

UNIVERSITY OF UTAH  
BOARD OF TRUSTEE MEETING  
APRIL 14, 2020

TRUSTEES PRESENT

H. David Burton (Chair)	J. Steve Price
Christian Gardner (Vice Chair)	David Parkin
Anna Barnes	Joe Sargetakis
Katie Eccles	Randy Shumway
Anne-Marie Lampropoulos	Jim Sorenson

UNIVERSITY REPRESENTATIVES PRESENT

Brooke Adams	Executive Speech Writer
Cathy Anderson	Chief Financial Officer
Vahe Bandarian	Assistant Department Chair, Chemistry
Joe Borgenicht	Director, PR Communication, University of Utah Hospitals and Clinics
Robin Burr	Chief Design and Construction Officer
Julio Facelli	President, Academic Senate
Michael Good	Senior Vice President, Health Sciences
Mark Harlan	Athletic Director
Jeff Herring	Chief Human Resources Officer
Steve Hess	Chief Information Officer
Ephraim Kum	ASUU President-elect
Laura Marks	Special Assistant to the Senior Vice President for Academic Affairs
Lori McDonald	Vice President for Student Affairs
Melonie Murray	Associate Dean, College of Fine Arts
Chris Nelson	Director, Communications
Jason Perry	Vice President, Government Relations
Daniel Reed	Senior Vice President, Academic Affairs
Laura Snow	Chief of Staff and Secretary to the University
Peter Trapa	Dean, College of Science
Billinda Tsuya	President, Staff Council
Phyllis Vetter	Vice President and General Counsel
Mary Ann Villarreal	Vice President for Equity, Diversity and Inclusion
Bill Warren	Chief Communication and Marketing Officer
Ruth Watkins	President
Karen West	Liaison to the Board of Trustees
Bryce Williams	President-elect, Staff Council
Mark Winter	Assistant Vice President, Budget and Finance
Shawn Wood	Communication Specialist, Marketing and Communication
Heidi Woodbury	Vice President, Institutional Advancement

OTHER

Kori Brown	Private Citizen, Social Worker, Lakeside Dialysis
Bryan DeGrange	Private Citizen
Mindy Sutton	Private Citizen, Social Worker, Dialysis, Utah

**CALL TO ORDER**Information: 1.01 – Call to Order

The meeting of the Board of Trustees was called to order at 9:05 AM via a Zoom meeting. Chair Burton welcomed Trustees and others in attendance.

**CHAIR'S REPORT**Action: 2.01 – Current Events and Announcement

Chris Nelson, director of PR/Communication, gave a brief overview of the Zoom meeting. The University followed normal protocol to ensure the integrity of the open public meeting. The meeting was recorded and Trustees and members of the President's Cabinet were given permission to unmute their microphones in order to answer/respond to questions.

Action: 2.01 – Resolution for Appreciation – Anna Barnes

Chair Burton recognized Trustee Anna Barnes, ASUU President, for her service to the University and the student body. Chair Burton read an excerpt from the resolution noting the accomplishments during her tenure. President Watkins and Lori McDonald, Vice President for Student Affairs, both commented on what a privilege it has been to work with Anna this past year and commended her on her great work. Gabe Martinez and Latifa Yaqoobi, ASUU Vice Presidents, were also recognized for their service to the University's students this past year.

A copy of the resolution is included as Appendix I with the official minutes of this meeting and is on file in the office of the Secretary to the University.

**PRESIDENT'S REPORT**Action: 3.01 – Honors and Awards to Members of the University Community, Distinguished Visitors and Research

President Watkins noted the written report included in the agenda materials and also mentioned:

- The work and mission of the University of Utah continues during these unusual times of COVID-19. In a couple of weeks, students will begin taking their finals for spring semester. Summer classes will be online.

- Andy Weyrich, VP for Research, initiated a seed grant program with the focus on COVID-19, and has received over 80 submissions. The University has a number of faculty and researchers engaged in solving this urgent societal problem.
- During this uncertain period of COVID-19, we recognize the importance of being an academic medical center and the role the University plays in the state, region and nation as a place that is leading the way on testing, patient support, data, and epidemiology. We are fully engaging with leaders in the state helping to guide them in order to keep moving forward.
- We are engaging with members of our community regularly, i.e. the Parents Association, donor, and alumni groups are meeting via Zoom as a way to inform, network, connect, and brainstorm.
- David Eccles School of Business (DESB) with support from the George S. and Dolores Doré Eccles Foundation, has had remarkable success helping business leaders think about how to manage during this difficult time. DESB has engaged participation from others within our state and is also reaching into Wyoming, Idaho, and Montana to assist small businesses that are struggling during these difficult times.
- The University is thoughtfully undertaking resource planning and implementing cost-saving measures where possible. Our efforts to plan wisely now are aimed at continued support for excellence as the University moves forward.
- CARES Act
  - 50 percent – direct assistance to students
  - Funds are available to defray costs incurred and revenue lost due to COVID-19
- The University is mindful of the heroes at UHealth who are serving patients every day and putting the health and well-being of others first.

