

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
MONDAY, FEBRUARY 2, 1998, 2:00 P.M.
Room 223, State Capitol Building

Members Present: Sen. David Steele, Committee Co-Chair
Rep. Afton Bradshaw, Committee Co-Chair
Sen. Lyle Hillyard
Sen. George Mantes
Sen. Nathan Tanner
Rep. Sheryl L. Allen
Rep. Mary Carlson
Rep. Orville D. Carnahan
Rep. Margaret Dayton
Rep. Patricia B. Larson
Rep. Swen Nielsen
Rep. Carl. R. Saunders

Members Excused: Rep. Martin R. Stephens

Staff Present: Boyd A. Garriott, Senior Legislative Fiscal Analyst
Kevin Walthers, Legislative Fiscal Analyst
Rolayne Day, Secretary

Others Present: Commissioner Cecelia H. Foxley
President Steven Bennion, Southern Utah University
President Robert Huddleston, Dixie College
Fred Hunsaker, Assistant Commissioner, USHE
Norm Tarbox, Assistant Commissioner, USHE
Alan Edwards, State Risk Manager
Dean David Pershing, University of Utah
Dean Bruce Bishop, Utah State University
Kyle Wells, UU Civil Engineering Student
Chris Roberts, USU Mechanical Engineering Student

List of Others Present on File:

Committee Co-Chair Bradshaw called the meeting to order at 2:10 p.m.

1. Southern Utah University Presentation—President Steven Bennion introduced studentbody president Steven Allen and Russell Kennedy, SUU student lobbyist for the Associated Students of Utah, and others present from SUU.

President Bennion discussed student demographics and said that the current enrollment is 6,007 with an estimate of 9,000 students by the year 2000. Full-time faculty teach 88% of the courses. The average faculty contact hours are 13.87 hours per week with student advisement, committee work, and scholarly work added to that load. Nearly one-third of the students graduate within six years which is good for the Utah culture with missions, marriage, and military factored in. A survey of 1996 graduates shows only 1.4% still seeking employment six months after graduation; 40% of the graduates are teacher certified.

Ninety-nine percent of the teacher graduates are placed and 20% of the students routinely go on to graduate school and professional education.

President Bennion discussed SUU's budget request for base adjustments, basic items that, when not funded by the Legislature, must be paid internally and put a squeeze on an already tight budget. Enrollment growth funding is the lifeblood with virtually all monies used to hire faculty. President Bennion expressed surprised at the weak technology infrastructure at SUU and discussed needs in that area. Health benefits were renegotiated last year so SUU was only able to provide a 1.7% compensation increase to employees. The scholarship development request is vital for students. Education gives a great return investment to both the student and the state.

Responding to a question from Rep. Allen, President Bennion said course disclosure could keep students from taking courses that would be beneficial even though they did not directly relate to their major. Rep. Carlson asked if the faculty/student ratio is as high as it should get. President Bennion said it depends on the course—some could handle more students per instructor, some could not.

Analyst Kevin Walthers discussed budget recommendations for ADA funding at \$6,000, the energy tax at \$7,000, risk management at \$29,500, and garbage disposal at \$4,900. They also recommend transferring \$40,000 from the Board of Regents to SUU for library costs.

Sen. Steele asked about the shortfall in risk management funding from last year. Commissioner Foxley said the analysts' recommendation is only an adjustment to the base and the \$240,00 shortfall from last year was not funded. Higher education thought the shortfall would be funded after discussions with leadership, the Governor and GOPB. Sen. Tanner said he recalled inequities in last year's budget that should have been brought forward and funded this year. As far as could be determined, however, there is no written record of the agreement. Alan Edwards, State Risk Manager, said there was a problem last year that should have been corrected; it creates a hole in higher education's budget and he supports funding the shortfall.

Dr. Brad Winn, GOPB, said the Governor's budget doesn't address all SUU's needs, but it does address the necessary base budget increases and fully funds enrollment growth. The Governor also fully funds technology and \$56,000 of the unfunded health request.

MINUTES: Rep. Carnahan moved to approve minutes of the January 28, 1998, meeting.

The motion passed unanimously with Sens. Hillyard and Mantes and Reps. Dayton and Larson absent at the time of voting.

2. Dixie College Presentation—President Robert Huddleston introduced those present in support of Dixie College. He discussed the population growth in Washington and Kane Counties that has directly affected the growth at Dixie. He also discussed a graduate survey showing areas where Dixie does well and where they need to improve, and reviewed base adjustment requests including the Dixie Center and Harmon's property, fuel and power increases, risk management, the energy use tax, and sewer and water increases. They have asked for \$431,200 for 5% enrollment growth but have actually grown 8% as of Winter Quarter.

