

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
WEDNESDAY, FEBRUARY 7, 2001, 2:00 P.M.
Room 223, State Capitol Building

Members Present: Sen. Lyle Hillyard, Committee Co-Chair
Rep. Afton Bradshaw, Committee Co-Chair
Sen. Paula Julander
Sen. Peter Knudson
Rep. Patrice M. Arent
Rep. Katherine M. Bryson
Rep. Margaret Dayton
Rep. Patricia W. Jones
Rep. LaWanna "Lou" Shurtliff
Rep. Richard M. Siddoway
Rep. Gordon E. Snow
Rep. Stephen H. Urquhart

Members Excused: Sen. Steve Poulton
Rep. Martin R. Stephens

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

Public Speakers Present: Commissioner Cecelia Foxley
Charlie Johnson, Chair, Board of Regents
Rep. Morgan
Regent Pamela Atkinson
Dr. Kathleen Brown, Director of the Reading Center, UU
Dean David Sperry, College of Education, UU
Joan Arada, Mother of Reading Center Student
Ashley Arada, Reading Center Student

Visitor List on File

Committee Co-Chair Hillyard called the meeting to order at 2:14 p.m.

1. Committee Business—Co-Chair Hillyard asked Committee members to take home the handouts they will get and decide how they would like to spend the allotted money. The Executive Committee will be meeting on Tuesday, and he thinks the Higher Education Subcommittee will meet next Wednesday to make final decisions.
2. State Board of Regents—Commissioner Foxley said top priorities include compensation, base adjustments, and the access and quality initiatives. The New Century Scholarship fund is in the red \$40,000; they request a \$40,000 supplemental to keep it going. ATCSR funding is crucial as well as the ATE new programs request, statewide access initiatives and quality assessment (to develop accountability measures). One-time funding requests include libraries, technology, the Engineering and Technology Initiatives, and deferred maintenance. Rep. Arent asked why library funding is outside the formula. Commissioner Foxley said there is a lot of catch up to make our libraries what they need to be.
3. One-Time Funding—Debbie Headden distributed a handout showing the Analysts' recommendations that include \$5,281,500 for fuel and power rate increases. Ms. Headden noted, however, that if the formula is adopted, this could be included in the funding formula. They also recommend administrative data processing (\$250,000), UALC (\$3,000,000), the Technology Initiative (\$2,000,000), the SLCC Wireless request (\$500,000), and ADA (\$400,000). They do not recommend funding for deferred maintenance or USU's Botanical Center because there are bills addressing those issues, nor did they recommend funding technology or instructional equipment or the ATE equipment requests. Ms. Headden noted that the equipment requests were received too late to fund them. She also noted that the Engineering and Technology Initiative could be included in the formula if there were no bill to fund

it. Analyst Boyd Garriott said there are some real needs in the system. He also reminded the Committee that the recommendations assume that more money will become available.

Ms. Headden said their recommendations for UEN one-time funding was broken into two parts, the DTV conversion for KUED (\$800,000) and the conversion for KULC (\$1,400,000) in case funding limitations forced the Committee to decide between them. They also recommend funding the satellite services (\$366,800), bandwidth (\$250,000), and UEN equipment (\$750,000).

4. Supplemental Funding—The analyst's recommendations for FY 2001 include O & M for Widstoe Hall at Utah State University (\$179,000), fuel and power (\$2,736,100), and New Century Scholarships (\$40,000).
5. Intent Language—Mr. Garriott distributed a handout of intent language from the 2000 Appropriations Act and the analysts recommendations to keep or delete the language. Commissioner Foxley said the Regents are working on policy to answer the Truth in Tuition issue raised by students and they would prefer it be handled in that manner rather than in intent language.

Rep. Snow proposed intent language as follows:

It is the intent of the Legislature that the budgets of Snow College, Snow College South, College of Eastern Utah, Utah State University Southeast Continuing Education Center, and the San Juan Center be held harmless this fiscal year because of the temporary nature of the downturn in enrollments. In addition, it is projected that the enrollments will be substantially higher than predicted by the Board of Regents in this academic year and will reach the enrollment target in the next academic year.