A copy of the items is included as Appendix II with the official minutes of this meeting and is on file in the office of the Secretary to the University.

#### Action: 3.02 – Current Events

President Watkins noted the upcoming Commencement event and encouraged trustees to watch the virtual celebration at Utah.edu/live.

### **SENIOR VICE PRESIDENT REPORT**

#### Report: 4.01 – Health Sciences Report

Using a PowerPoint presentation, Senior Vice President Michael Good gave an update on the COVID-19 pandemic throughout the state of Utah and nationally.

A copy of the report is included as Appendix III with the official minutes of this meeting and is on file in the office of the Secretary to the University.

## Report: 4.02 – Academic Affairs Report

Senior Vice President Dan Reed noted the following:

### New Leaders

- The University of Utah is expanding and reimagining programs in online and continuing education and has selected a new leader to develop the initiative. Deborah Keyek-Franssen, associate vice president for Digital Education and Engagement for the University of Colorado System, will be the university's new Associate Vice President and Dean of Continuing and Online Education.
- Nancy Songer, a Fulbright scholar and former Dean of Drexel University's School of Education, will join the U as Dean of the College of Education. A veteran education scholar and researcher, Songer taught at the University of Colorado and the University of Michigan before taking the helm as Dean at Drexel from 2014 to 2018. Songer served as Chair of a National Academy of Sciences' Engineering and Medicine Committee from 2017 to 2019 and was elected a fellow of the American Association of the Advancement of Science (AAAS) in 2006. Her Fulbright research into STEM reform has taken her to Turkmenistan and Brazil.

### Shift to Online Education

- College of Architecture+Planning's Associate Professor, Erin Carraher, is using no fewer than five digital platforms to teach her architecture studio class in the age of COVID-19—including Slack, Zoom, Canvas, Google Docs and Explain Everything.

Like all University of Utah professors and instructors, Carraher tried to replicate all the intensive hands-on analysis and interaction her course requires onto the web when the university shifted classes online March 18 to slow the spread of the virus. Faculty and students had just a few days at the end of spring break to prepare for a fundamental change in the traditional in-person lecture format of college education.

### Honors and Awards to Members of the University Community

- **For Utah Scholarship**  
Enrollment Management staff have notified 900 Pell-eligible admitted students that they will receive the For Utah Scholarship—which covers all four years of a student's tuition through a combination of university funds, Pell grants and philanthropic gifts. Many For Utah recipients are first-generation college students.
- **U Swag Boxes**  
Admissions staff have mailed 13,000 "swag" boxes to admitted high school seniors in an effort to build a sense of community with prospective students. Watch social media for posts as these boxes arrive.

A copy of the report is included as Appendix IV with the official minutes of this meeting and is on file in the office of the Secretary to the University.

## ASUU UPDATE

### Report: 5.01 – ASUU Report

Trustee Barnes gave an overview of the accomplishments she and her administration achieved during their time in office.

A copy of the report is included as Appendix V with the official minutes of this meeting and is on file in the office of the Secretary to the University.

## ACADEMIC SENATE

### Report: 6.01 – Academic Senate Report

Academic Senate President, Julio Facelli, noted the following:

- The Academic Senate met via Zoom on March 30, 2020. To our knowledge, this is the first time the University of Utah Academic Senate conducted a meeting remotely.
- As recommended by the Executive Committee and to streamline the meeting, several proposals for noncontroversial new degrees were placed in the consent calendar and approved without objection. These are:
  - i. Educational Psychology BA/BS
  - ii. Graduate Certificate in Language and Culture
  - iii. Master of Science in Pathology
  - iv. Dark Sky Studies Minor
- In the Calendar of Intent, the Office of the VPR presented the proposed changes to the Conflict of Interest Policy. These changes are necessary to become compliant with federal and state law. A special focus has been placed on compliance with federal regulations requiring disclosure of research activities that may be influenced by foreign entities.
- The Senate received in writing the following reports:
  - i. Senate Personnel and Elections Committee Update Report
  - ii. Items approved at March 16, 2020, Academic Senate Executive Committee for the SACD Recommendations Update and Annual Report
  - iii. SACIT Chair Report
  - iv. Name Change from the Human Ecology Emphasis to Evolutionary Anthropology for Anthropology BA/BS
  - v. Illustration Emphasis in Art BFA
  - vi. Institutional Data Management Policy 4-001 Internal Audit Policy
  - vii. Distinguished Professor, Hatch, and Early Career teaching prizes

A copy of the report is included as Appendix VI with the official minutes of this meeting and is on file in the office of the Secretary to the University.