Dixie has internally reallocated half the cost of the Dental Hygiene Technology Program request with more coming from the dental community in St. George. They request funding for a technology specialist and an instructional technology and support person. A one-time request for instructional equipment is necessary to take them to the level they need to fulfill their mission. President Huddleston requested more support for the University Center to add BS and MS degrees in St. George. Responding to a question by Rep. Allen, President Huddleston said more border tuition waivers are necessary. All 150 were used this year with 1000 more necessary to meet the needs of students primarily in Mesquite, Nevada.

Analyst Kevin Walthers said the analysts funded the Dixie Center and Harmon's property request as well as mandated costs, fuel increases, ADA, hazardous waste, risk management, and the energy tax. Technology funding is recommended at \$980,000 in one-time funding.

Rep. Carlson said if one of the goals is to make sure students get through the process, there is nothing more critical than student advising and counseling support funding.

Dr. Winn said the Governor's and the Legislative Fiscal Analyst's recommendations for Dixie College are very close. The one area they differ is in the technology initiative and the funding for the dental hygiene program. The Governor also recommends funding one full-time faculty position.

3. Mineral Lease—Analyst Boyd Garriott said it is projected that the mineral lease adjustment for FY 1999 will be \$190,800 based on a 2.8 percent change in the CPI. This brings the total allocation for higher education to \$7,003,600; \$4,202,200 of this will be transferred to the Community Impact Board with that same amount replaced from the General Fund.

Commissioner Foxley said this is not new money, but is counted as such in the analyst's budget. Sen. Hillyard asked for a report on how the Community Impact Board has spent the money allocated to them from Mineral Lease funds. Mr. Garriott said the analysts would bring that information back to the Committee as well as the language from the sponsoring bill. Rep. Carlson asked why the analysts count Mineral Lease funding as new money for higher education. Mr. Garriott said it is looked at as a change from the base.

Dr. Winn distributed a handout showing the differences between the Governor's and the analysts' budget. Sen. Tanner said information like this is totally irrelevant to the process because the Legislature has to balance the budget. Dr. Winn said it does depend on the revenues, but the issues on bonding for transportation or not and how it relates to higher education's budget are relevant. Rep. Allen said she finds the comparisons helpful.

Dr. Winn said moving funding for UEN, Utah Link, and EDNET from public education to higher education is a good move. Commissioner Foxley, however, took issue with that transfer counted as new funding for higher education. With the mineral lease money and this money counted as new money, \$2.7 million of the \$4 million increase credited to higher education is not actually new money, it is a transfer. Mr. Garriott said the issue shouldn't be higher education's portion of the budget, but that there are state needs that must be met and the budget needs to be balanced. The committee discussed how the Legislative Fiscal Analyst's Office determines the budget recommendations. The budget needs to be balanced and all the state's needs are considered, but a persuasive argument by a particular analyst could sway what is recommended to the Executive Committee and what is not. The Governor bases his total revenue figures on the anticipation that various bills will bring in revenues; the Legislative Fiscal Analyst does not.

Commissioner Foxley said more will be known about available revenues when the actual figures come in on February 15.

Co-Chair. Steele assumed the Committee chair.

4. Utilities and Energy Tax—Commissioner Foxley said the request and the recommendations by the analysts are very close.
5. Engineering Initiative—Dean David Pershing, UU, reported what has been done with the Legislature's \$500,000 investment in engineering. Dean Bruce Bishop, USU, said equipment needs have been addressed across the system of higher education with 3,000 students benefitting from improvements in engineering and pre-engineering.

Co-Chair Bradshaw assumed the Committee chair.

The seed money given by the Legislature has been leveraged to more than triple that investment. The two deans made a commitment that any engineering initiative money appropriated by the Legislature will be tripled. Students Kyle Wells, UU Civil Engineering student, and Chris Roberts, USU Mechanical Engineering student, discussed their experiences with engineering courses, labs, and experiences at their institutions.

6. Institutional Priorities—Mr. Walthers said all projects recommended by the analysts are funded with dedicated credits left after removing compensation. Commissioner Foxley said the USHE kept their requests for mandated costs low in the hopes that there would be more money for institutional priorities. She hopes that as the Legislature receives new revenues some of the institutional needs will be met.

MOTION: Rep. Nielsen moved to adjourn.

Co-Chair Bradshaw adjourned the meeting at 4:10 p.m.

Minutes were reported by Rolayne Day, Secretary.

Sen. David H. Steele, Committee Co-Chair

Rep. Afton Bradshaw, Committee Co-Chair