

MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE  
WEDNESDAY, AUGUST 21, 2002, 9:00 A.M.  
Room 403, State Capitol Building

Members Present: Sen. Lyle Hillyard, Committee Co-Chair  
Rep. Afton Bradshaw, Committee Co-Chair  
Sen. Paula Julander  
Sen. Peter Knudson  
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. 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: Wayne Welsh, Legislative Auditor General  
Tim Osterstock, Legislative Audit Manager  
Commissioner Cecelia Foxley  
Vice Pres. David Pershing, University of Utah  
Pres. Kermit Hall, Utah State University  
Dr. Lorris Betts, Dean, University of Utah School of Medicine  
Sen. Bill Hickman  
Sen. Leonard Blackham  
Nolan Karras, Chair, Board of Regents  
Pres. Paul Thompson, Weber State University  
Pres. Steven Bennion, Southern Utah University  
Pres. Michael Benson, Snow College  
Pres. Ryan Thomas, College of Eastern Utah  
Vice President Stan Plewe, Dixie State College  
Pres. Kerry Romesberg, Utah Valley State College  
Pres. Lynn Cundiff, Salt Lake Community College  
Pres. Gregory Fitch, Utah College of Applied Technology  
Assoc. Vice Pres. Paul Brinkman, University of Utah

Visitor List on File

Committee Co-Chair Bradshaw called the meeting to order at 9:12 a.m.

1. University of Utah Medical School Issues: Admissions policy discussion—Legislative Audit Manager Tim Osterstock discussed the performance audit of the University of Utah Medical School detailed in a report dated January 2002. The Medical School has followed a nationwide trend placing greater emphasis on subjective admissions' criteria such as character, leadership skills, and compassion with less emphasis on objective indicators such as MCAT scores and GPA. The American Association of Medical College's (AAMC) goal to create a student body with the same proportion of women and minorities as found in the state's general population is also applied. The emphasis on subjective criteria has raised questions of fairness in the admissions process.

Audit results indicate that, although mostly white males apply to the School of Medicine, women and minorities have a higher likelihood of acceptance. Fifty percent of the women and minorities who apply are accepted into the program while only 20% of the white male applicants are accepted. Despite efforts to increase diversity, the number of women and minority applicants has decreased in the last few years.

Mr. Osterstock said Selection Committee members are charged with the responsibility to support diversity. The auditors feel this is inconsistent with the University's policy on nondiscrimination prohibiting consideration of race, gender, geographic background and other demographics attributes. While the University's policy specifically prohibits consideration of these factors, the School of Medicine's admissions policy specifically names race, gender, religion, geographic location and age as consideration factors. Legislative Auditor General Wayne Welsh said his office will follow up on the findings and recommendations and report back to the Legislature.

Dr. Loris Betts, Dean of the School of Medicine, said all concerns in the audit have been addressed and they have even gone beyond what was recommended. Admission to the School of Medicine is very competitive with 1,200 applications for 102 slots. The U's medical students rank as high as those at Yale or UCLA and higher at a host of other notable medical schools around the country. He emphasized that no unqualified applicants have ever been enrolled.

Among changes is eliminating references to "disadvantaged status" in the training manual and identifying and eliminating inappropriate comments on forms relating to race, ethnicity, or geographic upbringing. They also provide pre-admittance course work for students in under-represented populations.

One of the auditor's main concerns was that the Office of Admissions and the Office of Diversity and Community Outreach was headed by the same person. Those duties have now been separated. The admissions process and review form has been changed so all applicants meeting the GPA and MCAT score minimums receive an interview. In addition, all applicants must meet the requirement for eight criteria and be above average in five of them to be offered an interview. The eight criteria are: GPA, MCAT, leadership skills, research experience, community service, physician shadowing experience, exposure to patients, and demonstrated ability to multitask. The interview form was changed to eliminate confusion and an Executive Committee was created consisting of three to five people who meet on an as-needed basis to resolve discrepancies in the review and interview process.

Rep. Dayton feels that excellence should be emphasized rather than diversity for diversity's sake. Dr. Betts said excellence hasn't been compromised and is evidenced by the quality of the students. Mr. Osterstock said they were not able to trace some of the areas of concern because the data didn't exist. Because the audit created a base, they can track these areas of concern in the future. Rep. Urquhart feels there are still concerns regarding racial equality and the School of Medicine is still committed to diversity. Dr. Betts said to get more women and minorities to make application is one of their goals and

they continue to develop programs. Rep. Bryson requested a copy of the admission form for each of the Subcommittee members.

Mr. Osterstock said even though the disadvantaged status was eliminated, those kinds of inappropriate comments could still be included on the form. Rep. Bryson asked how the admissions committees are trained and feels some of the admissions standards are still vague. Dr. Betts said that the form now asks questions regarding demonstration of certain qualities.