## GENERAL CONSENT

Action (Consent): 7.01 – Minutes of the March 10<sup>th</sup> and March 20<sup>th</sup> Meetings of the Trustees

Action (Consent): 7.02 – Faculty and Staff Matters (Appendix VII)

Action (Consent): 7.03 – Faculty Awards (Appendix VIII)

Action (Consent): 7.04 – Certificate – Language and Cultural Certificate (Appendix IX)

Action (Consent): 7.05 – Emphasis – Illustration BFA in Arts (Appendix X)

Action (Consent): 7.06 – Minor – Dark Skies (Appendix XI)

Action (Consent): 7.07 – Name Change – Human Ecology Emphasis to Evolutionary Anthropology Emphasis (Appendix XII)

Action (Consent): 7.08 – Policy Revisions – Policy 3-019 University of Utah Internal Audit Policy (Appendix XIII)

Action (Consent): 7.09 – Policy Revisions – Policy 4-001 University Institutional Data Management Policy (Appendix XIV)

Action (Consent): 7.10 – Policy Revisions – Policy 6-002 The Academic Senate and Senate Committees: Structure Functions, Procedures (Appendix XV)

Action (Consent): 7.11 – Policy Revisions – Policy 6-303 Retention, Promotion, and Tenure (Appendix XVI)

Action (Consent): 7.12 – Sponsored Projects Report (Appendix XVII)

Action (Consent): 7.13 – Monthly Comparison (Gifts) Report (Appendix XVIII)

Action (Consent): 7.14 – University Leases (Appendix XIX)

Action (Consent): 7.15 – Report of Investments Portfolio for the Month of February (Appendix XX)

Action (Consent): 7.16 – Capital Facilities Projects – Approval to Add an Elevator in the Olpin Union for Union Administration (Appendix XXI)

**Motion to approve the Consent Calendar by Jim Sorenson, second by Joe Sargetakis. Final Resolution: Motion Approved. Aye:** H. David Burton, Anna Barnes, Katie Eccles, Christian Gardner, Anne-Marie Lampropoulos, David Parkin, J. Steve Price, Joe Sargetakis, Randy Shumway and Jim Sorenson

Background materials are included in the Appendix (as noted above) and are on file in the office of the Secretary to the University.

## ACTION AGENDA

### Action: 8.01 – Biochemistry BA/BS

Dan Reed, Senior Vice President for Academic Affairs, introduced Dr. Vahe Bandarian, Assistant Department Head for Chemistry, who presented the proposal for a new BS/BA degree in Biochemistry.

The Department of Chemistry is proposing to establish new BS/BA degrees in Biochemistry in the Department of Chemistry at the University of Utah. This degree will incorporate core courses in chemistry, math, and physics. However, it will be distinct from the Biology emphasis in that it will provide significant flexibility to the students to fashion the degree to meet their educational objectives. This will be achieved by removing more specialized courses in the chemistry sub-disciplines in favor of courses that further explore biophysical and biochemical aspects of life processes at the molecular level, and elective offerings that provide depth and breadth.

A student who receives a Biochemistry degree will be prepared to enter the workforce in a wide variety of areas that include pharmaceutical sciences and biotechnology, or to pursue advanced degrees in the biochemical sciences, broadly defined.

**Motion to approve the 8.01 by Anna Barnes, second by Jim Sorenson. Final Resolution: Motion Approved.** Aye: H. David Burton, Anna Barnes, Katie Eccles, Christian Gardner, Anne-Marie Lampropoulos, David Parkin, J. Steve Price, Joe Sargetakis, Randy Shumway and Jim Sorenson

A copy of the report is included as Appendix XXII with the official minutes of this meeting and is on file in the office of the Secretary to the University.

### Action: 8.02 – Division of Nephrology's Dialysis Center

Mike Good, Senior Vice President for Health Sciences, presented the proposal to sell the Dialysis Centers.

