

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
WEDNESDAY, FEBRUARY 4, 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. Swen Nielsen
Rep. Carl. R. Saunders

Members Absent: Rep. Patricia B. Larson

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 Foxley
Norm Tarbox, Assistant Commissioner
President Paul Thompson, WSU
President Frank Budd, SLCC
President George Emert, USU
Ralph Hardy, UU
Dr. Brad Winn, GOPB
President Kerry Romesberg, UVSC

List of Others Present on File:

Committee Co-Chair Steele called the meeting to order at 2:08 p.m.

1. Approval of Minutes

MOTION: Rep. Carnahan moved to approve minutes of the February 13, 1998, meeting.

The motion passed unanimously with Sens. Hillyard and Mantes and Rep. Carlson absent at the time of voting.

2. Intent Language—A copy of proposed intent language was distributed to the Committee along with changes and/or recommendations from the analysts. Rep. Saunders asked if there was a report on fuel and power savings from previous years.

Commissioner Foxley said their preference is to keep the language as flexible as possible. Rep. Saunders favored deleting the 10% qualifier so that savings could be used for any purpose. Commissioner Foxley said higher education prefers to have the 10% left in for unforeseen costs. Reports on higher education spent fuel and power savings expenditures are given to the Fiscal Analyst. Commissioner Foxley noted that any expenditures must be approved by the Board of Regents.

President Paul Thompson, WSU, asked if the savings could be used for lighting repairs to make campuses safer. Rep. Nielsen said he had full confidence in the presidents and would like to give them as much latitude as possible.

MOTION: Sen. Tanner moved to amend the proposed Fuel and Power intent language as follows:

After "surplus for other" delete "critical institutional" and insert "efficiency, safety, or equipment"

SUBSTITUTE MOTION: Sen. Hillyard moved to amend the proposed Fuel and Power intent language as follows:

After "surplus for" delete "other critical institutional" and insert "energy efficiency projects, then other critical institutional"

The **substitute motion** passed unanimously.

MOTION: Sen. Hillyard moved to accept intent language proposed by the analysts including the recommended deletion of items 2, 3, 4, and 5 on the handout.

Sen. Hillyard asked what would happen if O & M was paid by fuel and power efficiencies. Commissioner Foxley said the institutions have not been fully funded for O & M and fuel and power savings have been used to pay some of those costs. Intent language would provide a common definition. President George Emert said USU has \$44 million in deferred maintenance. Ralph Hardy, UU, asked if O & M could be used for increased public safety. Commissioner Foxley said higher education has been invited to participate in determining a definition of O & M and feels comfortable with the intent language. The analysts also agreed.

Dr. Brad Winn, GOPB, asked if intent language for the electronic community college was restricted to program development or if it includes administrative costs. Mr. Garriott said he understood that it could be done within existing administrative budgets. President Kerry Romesberg, UVSC, said if it means that the money could only be spent for developing courses, it is too restrictive. Analyst Kevin Walthers said they want to be as flexible as possible with the language and it could include other data base items.

Commissioner Foxley asked to replace the words "equal and fair" in the salary equity intent language with the word "equitable." Sen. Steele recommended deleting the word "all." Both suggestions were agreed to by the sponsor of the motion. Sen. Hillyard suggested deleting the word "July" from the graduate tuition intent language. That also was agreed upon.

Question was called on the motion.

The motion passed unanimously.

3. **Building Blocks/Prioritization**—Sen. Hillyard asked if the UEN transfer is counted in higher education's 2% funding increase. Mr. Garriott said the increase comes after the base adjustment. Sen. Steele asked if the Poison Control transfer was included as increase. Mr. Garriott said the same process was followed for all transfers. Commissioner Foxley pointed out that the analysts' budget recommendation says transfers are included in the increase figure. Mr. Garriott agreed and distributed a handout with the correction. Commissioner Foxley said mineral lease and UEN are transfers so they shouldn't be counted as increased base. The actual ongoing increase is \$4,942,400, only a 1% increase for the USHE from tax funds (excluding compensation).

Mr. Garriott said there is new money going to higher education whether it is a transfer or not. He said higher education received significantly more new money than other committees. Much of public education's increases was to replace one-time money.

Co-Chair Bradshaw said the original bill refers to mineral lease as replacement funds, not new money. Mr. Garriott said it said would hold higher education harmless.

MOTION: Rep. Dayton moved to accept the analyst's recommendation for the FY 1999 budget at \$12,320,600. The amount includes \$9,540,300 in ongoing funds and \$2,780,300 in one-time funds. The plan of financing is as follows: \$8,518,400 from the General Fund, \$1,200,000 from the Uniform School Fund, \$3,888,500 from tuition revenue, and a decrease of \$1,286,300 from Mineral Lease.

