

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
WEDNESDAY, FEBRUARY 10, 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. Paula Julander
Sen. Millie Peterson
Sen. Terry Spencer
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 Excused: Sen. Leonard Blackham

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

Others Present: Commissioner Cecelia Foxley
Regent Chair Charlie Johnson
Chad Vanderlinden, UU Student
President Bernie Machen, UU
President George Emert, USU
Brian Brown, WSU Student Body President
Regent Pamela Atkinson

List of Others Present on File:

Committee Co-Chair Montgomery called the meeting to order at 2:18 p.m.

1. Approval of Minutes

MOTION: Rep. Bradshaw moved to approve minutes of the February 5, 1999, and February 8, 1999, meetings.

The motion passed with Sens. Julander and Peterson and Rep. Shurtliff absent at the time of voting.

2. Unfinished Committee Business

MOTION: Rep. Bradshaw moved to bypass the SLCC \$249,000 transfer and move to the next item.

The motion passed with Sens. Montgomery and Spencer and Reps Bradshaw, Arent, Brown, Carlson, Saunders, Seitz, Siddoway, and Snow voting aye, Rep. Dayton voting nay, and Sens. Julander and Peterson and Rep. Shurtliff absent at the time of voting.

MOTION: Rep. Bradshaw moved to fund \$1,875,600 in one time funding as a dedicated credit for the digital television conversion.

The motion passed unanimously.

Co-Chair Montgomery said the Committee might know how much extra money is available by Monday and the charge now is to prioritize the unfunded items list. Regent Chair Charlie Johnson said there are some items missing he would like to see added. He reminded the committee that the top two regent priorities are enrollment growth and base funding for students already in the system. Commissioner Foxley would like the Committee to consider adding a salary equity adjustment of \$2.1 million in on-going funding and new ATE programs at \$500,000.

MOTION: Rep. Bradshaw moved to add salary equity funding at \$2.1 million and new ATE programs \$500,000 to the unfunded items list.

The motion passed unanimously.

Rep. Siddoway said when UEN moved from public education funding it was the assumption that public education would be held harmless. Mr. Garriott has said it is all new money and would come from the Uniform School Fund.

Commissioner Foxley said she was in a meeting with Mr. Garriott and other members of the Fiscal Analyst's staff and State Superintendent Scott Bean where it was understood that transferring the funding would not harm public education or higher education. It was their understanding that the money would be allotted to higher education before any money was given to higher education or public education for their budgets.

Mr. Garriott said it is immaterial what source it comes from because there is only one pot of money. The Executive Committee just needs to know the Higher Education Committee's priorities.

Rep. Arent said it is her understanding there is very little extra money available. She would like to give the presidents flexibility. Mr. Garriott said the Executive Appropriations Chairs have asked him what the hot spots are. Unless he knows the Committee's preferences, he cannot tell them. A prioritization list of unfunded items was developed by the Committee as follows:

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| 1. Enrollment, \$3.3 mil | 12. ADA, \$400,000 |
| 2. Noncompensation base adjustments, \$2.5 mil | 13. UtahLINK, \$1.287 mil |
| 3. AHEC, \$365,000 | 14. FCC universal, \$74,800 |
| 4. Library acquisitions, \$1.7 mil | 15. New ATE programs, \$500,000 |
| 5. Salary equity, \$2.1 mil | 16. Federal match, \$406,300 |
| 6. Library replacement, \$500,000 | 17. Sign Language, \$60,000 |
| 7. UCOPE, \$500,000 | 18. Campus Compact, \$75,000 |
| 8. Technology Initiative, \$3.9 mil | 19. Snow's Traditional Building Skills Inst., \$51,900 |
| 9. Technology Teacher Education, \$500,000 | 20. Hazardous Waste, \$279,900 |
| 10. MIS, \$400,000 | 21. EDNET, \$360,000 |
| 11. ATE equipment, \$750,000 | 22. ATC Service Regions, \$350,000 |

MOTION: Rep. Arent moved to make the Federal Match funding (\$406,300) item number three on the unfunded items list and move all other items down the list accordingly.

The motion passed with Sens. Montgomery, Julander, Peterson, and Spencer and Reps. Arent, Carlson, Dayton, Seitz, Siddoway, and Shurtliff voting aye and Reps. Brown, Saunders and Snow voting nay.

MOTION: Rep Saunders moved to make the Technology Initiative number four on the unfunded items list and move all other items down the list accordingly.

The motion failed with Sens. Montgomery and Peterson and Reps. Saunders and Siddoway voting aye and Sens. Julander and Spencer and Reps. Arent, Brown, Carlson, Dayton, Seitz, Shurtliff and Snow voting nay.

MOTION: Sen. Spencer moved to give any additional money to the institutional presidents on a basis proportional to enrollments and to allow them to spend the money as they see fit.

Sen. Peterson, speaking against the motion, said the list must be prioritized to provide leverage with the Executive Committee.

AMENDED MOTION: Sen. Spencer amended his motion as follows: Give any additional money to the institutional presidents on a basis proportional to enrollments, allow them to spend the money as they see fit and to send the list of unfunded items along with the Committee's recommendations.

SUBSTITUTE MOTION: Rep. Siddoway moved to give any additional money to the institutional presidents on a basis proportional to enrollments, allow them to spend the money as they see fit and to send the list of unfunded items along with the Committee's recommendations, exclude UEN, move it to the top of the unfunded items list and fund it from the Uniform School Fund at \$1.6 million.

Rep. Carlson spoke against the motion saying higher education's top priorities are enrollment and new ATE programs at \$500,000. Also speaking against the motion were Sen. Peterson and Reps. Bradshaw and Shurtliff.