Rep. Arent is concerned that the pendulum doesn't swing too far. She feels background and some of the comments are significant; the whole person must be considered, not just grades and performance. Sen. Blackham commended the Medical School's sensitivity to the audit and said that a lot of Utah's women don't have the same goals as women in other states. The Legislature doesn't have the right to determine what people want to be so trying to admit women proportionate to the population isn't reflective of our society.

Rep. Dayton feels that Utah women can compete on their own and do not need special consideration.

**MOTION:** Rep. Dayton moved that recommendations outlined in the Legislative Auditor's Report Number 2002-01, A Performance Audit of Medical School Admissions, January 2002, on pages 37, 38, 53, and 54 be adopted.

Dr. Betts said all 14 of the recommendations have already been adopted. Rep. Jones said research shows diversity is extremely important to the end user. She is concerned about swinging too far the other direction. Rep. Arent expressed concern about the word "etc." in the second recommendation on the handout. Mr. Osterstock said the items referred to are found on page 31 of the Auditor's report.

**AMENDMENT TO THE MOTION:** Rep. Dayton moved to strike the word "etc." from the first #2 on the handout and to correct page numbers as follows:

1. **Recommendations (Page 37)** at the top change to **Recommendations (Pages 37 & 38)**
2. **Recommendations (Page 53)** middle of page change to **Recommendations (Pages 53 & 54)**

The amended motion is attached to the minutes.

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

Future Viability of medical school assuming no increase in State Funding—Sen. Hillyard said the Board of Regents needs to take a hard look at the future of the Medical School and other programs if revenues remain stagnant. Dr. Batts said there are three areas of instability: matching Medicaid funding, the excise tax, and the General Fund. For now, they have sufficient funding, but they cannot increase the size of classes. A new health science's education building would help, but the main concern is teaching staff.

Board of Regents' Chair Nolan Karras returned to the issue of the Medical School audit. He feels they should add more students since the demand is there, but he cannot see how with current funding. Sen. Hickman said the Legislature is willing to increase funding for the School of Medicine, especially since that has been some slippage in national ratings. However, if the audit followup doesn't show improvement, increased funding could be in jeopardy.

2. Full report on specific institutional budget cuts—Commissioner Foxley discussed a handout showing how each of the institutions implemented budget cuts. She noted that cuts have been made at a time of high student growth.

Dr. David Pershing, Vice President at the University of Utah, reported on the \$12 million budget cuts made over the last year. They have raised tuition, reduced positions, increased work loads, deferred maintenance, etc. but have tried to hold academics as harmless as possible. They did not eliminate entire programs, instill enrollment caps, nor restricted admissions despite the fact that enrollment will exceed 28,000 students for Fall Semester.

President Kermit Hall, Utah State University, discussed cuts to E & G, elimination of 40 facilities personnel, elimination of the College of Family Life (programs were placed in different areas), a hiring freeze, a reduction in the number of trustee meetings, elimination of retreats, etc. They too, have tried to protect the academic core.

USU has lost more than 1,000 out-of-state students because of tighter residency requirements resulting in a \$750,000 budget deficit. Pres. Hall said many Idaho students have opted to attend BYU-Idaho rather than pay out-of-state tuition at USU. The College of Agriculture especially is threatened because of the high number of out-of-state students it traditionally serves. Sen. Hillyard said Logan businesses are starting to feel a pinch as Idaho residents who normally do business in Cache Valley have been disenfranchised.

President Paul Thompson said Weber State University used reserves to make up the first round of budget cuts. A budgeting process for allocating enrollment growth money was used in reverse for the second budget cuts. Reductions were taken from personnel turnover savings/position reclassification, faculty and staff reductions, hourly budgets, current expense/travel savings, Educationally Disadvantaged program funding, carry-forward balances, capital outlay, and an unallocated portion of 2002-2003 tuition increases. They also worked hard to protect the academic core of the institution.

Southern Utah University President Steven Bennion said that 21 FTE were eliminated in the first round of budget cuts at SUU. The second round resulted in reallocation of \$400,000 to address students jobs that are critical to SUU's student retention and pooling with seven institutions to purchase software and hardware. SUU has lost 300 nonresident students under the new residency requirements for a \$700,000 lost in tuition revenue.

President Michael Benson, Snow College, discussed cuts taken in a reduction of force, early retirement savings, program eliminations and/or reductions, and operational elimination and/or reductions. Issues around UCAT and the Richfield Campus are nearly solved without the need for legislation. One of the results is a name change to Snow College-Richfield Campus.

