brems' recommendation.

Motion (as recommended by UCAT Administration – Both Parts): Stan Parrish, Second: Steve Moore

Kendall Willardson mentioned there had been no discussion at all. He asked applicants we are dealing with are even a company yet. Ms. Bagley answered that they are not a company yet, that they cannot move forward as a company without approval of the Board. Trustee Willardson suggested that it is hard to project 5 years without even being a company.

Teresa Theurer mentioned that the school was looking at opening up by August 2013 and that seemed very quick.

Don Roberts commented that with respect to the WPU, this could be seen as an "end run". Suggested to wait with due diligence, so it wouldn't be viewed as an "end run". Trustee Roberts supported the recommendations and motion that was made.

Mike Jensen mentioned that both Davis/Morgan school districts are in full support.

Don Roberts mentioned that the ramifications are statewide and if approved would be a statewide issue.

Chair Bingham stated that the application is now DATC-specific.

Ron Larsen stated that if President Brems' recommendations are approved we should look at dual control. Look at negotiations with the State School Board regarding WPU. We could look at an agreement between UCAT and the State Board dealing with the WPU following students. This could help alleviate some of the questions and issues.

Chair Bingham reported that Senator Stephenson commented he would do everything he could to make sure DATC or any other entity in the UCAT system with charter schools did not get a dime of the WPU. UCAT does not get any from the districts; why should they get any from a charter school? Chair Bingham asked if our legal counsel, Doug Richards, would look into whether that is a legal inconsistency.

Doug Richards indicated he had looked at UCAT liability under statute 514 Utah Code 53A-1A. The tort liability mentions that the employees of charter schools and their boards have sole liability of torts that are committed involving the operations of the school. If we did this we would want to enter into an agreement with the charter school and have hold-harmless language that would protect DATC/UCAT from legal liability pertaining to the employees. Having a charter school is do-able, but more agreements will need to be in place.

Ron Larsen suggested that the comment from Senator Stephenson was very politically driven and he thinks that others might oppose those comments. He expressed his opinion that we have the ability to do this and have UCAT have total

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control and be able to charter a high school. He thinks that the state would be obligated to pay WPU to the charter school.

Mike Madsen had reviewed all the material and is not against having a charter school; he just feels it is moving too quickly. UCAT needs to be better prepared to take on the responsibility and fully understand the full background. He supports President Brems' recommendation and thinks it is a very workable situation. Ron Larsen agreed completely.

Kendall Willardson said he is not affected by this, but asked whether we are thinking about the students.

Brad Tanner commented that if there is a school that needs to fill class space it's unfortunate. As for some of the campuses they do not have the space. He is in favor of holding at this point, but wants to do work at getting facilities filled up.

Mike Jensen said he was perplexed at the discussion. He had taken the concerns back to the DATC Board and got revisions and the voting was unanimous. Trustee Jensen put forward a substitute motion to have the application be approved.

Substitute Motion: Mike Jensen, Second: Kendall Willardson

Mike Bouwhuis asked to give approval and let the school go forward. He promised to let President Brems weigh in as it proceeded.

Ron Larsen said everything was moving too fast and the risk is too much at this point. He still agrees with President Brems' recommendations.

Mike Jensen commented that the DATC board has asked lots of financial questions. DATC takes their fiduciary responsibilities very seriously.

Don Roberts said to take responsibility to look at it seriously and come back to UCAT Board. Everything is just too quick. DATC may have their questions answered as a campus, but UCAT questions have not been answered.

Stan Parrish asked why there was such an urgency to get it done. Does the applicant go away in 2014?

President Bouwhuis indicated the applicant came to DATC and said they had a tight time frame to meet the 2013 school year. They have done due diligence on a campus level. DATC was not working with a UCAT time frame, but the applicant's time frame. The applicants can always apply in another year. They were just working to get established. The applicant approached President Brems in about May and he directed them towards DATC and MATC. In good faith DATC moved towards the applicant's time frame.

Teresa Theurer stated UCAT needs more time.

Mike Jensen: Time to do what?

Teresa Theurer: There are lots of questions and there has not been enough time to have them all answered.

Ron Larsen commented that a lot of people are not comfortable in approving the application right now. It is better to mitigate and soften the blow to create less heartache and less potential conflict between UCAT and the school districts. School districts will challenge this whether they are in DATC's region or not.

Question on Substitute Motion to approve the application as modified and the second recommendation UCAT look at Charter Schools.

In Favor of the Substitute Motion: Kendall Willardson, Michael Jensen. Substitute Motion Failed.

With the failure of the Substitute Motion the board returned to the original motion to approve President Brems' recommendations.

Ron Larsen called question on the original motion. Voting was unanimous calling for the question. Motion to call a question was approved.

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Voting on the original Motion: In Favor: Tom Bingham, Mike Madsen, Ron Larsen, Jim Evans, Don Roberts, Dale Cox, Stan Parrish, Brad Tanner
Opposed: Mike Jensen, Kendall Willardson
Chair ruled motion passed 8-2.

IV. Adjourn

Meeting Adjourned 10:56 a.m.

Motion to adjourn: Dale Cox; Voting: Unanimous