

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
MONDAY, FEBRUARY 1, 1999, 2:00 P.M.
Room 223, State Capitol Building

Members Present: Sen. Robert Montgomery, Committee Co-Chair
Rep. Afton Bradshaw, Committee Co-Chair
Sen. Leonard Blackham
Sen. Paula Julander
Sen. Millie Peterson
Rep. Patrice M. Arent
Rep. Melvin R. Brown
Rep. Mary Carlson
Rep. Margaret Dayton
Rep. Carl. R. Saunders
Rep. Jack E. Seitz
Rep. Richard M. Siddoway
Rep. LaWanna "Lou" Shurtliff
Rep. Gordon E. Snow

Members Absent: Sen. Terry Spencer

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

Others Present: Commissioner Cecelia Foxley
President Bernie Machen, UU
Vice President David Pershing, UU
Dr. Michael McGill, Chair, Dept. of Family and Preventive Medicine, UU
President George Emert, USU
Ryan Dent, USU Student Body President
Lee Roderick, USU
Regent Pamela Atkinson
Charlie Johnson, Board of Regents Chair
Vice President Peter Garrity, USU
Dr. Michael Peterson, Associate Commissioner, USHE
Shanna Schaefermeyer, Director of Distance Education, SLCC
President Frank Budd, SLCC
Dr. Bruce Bishop, Engineering Dean, USU
Dr. Jerry Stringfellow, Engineering Dean, UU
Matt Hirst, UU Engineering Student
Peter Generaux, UITA
Dr. Sarah Michalak, Dir. Marriott Library and Chair UALC

List of Others Present on File:

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

1. University of Utah—President Bernie Machen discussed a handout outlining the UU's institutional priorities.

The U made a decision a few years ago to make all the computer systems Y2K compliant. Although they have requested Y2K funding for several years, they have not received any. Because of the complexity of the U's computer system, they had to buy People Soft, a very sophisticated and costly management information system

(MIS). They have reallocated almost \$15 million to solve the problem, but are facing about \$20 million more. They are asking for a \$1 million appropriation for FY 2000.

You cannot have a great research institution without a great library. The U needs \$1.1 million to sustain current library resources because of journal inflation, electronic conversion and infrastructure (salary improvements, equipment and staffing).

President Machen said the U needs more modern classrooms with fiber optics and networks, Internet connections, digital projectors, electronic classrooms, design workstations, modem connections, PC's, and distance education. There has been no increase in non-personnel services budgets in 13 years.

Vice President David Pershing discussed the access enhancement for high-demand areas request. There is no way to add faculty to these areas to meet the demands of students because of funding restraints. In some cases there are 240 applications for 36 places.

Because the U's enrollment can't grow, they cannot enhance department funding. They need base funding to train more students to meet the demands of the genetics counseling field. Utahns are relatively healthy, but there are some problems with suicide and immunization rates and an increasing number of low birth weight infants. They would like to build on the existing masters program to give doctoral degrees in this area.

Dr. Michael McGill, Chair, Department of Family and Preventive Medicine, said AHEC (Area Health Education Centers) is at a crossroads. They have established three centers around the state and have two remaining centers that should come online in the next two years. They need a 50/50 match with federal funds to keep going and to complete the Utah AHEC system.

Analyst Boyd Garriott said the U's needs are great and are real. He asked how Pres. Machen would spend a 4% tuition increase if it were implemented. President Machen said the key is flexibility, but he would have to take the decisions back to his cabinet. He does agree that it would be appropriate for graduate tuition to pay more of the cost of graduate instruction. He feels they should think about graduate tuition differentials by program.

President Machen said the year institutions were given use of the reimbursed overhead was the exact year the research grants took off.

2. Utah State University—President George Emert introduced those present in support of USU. President Emert discussed USU's mission and vision statements. USU is a land grant institution with the Agricultural Experiment Station and Extension Services. They are also a research institution with students from every county in the State, every state in the nation and 81 countries around the world.