The substitute motion failed on a voice vote rule by Co-Chair Montgomery.

Speaking in favor of the main motion were Sen. Spencer and Rep. Snow; speaking against the motion were Sens. Peterson and Montgomery and Reps. Carlson and Saunders.

The main motion failed on a voice vote rule by Co-Chair Montgomery.

Sen. Spencer recommended that each Committee member prioritize the unfunded items themselves. Those prioritized lists could then be compiled into a Committee prioritized list using spreadsheet software.

MOTION: Rep. Siddoway moved to place the UtahLINK as number 3 on the unfunded list.

SUBSTITUTE MOTION: Sen. Peterson moved to leave the unfunded list as it is and have Committee members prioritize the unfunded items on their own. Each member's list is to be given to the analysts by Friday morning, February 12, to compile into a Committee prioritized list using a spreadsheet

The substitute motion passed unanimously on a voice vote rule by Co-Chair Montgomery.

MOTION: Rep. Bradshaw moved to use the \$717,000 one-time funding from unused WGU funds as follows: \$100,000 for CAAP, \$50,000 for the Snow Traditional Building Skills Institute, \$249,000 for the SLCC ATE transfer, and \$318,000 for Teacher Technology Education.

SUBSTITUTE MOTION: Rep. Siddoway moved to use the \$717,000 for UtahLINK.

The substitute motion failed on a voice vote rule by Co-Chair Montgomery.

The main motion passed on a voice vote with Sen. Spencer and Rep. Snow voting nay.

Co-Chair Montgomery said all items funded in the last motion will be taken off the unfunded items list for prioritization.

MOTION: Rep. Seitz moved to adopt intent language as follows:

It is the intent of the Legislature that the Higher Education Appropriations Subcommittee shall meet when the appropriations have been allocated by the Executive Appropriations Committee. The Council of Presidents (COP), a representative of the Board of Regents, in conjunction with the Legislative Fiscal Analyst's Office, shall determine the criteria for allocation to the nine institutions of higher education. The criteria shall include a combination of enrollment funding, incentives tied to key performance indicators, and accountability measures. All funding criteria shall be submitted to the Higher Education Appropriations Subcommittee for discussion and approval.

At such time, during the Legislative Session, that additional appropriations become available, the Committee shall meet and allocate these amounts to the institutions based on the established criteria.

The allocation of funds will be based on each institution's demonstration of improved quality of instruction, and enhanced productivity and efficiency. After the total amount is determined for each school and approved by the Higher Education Appropriations Subcommittee, the funds will be allocated to the appropriate line items of each institution to provide the flexibility for each president to manage the fiscal resources of their institution. Failure to meet their established performance objectives may result in a determined amount of their funds lapsing back to the State General Fund.

The Board of Regents and the COP shall supply the Higher Education Appropriations Subcommittee by December 1 of the allocation year an accounting of how the funds were spent and the benefits derived from those funds. Also, an oral report shall be given to the Higher Education Appropriations Subcommittee during the next General Session.

Co-Chair Montgomery suggested that staff have time to look at the intent language for possible conflicts before taking a vote. After discussion by the Committee, Rep. Seitz withdrew his motion.

3. **Tuition Increase**—Board of Regents Chair Charlie Johnson reported that the regents have decided on a 3% tuition increase for the coming year. With that increase, a number of students that will not be able to afford an education, so they have tied the recommendation to UCOPE funding. Graduate tuition will be increased with the caveat that an institution be able to retain the funds within the school that generates the increase. The U would like to raise their tuition \$2500 per year in six of their graduate programs. The regents agreed to both of these proposals.

UU student Chad Vanderlinden suggested that UCOPE be funded at \$1.5 million to help make up for the 3% tuition increase. President George Emert said USU is in the process of examining graduate programs regarding increased tuition; they are not ready at this time to make any recommendations. President Machen said the programs they are recommending for increased graduate tuition are all in the health sciences areas where the costs of instruction are the highest.

Mr. Garriott said 3% will help support the compensation package for higher education with \$1.4 million left at the institutions. The money can be used for specific projects or the institutional presidents could be allowed to distribute the money as they deem necessary.

MOTION: Rep. Arent moved to accept the 3% tuition increase and to allow institutional presidents to distribute that money (excluding the compensation percentage) at their discretion with the intent that students be involved in the decisions.

Brian Brown, WSU Student Body President, said the students are comfortable with a 3% tuition increase but would hope that the \$1.5 million UCOPE funding comes through. Regent Pamela Atkinson said she is the one regent that voted against the 3% increase. On top of the tuition increase, schools will also be raising fees. She supports the \$1.5 million funding for UCOPE.

Mr. Garriott said the Committee could refrain from designating any distribution or allocation and build it into the budget giving flexibility to the presidents. The analysts have suggested that the Committee use the money for salary inequities. He also noted that the EMIA threat is real and the tuition increase money could be used to help offset some of those cost increases. Rep. Arent said the presidents need the flexibility to use the money how they want to.

Question was called on the motion. The question on the motion passed on a voice vote.

The motion passed on a voice vote rule by Co-Chair Montgomery.

MOTION: Rep. Siddoway moved to accept the regents' recommendations on graduate tuition increases with the caveat that an institution be able to retain the funds within the school that has the increased enrollment.

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The motion passed unanimously on a voice vote.

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

Minutes were reported by Rolayne Day, Secretary.

Sen. Robert Montgomery, Committee Co-Chair

Rep. Afton Bradshaw, Committee Co-Chair