

MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE  
FRIDAY, FEBRUARY 12, 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  
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

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

Others Present: Commissioner Cecelia Foxley  
Charlie Johnson, Chair, Board of Regents  
Brad Mortensen, GOPB  
Rand Johnson, SLCC  
Dr. Max Lowe, USHE  
Dr. Stephen Hess, Director of the Utah Education Network

List of Others Present on File:

Committee Co-Chair Bradshaw called the meeting to order at 2:15 p.m.

1. Approval of Minutes

**MOTION:** Rep. Siddoway moved to accept minutes of the February 10, 1999, meeting.

The motion passed with Sen. Peterson and Reps. Brown and Carlson absent at the time of voting.

Co-Chair Bradshaw said she had just returned from the funeral of Lee Ence who was a great supporter and friend to higher education.

2. Final Committee Decisions—Analyst Debra Headden discussed the results of the priority ballots. The first two priorities were (1) Enrollment growth and (2) Non-compensation base adjustments; clearly the funding for the ATCSRs was last. However, the way it was figured did not give a clear order for other items on the list.

Analyst Boyd Garriott reported that since 1991, ATCSR money given to SLCC has been transferred to the Wasatch Front South Service Region. In an effort to fund money where it is spent, the analysts have recommended transferring the \$249,000 funding to public education. Co-Chair Bradshaw's motion last week replaced the lost money at SLCC on a one-time basis. Mr. Garriott said his office will continue to look at the problem during the interim to determine if it will become on-going or not.

Commissioner Foxley said SLCC has the responsibility for adult vocational education. She didn't understand that there was an "if" involved in making the funding on-going.

**MOTION:** Sen. Montgomery moved to adopt intent language as follows:

*It is the intent of the Legislature that the ATCSR \$249,000 at SLCC funded as one-time in FY 2000 become on-going funding in the next fiscal year.*

The Committee discussed the motion. Mr. Garriott said taking it out of the budget this year brings higher education into line with the allotment by the Executive Appropriations Committee. Brad Mortensen, GOPB, said SLCC made the decision to help the WFSATCSR for a time only. Because of current demands, they need the funding and will not be able to loan it to public education any longer. Now the analysts have recommended taking it away from them. Rand Johnson, Assistant to the President at SLCC, said they are comfortable with the situation as it will be resolved with the intent language.

The motion passed unanimously.

**MOTION:** Sen. Blackham moved to place Enrollment Growth as the first priority and non-compensation funding as the second priority. All remaining items that go across the system would be deleted leaving priorities that are institution specific.

Rep. Seitz asked where UtahLINK would fit in since it helps the entire system. Mr. Garriott said the Committee might want to formulate two lists, one focusing on higher education issues and the other on distance education.

Sen. Blackham amended his motion as follows:

**AMENDED MOTION:** Divide the unfunded list into two parts with UEN and UtahLINK on one list (distance education) and all remaining items on a second list (higher education). Place Enrollment Growth as the first priority on the higher education list and non-compensation funding as the second priority. All remaining items that go across the system would be deleted leaving priorities that are institution specific.

Rep. Arent and Sens. Peterson and Montgomery spoke against the motion. Commissioner Foxley said if the federal match is unfunded, higher education loses all federal funds. Sen. Blackham said non-compensation funding could be used as the presidents wish; with the State financial situation as it is, there isn't anything else that can realistically be done.

**SUBSTITUTE MOTION:** Rep. Seitz moved to list enrollment growth as number one, non-compensation base funding as number two, student financial aid as number three, and put the remaining items on the list in the order they are currently listed.

Sens. Peterson and Montgomery and Reps. Arent, Julander and Carlson spoke to the motion. Commissioner Foxley said higher education and public education try to get a like match for ATC funding so it is a true partnership; right now it looks like public education will fund \$350,000.