USU's primary mission is instruction. Ryan Dent, Student Body President, said the Carnegie Institution Outstanding Faculty Award being has been given to a USU faculty member for the last four years in a row. President Emert said there is a classroom focus at both the U and USU. Forty-four percent of the students in higher education attend the research institutions. USU has \$1.76 million in research grants. Faculty involved in that research go into the classroom to teach students at all levels and thus enhance learning and instruction in the classroom.

There was extraordinary discussion regarding USU's priorities over the last 12 months involving faculty, staff, administration, and even community input. The budget priorities are a reflection of the resulting strategic plan. President Emert said there are significant challenges in base adjustments and the request doesn't come close to what needs to be funded.

Information Engineering and Management Degree funding is requested for department operating funds (non-compensation). President Emert hopes that there might be some funding to start building the operating budgets to where they need to be.

Graduate assistant stipend increases are necessary to keep good students. President Emert discussed a handout showing examples of failed efforts to recruit or retain faculty and staff. They often have to go as low as number four

or five on their priority list of applicants for someone to accept. Because the salaries are so low, someone else is hiring the best qualified people. It cannot be corrected in one or even ten years. President Emert says faculty need to know they are doing a good job and they deserve to be paid better.

USU is using private donations to enhance scholarship funding. They also call sophomores that do not come back for the third year; 81% said they didn't return because of lack of funds.

USU would like to answer the Legislature's questions more rapidly and more accurately and have requested funding for a management information system. They are a leader in distance education in the nation serving 11,000 headcount students in Utah. There is a need to upgrade, keep up and service students who are not taking courses on any campus but just using distance learning.

The Agricultural Experiment Station budget is a combination of State, federal, and county government funding. The federal government has been cutting back money each year and there hasn't been an increase for quite a while. The Agricultural Experiment Station is not included in the funding formula. Extension budgets have not let them meet some of the needs of the State. The technology and knowledge is there to help curb water waste, but there isn't any funding to implement it.

The School of the Future bill is before the Legislature. It would help bring improved education to schools. The League of Cities and Towns has asked USU to help map the cities and towns. They would like to if the funding can come through.

Regent Pamela Atkinson addressed faculty and staff compensation; there isn't a crisis yet, but it is coming. For years they have countered and said the cost of living is lower in Utah, but it doesn't work anymore because it isn't true. Higher education is also losing faculty and staff to the corporate world. Faculty struggle to do their own work on the Web when they should have staff to help them. There has been a small exodus of the most talented faculty and that will affect the quality of education Utah's students get. Regent Atkinson said if there is money found it should go to faculty salaries.

3. FCC Universal Access—Analyst Debbie Headden said the FCC changed its rules regarding access charges in 1997. In order to meet the increased demands, the USHE has requested an appropriation of \$74,800. The analysts recommend funding this if additional funding becomes available.

Mr. Garriott said the items discussed at this time are significant but they are not included in the analyst's recommendations because of lack of funding. The analysts are bringing them to the Committee's attention so they understand the significance of the items. As they draw closer to deliberations, the Committee needs to prioritize the items if/when additional funding becomes available. Mr. Garriott referred to a handout of the unfunded items and said the Committee might want to add to the list. Sen. Peterson asked if all items discussed by the presidents were on the list. Mr. Garriott said no, the only items on the list are those that were requested by the regents.

Sen. Blackham said the cost of long-distance is going down and asked what happened to the savings the institutions receive with the volume of their rates. Ms. Headden said long-distance went down but access went up at a higher rate so it didn't balance out.

MOTION: Sen. Peterson moved to add the University of Utah requests of \$1 million for Y2K compliance, \$555,000 for Human Genetics base funding, \$950,000 for access enhancement, and \$500,000 for academic technology to the unfunded items list.

The motion passed unanimously.

MOTION: Rep. Carlson moved to add the University of Utah request for \$133,000 for the PhD. program in public health to the unfunded items list.

The motion passed unanimously.