In 1967, Dr. Willem Kolff established the first University dialysis unit located within University Hospital. Between 1976 and 2007, seventeen additional units were expanded throughout Utah, southeastern Idaho, and Nevada.

Early expansion was necessary to maintain a competitive advantage in the marketplace and for the program to broaden its pool of patients for research (NIH & clinical trials), education, and clinical viability. These revenue streams supported the academic missions, supplied referrals for the transplant program and other tertiary care, while decreasing unnecessary travel for patients as centers were located closer to the patient's homes.

As healthcare care cost continue to rise, chronic dialysis treatments are becoming more and more at risk for corrective or legislative actions within congress, CMS, and the broader insurance industry. Our local market has become much more competitive and the insurance landscape has changed significantly in recent years. The result is that a program that was once profitable is no longer financially viable in its present form. Many of our units are not geographically aligned within our system's hubs and outreach strategy.

We propose a 100% sale of all dialysis units, including all assets, liabilities, and future revenue streams with an effective date of July 1, 2020. Current dialysis staff will transfer to the new entity. Physicians will remain employees of the Division of Nephrology. Nephrology will continue to run non-dialysis outreach clinics, act as medical directors for local dialysis units, and serve the local communities where possible. The sale proceeds will be invested to provide a revenue stream to continue to operate the clinics and support the academic mission of the Nephrology Division.

**Motion to approve the 8.02 by Joe Sargetakis, second by Christian Gardner. Final Resolution: Motion Approved.** Aye: H. David Burton, Anna Barnes, Katie Eccles, Christian Gardner, Anne-Marie Lampropoulos, David Parkin, J. Steve Price, Joe Sargetakis, Randy Shumway and Jim Sorenson

A copy of the report is included as Appendix XXIII with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Action: 8.03 – RealRx Joint Venture Transfer from University of Utah Health Insurance Plans (UUHIP) to University of Utah Hospitals and Clinics (UUHC)

Mike Good, Senior Vice President for Health Sciences, presented the proposal for the RealRx joint venture to transfer from UUHIP to UUHC.

In October 2019, the Board of Trustees approved UUHIP entering into a joint venture to create RealRx LLC for the purpose of offering a local pharmacy benefit manager (PBM). Key reasons for the JV include:

- Creates a public-private partnership – Cooperative Benefits Group, LLC owns 49%, UUHIP owns 51%
- Reduces Pharmacy Prices – Transparent PBM model with RealRx transferring almost all rebates to the employer, creating a competitive product in the market and generating savings for employers
- Non-U Neutral Brand – Independent brand eliminating perceived conflicts of purchasing services from competing private organizations

In 2018 and 2019, UUHIP experienced significant net income resulting in substantial tax consequences for those years. Based on advice from outside tax counsel, UUHIP may qualify for tax-exempt status under Section 115 of the Internal Revenue Code (similar to the tax status available to ARUP). UUHIP would like to seek a private letter ruling from the IRS confirming that UUHIP qualifies as a Section 115 entity; however, the IRS has informed UUHIP that it would not issue a private letter ruling if UUHIP is a party to a private joint venture.

The most effective path for UUHIP to achieve tax-exempt status would be for UUHIP to transfer its ownership interest in RealRx to the UUHC. The transfer would allow UUHIP to submit an application for exemption under Section 115, compliant with IRS policies and guidelines. The IRS restrictions on joint ventures are unique to Section 115 and would not jeopardize the University of Utah's tax-exempt status under Section 501(c)(3).

**Motion to approve the 8.03 by Jim Sorenson, second by Katie Eccles. Final Resolution: Motion Approved.** Aye: H. David Burton, Anna Barnes, Katie Eccles, Christian Gardner, Anne-Marie Lampropoulos, David Parkin, J. Steve Price, Joe Sargetakis, Randy Shumway and Jim Sorenson

A copy of the report is included as Appendix XXIV with the official minutes of this meeting and is on file in the office of the Secretary to the University.

**ADJOURN**

Resolution: Chair H. David Burton recommended approval to adjourn the open meeting of the Board of Trustees.

At 10:46 a.m., the meeting was adjourned.

The next scheduled meeting will be held on June 9, 2020.

**Motion to approve by Christian Gardner, second by Katie Eccles. Final Resolution: Motion Approved.** Aye: H. David Burton, Anna Barnes, Katie Eccles, Christian Gardner, Anne-Marie Lampropoulos, David Parkin, J. Steve Price, Joe Sargetakis, Randy Shumway and Jim Sorenson

Signed by: Laura Snow

Date approved: 9 June 2020