College of Eastern Utah President Ryan Thomas said their handout reflects all cuts taken including those for the financial situation. Cuts in the number of sections resulted in all freshman math and English classes being closed in mid July because they were full.

Vice President Stan Plewe, Dixie State College, said Dixie's cuts were made with five guidelines: minimum impact on students and enrollment, retaining strength in faculty and staff, no one-time funding used, making cuts across-the-board, and involving a broad base in the decisions. The residency issue is affecting Dixie similarly to the other institutions.

Utah Valley State College President Kerry Romesberg said FY 2001-2002 cuts were taken care of mostly with one-time money. The next cuts were made in base budget reductions both vertically and horizontally, one of which has significantly slowed down the registration process. Enrollments are up 13% with more than 25,000 head count. UVSC has a \$500,000 budget reduction because of the new residency requirements. President Romesberg suggested that a pilot study be done before implementing major policy changes such as the new residency requirements. Sen. Hillyard said many voted for the residency bill to balance the budget, not because they agreed with the policy.

President Lynn Cundiff, Salt Lake Community College, said they are taking care of more students with \$6 million less since SLCC's budget was cut a little more than \$3 million and they were underfunded \$3 million in growth money. The headcount will be more than 25,000 students Fall Semester. Even though the residency issue isn't as drastic at SLCC as it has at other institutions, those problems will ultimately affect all the schools in the budget process. SLCC made budget reductions in faculty and staff resulting in 60% of the faculty being adjunct, something that could threaten accreditation. Classes were full two weeks before school started but they have been able to meet most of the demand because they built five buildings last year without state funding.

Utah College of Applied Technology President Gregg Fitch, said the number of employees has been reduced in his office; second round cuts have not been entirely finished. He is concerned about holding admissions harmless and the Custom Fit program because it is a stimulus for the economy. There will most likely be a cut of about 48 people, across the system, mostly in voluntary retirements, etc. Twenty-nine programs have been reduced or eliminated, but they are mostly hurt in equipment expenditure reductions. One of his concerns is that the management information system is not yet centralized.

The committee recessed 25 minutes for lunch.

Rep. Dayton distributed a copy of the Regents' new *Equal Opportunity, Diversity and Nondiscrimination* policy (R801) and a copy of a letter from Royal Skousen, President of the Utah Association of Scholars. Mr. Skousen feels there is a conflict with this policy because there is a "...clear potential conflict between the terms 'nondiscrimination' and 'diverse.'" Rep. Dayton asked that a discussion on this conflict be put on the next agenda. Sen. Hillyard indicated there would most likely not be another meeting of the higher education subcommittee until the next general session in January.

3. Discussion on Tuition Policy—Analyst Boyd Garriott said tuition has gone up significantly faster than the consumer price index. Even though Utah has a lower tuition rate than much of the country, there is also a low amount of financial aid that compounds the affordability problem. Mr. Garriott discussed two handouts from The National Center for Public Policy and Higher Education. The first handout is entitled "Chapter 1: Five National Trends" and discusses the following topics: (1) Increases in tuition have made colleges and universities less affordable for most American families; (2) Federal and state financial aid to students has not kept pace with increases in tuition; (3) More students and families at all income levels are borrowing more than ever before to pay for college; (4) The steepest increases in public college tuition have been imposed during times of greatest economic hardship; and (5) State financial support of public higher education has increased, but tuition has increased more.

Mr. Garriott said Utah follows these trends and needs to come up with ways to get out of the cycle, some of which were discussed in the second handout entitled "Chapter 2: State Policies for Affordable Higher Education." It is popular to compare tuition with other colleges or to set tuition at a percentage of or the actual cost of instruction. What often happens is that tuition goes up to cover shortages in state revenues.

It is a complex issue that the Legislature will need to deal with in the next session and the Regents are now dealing with as they prepare next year's budgets. Utah's participation and enrollment growth projections show an expected high increase in demand for higher education.

There are advantages and disadvantages for all possibilities discussed to raise the required funds to education Utah's citizens. We must ask where the point is that we risk out pricing some students unless there is adequate financial aid. Economists say it is too early to know what next year's revenues will be, but most feel there is no growth in the foreseeable future.

Commissioner Foxley said the Regents are looking into the situation that Mr. Garriott has described. Even though tuition has been over three times the CPI in recent years, Utah students keep coming and they are graduating with more and more debt. Higher education has gone to the two-tier tuition system to help address these kinds of problems. All parties want to be fair to the citizens of the state. Utah has large families with multiple family members attending college at the same time. These items will be discussed in the November Board of Regents' meeting and they hope to have recommendations for the Governor and the Legislature after that.

Nolan Karras, Chair, Board of Regents, said the Regents want to be realistic in trying to deal with the enormous enrollment increases projected over the next few years. They want to preserve educational quality and will do all they can before capping enrollments.