Sen. Tanner feels uncomfortable representing the level of increase with the inclusion of transfer funds and wants the Executive Committee to see the true picture. Commissioner Foxley said that the 2% increase represented by the analysts is not accurate nor fair. Mr. Garriott said the motion simply adopts the Executive Appropriations Committee's level of funding for higher education; no specific amounts are given for each institution or project.

Rep. Carnahan asked if Rep. Dayton would be willing to include language regarding mineral lease in her motion to make the Executive Committee clearly aware that it shouldn't be included in funding increase figures. Rep. Dayton agreed to include language as follows:

It is the intent of the Legislature that Mineral Lease replacement funds appropriated to higher education be distributed before the Executive Appropriations Committee establishes guidelines for new funds.

The amended motion passed unanimously.

Rep. Saunders expressed concern about O & M for the Biology Research Building at the University of Utah. Sen. Hillyard said USU had only received half of their O & M request for the Human Resource Research Center. Mr. Garriott said a bill's fiscal note just identifies the cost of O & M but doesn't promise to fund it. Sen. Steele said the intent of the statement is that the money would come from state funds. Mr. Garriott said he would take the language to Gay Taylor, Legislative Counsel, to determine the legal ramifications.

MOTION: Rep. Saunders moved to accept the fiscal note language from SB 25, 1995 General Session, as follows: "State funding includes: \$234,400 for the Human Resource Center at USU, and \$650,000 for the Biology Research Building at the U of U" and to ask the Executive Committee for more money to fund the O & M for those projects.

SUBSTITUTE MOTION: Sen. Hillyard moved to approve the USHE Hot Spot list with the following changes: (1) Full O & M funding for the U of U Biology Research Building and the USU Human Resources Research Center for a total of \$797,000; (2) Increase enrollment to \$1,905,600; and (3) Increase institutional priorities to 100% of the request for a total of \$3,390,700.

Representative Saunders asked that the substitute motion be divided.

Rep. Bradshaw requested addition of the Occupational Therapy Program at \$200,000, Rep. Allen asked to add funding for the ATE SOAR Programs in the service regions at \$50,000, and Dr. Winn asked to add master planning funding at \$50,000. All were accepted by the sponsor of the substitute motion.

By Committee agreement, items were divided and voted upon as follows:

Divided Motion—Items 2, 3, 4, 6, and 7: Risk Management shortfall at \$404,400, enrollment at \$1,905,600, technology at \$1.5 million for HETI and institutional technology at \$1.5 million, ATE service regions at \$267,100, and financial aid at \$200,000.

Items 2, 3, 4, 6, and 7 passed unanimously with Rep. Carnahan absent at the time of voting.

Divided Motion—Item 1: U of U Biology Research Building and the USU Human Resources Research Center for a total of \$797,000.

Item 1 passed with Sens. Hillyard, Mantes, and Tanner and Reps. Bradshaw, Allen, Carlson, Dayton, and Nielsen voting aye, Sen. Steele and Rep. Saunders voting nay, and Rep. Carnahan absent at the time of voting.

Divided Motion–Item 5: Institutional priorities at 100% of the request for a total of \$3,390,700.

Item 5 passed unanimously with Rep. Carnahan absent at the time of voting.

Divided Motion–Item 8: Occupational Therapy Program at \$200,000.

Item 8 passed with Sens. Steele, Hillyard, Mantes, and Tanner, and Reps. Bradshaw, Allen, Carlson, Dayton, and Nielsen voting aye, Rep. Saunders voting nay, and Rep. Carnahan absent at the time of voting.

Divided Motion–Item 9: ATE SOAR Programs in the service regions at \$50,000.

Item 9 passed with Sens. Steele, Hillyard, Mantes, and Tanner, and Reps. Bradshaw, Allen, Carlson, Dayton, and Nielsen voting aye, Rep. Saunders voting nay, and Rep. Carnahan absent at the time of voting.

Divided Motion–Item 10: Master planning at \$50,000.

Item 10 passed with Sens. Steele, Hillyard, Mantes, and Tanner, and Reps. Bradshaw, Allen, Carlson, and Nielsen voting aye, Reps. Dayton and Saunders voting nay, and Rep. Carnahan absent at the time of voting.

Commissioner Foxley asked the Committee to include three higher education fiscal bills on their prioritization list: SB 34, SB 105, and SB 208.

Sen. Steele said the next meeting will be held at 4 p.m. on Wednesday, February 18.

Committee Co-Chair Steele adjourned the meeting at 3:47 p.m.

Minutes were reported by Rolayne Day, Secretary.

Sen. David H. Steele, Committee Co-Chair

Rep. Afton Bradshaw, Committee Co-Chair