Rep. Seitz amended his motion as follows:

**AMENDED SUBSTITUTE MOTION:** Divided the unfunded list into two parts with UEN and UtahLINK on one list (distance education) and all remaining items on a second list (higher education). List enrollment growth as number one, non-compensation base funding as number two, student financial aid as number three, and put the remaining items on the higher education list in the current order.

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

**MOTION:** Rep. Siddoway moved to adopt intent language as follows:

*It is the intent of the Legislature, since the Utah Education Network is not an institution of higher learning, that it be funded separately and not in competition with the nine institutions of higher learning.*

Mr. Garriott said the language could be accommodated. Sen. Montgomery spoke for the motion. Sen. Peterson spoke against the motion. Dr. Stephen Hess, UEN Director, said UEN's biggest client is public education. UEN is also a major source for Internet access to State government. Rep. Carlson said she is concerned that it be seen as a state wide resource and not just a higher education item. Sen. Peterson said the Higher Education Subcommittee has three members on the Executive Committee so higher education's views should be well represented.

The motion failed in the senate so the motion failed with Sen. Montgomery and Reps. Bradshaw, Arent, Brown, Carlson, Dayton, Saunders, Seitz, Siddoway, Shurtliff and Snow voting aye, Sens. Julander, Peterson and Spencer voting nay and Sen. Blackham absent at the time of voting.

Rep. Dayton said she would like the Executive Committee to know that none of the items on the list are frivolous but are very important.

**MOTION:** Rep. Arent moved that UCOPE funding be raised to \$1.5 million.

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

After recalculating the priorities list voting results, the list is as follows:

- |                                   |  |                                      |
|-----------------------------------|--|--------------------------------------|
| <u>Higher Education</u>           |  | 13. FCC Universal                    |
| 1. Enrollment Growth              |  | 14. Campus Compact                   |
| 2. Non-Compensation               |  | 15. ADA                              |
| 3. Library Acquisition            |  | 16. Sign Language                    |
| 4. Student Financial Aid          |  | 17. New Applied Technology Programs  |
| 5. Salary Equity Adjustments      |  | 18. Snow Traditional Building Skills |
| 6. Technology Initiative          |  | 19. Hazardous Waste                  |
| 7. AHEC                           |  | 20. ATCSRs                           |
| 8. UCOPE                          |  |                                      |
| 9. Library Replacement            |  | <u>Distance Education</u>            |
| 10. MIS                           |  | 1. UtahLINK                          |
| 11. Teacher Technology Initiative |  | 2. EDNET                             |
| 12. ATC Equipment                 |  |                                      |

Sen. Montgomery said the co-chairs will present both lists to the Executive Appropriations Committee. If they are asked, they will report how UtahLINK and EDNET fit into the entire prioritized list.

**MOTION:** Sen. Peterson moved that staff prepare and the co-chairs bring three lists to the Executive Committee: (1)higher education priorities; (2)distance education priorities; (3)institutional priorities

Discussion to the motion was heard from Sen. Montgomery and Reps. Arent and Saunders. Charlie Johnson, Chair, Board of Regents, said tuition increase money could be used for institutional priorities and the motion isn't necessary. Rep. Bradshaw said the \$30 non-compensation base adjustment will also stay with the institutions and could be used for those purposes. Rep. Brown said all the lists do is advocate for more money.

**SUBSTITUTE MOTION:** Rep. Saunders moved to submit the original prioritized list (excluding distance education items) and let the Committee co-chairs argue the Committees position.

Sen. Peterson spoke against the motion.