Rep. Snow objected to problems with second tier tuition increases. He would like the Regents to announce the increase before the Legislature appropriates money so the budget is not balanced on the backs of students. Mr. Karras said that idea is well intentioned, but if that is done, the institutions would have to cap enrollments if funding was not high enough to cover costs. Rep. Snow said the Legislature wants to be part of the tuition increase decision.

Commissioner Foxley said if appropriations aren't enough to pay for the students, higher education would have to cap enrollments and Utah would have a generation of uneducated people who are on welfare. Rep. Bryson said belts will have to be tightened because the economic downturn has affected all parts of the state. Mr. Karras said they are making five-year projections and planning as best they can. More programs may be eliminated and people will just have to deal with going to the campus where it is offered. Rep. Arent is concerned about the cost of creating campuses that are convenient to the population. Rep. Jones said the responsibility belongs to parents; higher education is not a birthright. Parents and students need to rethink philosophies about vocational education and students need to be better prepared for admittance to college.

Commissioner Foxley distributed a handout of the non-resident graduate and undergraduate tuition rates. Sen. Hillyard thought the residency bill was only for undergraduates. Mr. Garriott said the analysts will look into how it was calculated in the appropriations act.

Summer school tuition rates for non-residents—Commissioner Foxley said allowing in-state tuition for all students during the summer is cost effective and they are not losing money. Rep. Snow asked about Utah residents getting a tuition break during summers. Commissioner Foxley said they are looking into that possibility. Rep. Snow supports border waivers for states that allow Utah residents the same privilege. Currently, Nevada and Arizona have that good neighbor tuition policy, but the agreement with Idaho is for 150 students with USU only.

Commissioner Foxley distributed a handout showing all tuition waivers allowed by statute. The U and USU count teaching assistants differently. USU provides waivers to those who are working principally as teaching or research assistants (primarily PhD candidates) and they are treated as students. The average waiver is \$2,614, very cost efficient for the work. If the waivers were eliminated, it would threaten USU's research mission as well as Utah's economy. Vice President Paul Brinkham, University of Utah, said they are in a similar situation, but call the waivers remissions for faculty and staff.

Co-Chair Bradshaw said the financial aid report would be held until the next meeting.

**MOTION:** Sen. Hillyard moved to adjourn.

Committee Co-Chair Bradshaw adjourned the meeting at 2:17 p.m.

Minutes were reported by Rolayne Day, Secretary.

Motion: I move that the recommendations outlined in the Legislative Auditor's Report Number 2002-01, A Performance Audit of Medical School Admissions, January 2002, on pages 37, 38, 53, and 54 be adopted.

**Recommendations (Pages 37 & 38)**

1. We recommend that the School of Medicine adopt a single minimum MCAT and GPA threshold for all admissions.
2. We recommend that the School of Medicine prohibit the admissions committee from considering the applicant's race, gender, religion, or geographic background. If review forms or interview comments show that such factors have been considered, they should be considered invalid.
3. We recommend that the School of Medicine consider providing under-represented populations with special pre-admittance course work to help them meet the academic standards required of all students.
4. We recommend the Legislature direct the Board of Regents to examine the apparent conflict between its policies regarding diversity and those regarding non-discrimination and report their findings to the Legislature.

**Recommendations(Pages 53 & 54)**

1. We recommend that the School of Medicine discontinue offering courtesy interviews.
2. We recommend that the School of Medicine establish a policy regarding how to resolve reviews that result in a mixed conclusion. Specifically, the school should consider having such applications decided by a third, tie-breaking review rather than by the Dean of Admissions.
3. We recommend that the School of Medicine review its administrative structure and determine what the appropriate relationship should be between the Office of Admissions and the Office of Diversity and Community Outreach.
4. We recommend Review Committee instructions establish simplified evaluation criteria and eliminate the "maybe" option on the evaluation form. Only "yes, send to interview" or "no, reject applicant" conclusions should be available.

5. We recommend that the School of Medicine explore methods of reducing applications forwarded by the Review and Interview Committees.
6. We recommend the School of Medicine consider revising its interview forms to eliminate applicant score confusion either by assigning a weight and score for each criterium to develop an overall score or by elimination of all numeric scoring of applicants.
7. We recommend the School of Medicine's interview form limit final evaluation options to either a "yes, forward to selection" or "no, reject applicant".
8. We recommend that the Selection Committee only be presented the applicants with positive interview outcomes.
9. We recommend the School of Medicine implement its policy to drop scores by the Selection Committee members that fall below two standard deviations from the average score.
10. We recommend that after Utah and Idaho commitments are made, Selection Committee rankings be combined for all applicants so the next best scoring applicant is taken regardless of state affiliation.