

**MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE**

TUESDAY, JULY 9, 2002, 9:00 A.M.

Room 223, State Capitol Building

Members Present: Sen. Lyle Hillyard, Committee Co-Chair
Rep. Afton Bradshaw, Committee Co-Chair
Sen. Paula Julander
Rep. Patrice M. Arent
Rep. Katherine M. Bryson
Rep. Margaret Dayton
Rep. Patricia W. Jones
Rep. LaWanna "Lou" Shurtliff
Rep. Richard M. Siddoway
Rep. Gordon E. Snow
Rep. Stephen H. Urquhart

Members Excused: Sen. Peter Knudson
Sen. Steve Poulton
Rep. Martin R. Stephens

Staff Present: Boyd A. Garriott, Senior Legislative Fiscal Analyst
Debra Headden, Legislative Fiscal Analyst
Rolayne Day, Secretary

Public Speakers Present: Commissioner Cecelia Foxley
Dr. Stephen Hess, Director, UEN
Nolan Karras, Board of Regents Chair
Pres. Kermit Hall, USU
Pres. Steven Bennion, SUU
Pres. Bernie Machen, UU

Visitor List on File

Committee Co-Chair Bradshaw called the meeting to order at 9:40 a.m.

Sen. Hillyard said the Senate has agreed on a proposal that would cut higher education \$2.9 million with no changes to either summer or border tuition rates, no tuition hikes, or surcharges. UCAT is cut \$197,900, the same proportion as higher education, and UEN's cut is \$686,000. Some money from interest lost was put back into UEN making the actual cut less. Senate leadership feels cuts should be made with each school's individual needs in mind, not across-the-board. If the Higher Education Subcommittee makes across-the-board cuts, the Executive Committee will make changes as they see fit and next year's budget will suffer. Leadership is concerned that institutional reserves are depleted and how that would be handled next year if the economy doesn't improve.

Rep. Bradshaw said the Governor is adamant that higher education not be cut. The House has not agreed on a proposal with the major issue on water funding.

Dr. Stephen Hess said UEN received a 5.4% cut with some money added back in. He is extremely concerned about nine-year-old routers that should be replaced every four years.

MOTION: Rep. Snow moved to combine budget cuts for higher education with those for UEN to give UEN a more fair distribution.

Rep. Snow said UEN is vital to education especially in rural Utah and they shouldn't be cut disproportionately. Commissioner Foxley reminded the Committee that UEN is also part of public education. With UCAT in the mix as

well (UCAT also served public education), the other nine institutions will have to take bigger cuts on top of the cuts already made. It is an unfair hardship to higher education.

Sen. Hillyard said someone from each house could approach the Executive Committee chairs and ask for more money for UEN.

SUBSTITUTE MOTION: Sen. Julander moved to ask leadership to go back and equalize the cuts for higher education, public education, UEN, and UCAT.

Reps. Snow, Bryson, Shurtliff, and Siddoway and Sen. Julander spoke to the motion.

The substitute motion failed in the House, so the substitute motion failed.

The main motion passed with Rep. Bradshaw voting nay.

Commissioner Foxley said if CEU is held harmless, they have pledged to put the amount they would have taken in cuts toward debt reduction.

MOTION: Rep. Jones moved to approve minutes of the June 26, 2002, meeting.

The motion passed unanimously.

MOTION: Rep. Jones moved to allow the Regents and the Presidents to decide how cuts are allocated.

Reps. Arent and Snow spoke to the motion.

Fiscal Analyst Boyd Garriott distributed and explained two proposals from the Analysts' office. The first proposal bases budget cuts on the institution's proportion of the total budget. The second is the same, but holds CEU harmless.

SUBSTITUTE MOTION: Rep. Siddoway moved to adopt the front page of the second proposal with the UEN adjustment included and to reconvene at 11:30 for a report on the final numbers.

Board of Regents Chair Nolan Karras spoke in favor of the motion.

The substitute motion passed with Rep. Arrent voting nay.

MOTION: Rep. Siddoway moved to adjourn the meeting until 11:30 a.m.

The motion passed unanimously.

Rep. Bradshaw adjourned the meeting at 10:20 a.m. to be reconvened at 11:30 a.m.

Rep. Bradshaw reconvened the meeting at 11:50 a.m.

Sen. Hillyard explained a handout detailing budget cuts including UEN with higher education. There is some indication that additional money may be available for UEN. If that happens, the money used to equalize UEN's cuts will be added back into higher education.

MOTION: Sen. Hillyard moved to approve the proposed budget cuts that include UEN with higher education.

The motion passed with Rep. Arent voting nay and Rep. Dayton absent for the vote.

MOTION: Rep. Shurtliff moved that the Higher Education Appropriations Subcommittee support a bill in the upcoming session that would give the Regents and institutional presidents the authority to handle budget cuts as they see fit.

The motion passed unanimously with Rep. Dayton absent for the vote.

Rep. Arent asked for comments on a bill that would eliminate authority to give summer and border tuition waivers for both undergraduate and graduate students. Commissioner Foxley said the issue is a legislative one, and there are still a lot of unanswered questions.

Pres. Kermit Hall, USU, said if the authority to waive tuition is repealed, it would essentially give more budget cuts to the institutions since the students will not come. It is bad policy especially to eliminate this authority for graduate students.

MOTION: Sen. Hillyard moved not to support the tuition waiver repeal bill and for the Higher Education Subcommittee to take a look at tuition waiver issues during the regular session.

The motion passed unanimously with Rep. Dayton absent for the vote.

Pres. Steven Bennion, SUU, and Pres. Bernie Machen, UU, both echoed Pres. Hall's statements. Pres. Hall further stated that graduate tuition waivers make it possible for Utah to compete and repealing them would damage the state in a way from which it will never recover.

MOTION: Rep. Arent moved to adjourn.

Committee Co-Chair Bradshaw adjourned the meeting at 12:11 p.m.

Minutes were reported by Rolayne Day, Secretary.

Sen. Lyle Hillyard, Committee Co-Chair

Rep. Afton Bradshaw, Committee Co-Chair