MOTION: Rep. Seitz moved to add USU's requests for the Information Engineering and Management Degree (\$434,100), critical faculty shortages in high demand programs (\$470,300), graduate assistant stipend increases (\$341,300), space and facilities (\$328,000), the Interactive Engineering courses to Snow College (\$74,300), development (\$209,500), information management (\$402,200), cultural diversity (\$65,000), School of the Future/Capstone Engineering Center (\$363,600), and program support (\$100,000) to the unfunded items list.

Rep. Carlson said there is a long list of priorities to rank. She asked for prioritization input from the institutions. Rep. Arent agreed but said the institutions want flexibility. Sen. Peterson said the items will be prioritized at a later time; right now the Committee is just generating a complete list.

Commissioner Foxley hoped the Committee isn't doing something prematurely because all institutions will have institutional priorities. Mr. Garriott said they will prepare a table with institutional priorities for the next meeting.

Regent Chair Charlie Johnson said historically the institutions prioritize their requests, but this year the message was flexibility and some prioritized and others did not. Vice President Peter Garrity said USU's list is prioritized. Sen. Montgomery asked Vice President Pershing to get a prioritized list from the University of Utah.

The motion passed unanimously.

4. Hazardous Waste—Ms. Headden said federally mandated regulations require safe and timely removal of hazardous waste from classrooms and laboratories. Costs associated with hazardous waste have exceeded the budget. The analyst recommends that, if funding becomes available, \$279,900 be appropriated for hazardous waste removal.
5. Educational Technology Initiative—Ms. Headden discussed the Technology Teacher Education bill enacted but not funded in 1998. A renewed effort in this area is necessary to ensure that public school teachers can utilize and train students in the use of technology. The analysts recommend funding \$500,000 if additional money can be found.

Dr. Michael Peterson, Associate Commissioner, USHE, said there are two emphases within the Technology Initiative. The first relates to the preparation and training of teachers. They agree that is a very important item and support the analysts' position. In addition, they are asking the Legislature to continue to support a broad emphasis on technology training.

Shanna Schaefermeyer, SLCC Distance Education Director, demonstrated some of the things that SLCC is doing with ETI money. They have developed an electronic campus on the Web that students can use to access libraries, find events, buy textbooks, link to EUCC, WGU, and UtahNet, and 24-hour access of student services. They have also developed a student management system, and have access for electronic courses to help faculty communicate with their students. Student contact in a timely manner is a critical piece of electronic classes. Class management and organization can be done on the Web to allow students to talk to the teacher and to each other. When students hand something in, the faculty gets an *eval* notice telling the teacher something needs to be evaluated.

Dr. Peterson said without ETI funding these types of courses would be impossible to develop. Higher education lacks the funding to replace personal computers. They have a tremendous challenge and the Technology Initiative allows them to address this issue.

Rep. Carlson asked how many students have access to a personal computer without relying on an institution. Dr. Peterson said all students don't have that access. Ms. Schaefermeyer said there are about 1,300 students enrolled in SLCC distance courses and about 80% have access to their own computers at home. Dr. Peterson said all students have access to computers at the institutions and through public libraries.

Rep. Siddoway said there were 21,000 students taking classes in the Electronic High School last year. Their research said about 58% had access to their own computers; access in libraries and the schools gave almost 100% access. President Frank Budd, SLCC, said student labs are funded by students. Many students who access the courses don't come to campus. It is a self-selected alternative and that is all they have ever thought it would be. Higher education has requested \$3.9 million in this area and an additional \$500,000 for teacher education.

Mr. Garriott said the technology request wasn't included in the analysts' budget because of the need for Y2K resolution. Dr. Peterson said they recognize that solving the Y2K issue will overlap and parallel some of the electronic problems, however, they need to make progress in course development.

6. Committee Action on Y2K—The Capitol Facilities and Administrative Services Appropriations Subcommittee is making the decision on funding for Y2K.

MOTION: Rep. Siddoway moved that the Higher Education Appropriations Subcommittee send a letter of support for \$5 million in Y2K funding for higher education to the Capitol Facilities and Administrative Services Appropriations Subcommittee.

The motion passed unanimously with Sen. Julander absent at the time of voting.

MOTION: Sen. Blackham moved to transfer \$3,873,000 from Public Education for Sevier Valley ATC to Snow College South as a preliminary action by the Committee.