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

3. Intent Language

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

*It is the intent of the Legislature that a representative of the Board of Regents and the Council of Presidents, working in conjunction with the Legislative Fiscal Analysts, shall recommend during the 1999 Interim Session key performance indicators with appropriate baseline and comparison information that will be used to determine the criteria for allocating productivity funds to the nine institutions of higher education. The criteria shall include a combination of enrollment funding and 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. It is also the intent of the Legislature that these performance indicators shall be used by the Utah System of higher Education when they report to the Legislature prior to the beginning of the 2000 Legislative Session on the quality of instruction, enhanced productivity and efficiency.*

*The allocation of funds will be based on each institution's demonstration of improved quality of instruction, and enhanced productivity efficiency. After the total amount is determined for each institution and approved by the Executive Appropriations Committee, 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 Council of Presidents 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, a report shall be given to the Higher Education Appropriations Subcommittee during the next General Session.*

Rep. Seitz said there needs to be a mechanism for accountability for the \$30 non-compensation base funding and this is a start in the right direction. Rep. Dayton spoke in favor of the motion and suggested an amendment. Several other amendments were suggested and accepted and some disputed. Rep. Brown said the Higher Education Subcommittee doesn't have the authority to do what the intent language says; Executive Appropriations has that authority. If the Committee wants the language to pass, the Executive Committee needs to be included in the approval process.

**SUBSTITUTE MOTION:** Rep. Saunders moved to postpone action on the intent language until a later meeting.

Discussion to the motion was heard by Commissioner Foxley, Sen. Montgomery, and Reps. Brown and Saunders.

The substitute motion was withdrawn.

Further discussion to the original motion was heard by Mr. Johnson, Sen. Peterson and Reps. Shurtliff and Saunders.

**SUBSTITUTE MOTION:** Rep. Saunders moved to saunter until the matter could be resolved on the intent language.

Sen. Montgomery spoke against the motion.

The substitute motion failed in the senate so the substitute motion failed.

**SUBSTITUTE MOTION:** Sen. Peterson moved to vote in principal to adopt the intent language and allow the sponsor to make the appropriate technical amendments to be approved by private vote of the Committee.

The substitute motion passed with Sens. Montgomery, Julander, Peterson and Spencer, Reps. Brown, Dayton, Saunders, Seitz, Siddoway, Shurtliff, and Snow voting aye, Rep. Arent and Carlson voting nay, and Sen. Blackham absent at the time of voting (see attachment for final intent language to be voted upon).

**MOTION:** Rep. Arent moved to adopt intent language as follows:

*It is the intent of the Legislature that tuition revenue generated from tuition rate increases remain with the institutions and be allocated to the appropriate line items. It is also the intent of the Legislature that after compensation, the allocation of tuition revenue for institutional needs be determined by the President of each institutions in conjunction with student body representation.*

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

**MOTION:** Sen. Peterson moved to allow staff to make necessary technical changes.

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

Committee Co-Chair Bradshaw adjourned the meeting at 4:11 p.m.

Minutes were reported by Rolayne Day, Secretary.

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Sen. Robert Montgomery, Committee Co-Chair

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Rep. Afton Bradshaw, Committee Co-Chair

**Attachment to Minutes:** Intent language from Rep. Seitz was distributed for vote as follows:

It is the intent of the Legislature that the Council of Presidents and a representative of the Board of Regents working in conjunction with the Legislative Fiscal Analyst and a representative of the Governor's Office, shall recommend during the 1999 Interim Session key performance indicators with appropriate baseline and comparison information that will be used to determine the criteria for allocating productivity funds to the nine institutions of higher education. The criteria shall include a combination of enrollment funding and incentives tied to key performance indicators and accountability measures. All funding criteria shall be submitted to the Higher Education Appropriations Subcommittee and the Executive Appropriations Committee for discussion and review. It is also the intent of the Legislature that these performance indicators shall be used by the Utah System of Higher Education when they report to the Legislature prior to the beginning of each Legislative General Session on the quality of instruction, enhanced productivity and efficiency.

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 institution and approved by the Executive Appropriations Committee, 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 the Executive Appropriations Committee determining an amount of funds to lapse back to the State General Fund or Uniform School Fund.

The Board of Regents and the Council of Presidents shall supply a written report to the Higher Education Appropriations Subcommittee and Executive Appropriations Committee by December 1 of the allocation year an accounting of how the funds were spent and the benefits derived from those funds.