The motion passed unanimously with Sen. Julander absent at the time of voting.

MOTION: Sen. Peterson moved, as a preliminary action, to fund the Poison Control request of \$1,200,000.

The motion passed unanimously with Sen. Julander absent at the time of voting.

MOTION: Rep. Seitz moved, as a preliminary action, to fund the Internal Service Fund request of \$373,700.

The motion passed unanimously with Sen. Julander absent at the time of voting.

MOTION: Sen. Peterson moved to add \$3.9 million for distance education and \$500,000 for staff to the unfunded items list.

The motion passed unanimously with Sen. Blackham and Rep. Dayton absent at the time of voting.

7. Engineering Programs—Dean Bruce Bishop, USU, discussed the Engineering Initiative. There is a need for closely integrated programs throughout the State so students can seamlessly transfer within the system. The program primarily focuses on improving equipment, staff, etc. across the system and to handle increased enrollments.

A handout shows how previous funding has been used, the research benefits, and how it has helped students. Dean Jerry Stringfellow, UU, said engineering and local industry thrive together. The Engineering Initiative bill will help enhance programs throughout the State. *Newsweek* rates the Wasatch Front in the top ten for high-tech potential, but there needs to be more skilled manpower.

Matt Hirst, SLCC graduate and UU student, discussed his experiences with engineering education. Utah has a gap in the technology that is available in industry vs. that found in the engineering schools.

Rep. Carlson asked what was appropriated last year for the Engineering Initiative. Mr. Garriott said \$720,000—half on-going and half one-time.

Rep. Arent said asked where the University gets money to match funding if not from the State. Dean Stringfellow said one third of the money was from the State, one third was reimbursed overhead and another third was from the individual researcher through grants.

Peter Generaux, President of the Utah Information Technologies Association, spoke in support of S.B. 112, the Engineering Initiative. It is expected that the State will need about 24,000 new workers for engineering, computer science, and business jobs in the next year.

MOTION: Sen. Peterson moved that the Higher Education Subcommittee express support for SB 112.

The motion passed unanimously with Sen. Blackham absent at the time of voting.

8. Utah Academic Libraries Consortium (UALC)—Ms. Headden said the analysts recommend \$758,000 for USHE libraries if funding becomes available. She commended the system for cooperation among the libraries to cut costs. The analysts also recommend transfer of the FY 99 one-time appropriation of \$500,000 to on-going funding if money becomes available.

Dr. Sarah Michalak, Director of the Marriott Library and UALC Chair, reported on past funding expenditures and discussed the current funding request. Dr. Michalak demonstrated the UALC Web site. There are two electronic branches, one all Utah students can use (Pioneer) and the higher education branch (Academic Pioneer). Academic Pioneer is an enhancement of institutional libraries, not a replacement. Although electronic libraries are gaining popularity and use, they will still need paper-based libraries and buildings. Dr. Michalak demonstrated how Academic Pioneer works for a typical research paper. The Utah Academic Article Delivery Service (UAAD) can provide journal articles within 48 hours to any student in the State. Digitizing local history items makes them available as well.

The UALC requests money for journal inflation (\$758,000), to convert 1998 one-time funding (\$500,000), to enhance collections (\$550,000), to digitize collections (\$80,000), and for distance education/document delivery (\$70,000) for a total request of \$1,958,000.

MOTION: Rep. Siddoway moved to place the library initiative on the unfunded list at \$700,000.

The motion passed unanimously with Sen. Blackham absent at the time of voting.

9. Area Health Education Centers (AHEC)—Ms. Headden said that, if additional funding is found, the analysts recommend funding \$365,000 to complete the matching requirement for the centers in Cedar City and Price.

Commissioner Foxley asked if the discussion on enrollment funding scheduled for Wednesday could be moved to Friday and that Financial Aid and UCOPE be moved to Wednesday's meeting. Sen. Montgomery agreed to the change.

Committee Co-Chair Montgomery adjourned the meeting at 4:40 p.m.

Minutes were reported by Rolayne Day, Secretary.