Commissioner Foxley spoke in support of the intent language and said that funding fluctuates among the institutions from year to year as the money flows where the enrollments are. However, people in those areas need the training to help their economies grow. Commissioner Foxley also said the Regents are concerned about the \$100,000 that will be taken out of the SLCC budget for the JTEC Board. Sen. Hillyard is concerned that money will be taken out of institutions' budgets for ATE and that the Higher Education Subcommittee will not be aware of it; they would then expect them to fulfill the same mission with less funding. He asked Mr. Garriott to keep on top of that funding and make a report to the Committee. Mr. Garriott noted that the ATE funding transfer depends on the passage of H.B. 34. Funding would be allocated to the JTEC Board and come back to the schools as the board decided if the programs in the regions are viable. Mr. Garriott said a major issue is where the ATE budget is heard; it is currently being heard by a committee that doesn't have the background to make necessary decisions.

Ms. Headden said during discussions it was decided that half of the funding should come from public education and half from higher education. The analysts used funding from the Wasatch Front Applied Technology Center Service Region (SLCC's \$100,000) rather than spreading the transfer across the system. The transfer for Snow South applies only to secondary student funding. Sen. Hillyard said if the shortage is for secondary students, the funding should come from public education.

Rep. Snow proposed intent language as follows:

It is the intent of the Legislature that tuition for developmental courses taught by Utah State University branch campuses and centers should be treated the same as tuition for those courses at community colleges.

Commissioner Foxley said the intent language is consistent with policy being developed by the Board of Regents; this intent language would take care of current problems in those areas.

Sen. Knudson proposed intent language as follows:

It is the intent of the Legislature to create a separate line item for Utah State University's Continuing Education programs for the Brigham City and the Tooele Centers; and direct the fiscal analyst to identify and transfer the related Educational and General Fund items to that line.

Mr. Garriott said USU doesn't feel they are getting the money they need to operate the centers and to cover costs.

6. Committee Business—Sen. Hillyard distributed a handout showing differences between the Board of Regents' requests and the analysts' recommendations. Three items of concern are: (1)The Board of Regents recommends a 4% tuition increase, but a 4.5% increase is necessary to fund salaries (25% of tuition revenue must be used for compensation); (2)Each school is impacted differently by the tuition increase; (3)There are concerns about the two-tiered tuition proposal. Mr. Garriott noted that a major difference in enrollment growth funding is that the funding formula includes \$600 per student and the analysts used \$300 per student.

Sen. Hillyard said State employees have health and dental costs funded separately as does public education through the WPU. Higher education's health and dental is not separate and it isn't fair to report the salary increase percentages to faculty when health and dental have to come out of that amount. Also, the analysts have covered some items under the formula, but the Regents have placed the items below the formula funding line. Sen. Hillyard discussed the funding for S.B. 61 and noted that some of the funding would come from the Public Education Subcommittee. Rep. Bradshaw noted that each House has been given \$3 million for fiscal note bills.

Sen. Knudson has a bill to fund AHEC at \$1.3 million, and there are other bills that were heard by the Committee including UVSC's request to train technicians for Micron (\$500,000) and Rep. Ferry's bill aimed at making tuition at branch campuses equitable (\$293,000). Sen. Hillyard proposed \$500,000 for field agents at the Agricultural Experiment Station. He asked Committee members to give the analysts any proposed intent language so that it could be given to the Committee in writing at the next meeting. He also reported that O & M funding for new buildings was figured at \$4 per square foot and totaled \$4 million. That number is not accurate for some of the buildings, however, and he feels the real cost could be \$5 million to \$7 million.

7. H.B. 99, Reading Skills Development Center Amendments by Rep. K. Morgan—Rep. Morgan said the bill would help fund the Reading Center at the University of Utah. She also noted that they are changing the name from "Center" to "Clinic" to more accurately reflect what they do. The Reading Center helps children who need special help to improve reading skills. Dr. Kathleen Brown, Director of the Reading Center, discussed how they help children and train teachers; studies show that what they do works. Joan Arada and her daughter, Ashley, told of Ashley's improved reading abilities with the help of the Reading Center.

Dean David Sperry, College of Education, University of Utah, said the Reading Center is a tremendous resource for the State and asked that it receive on-going funding. Dean Sperry said changing the "Center" to a "Clinic" will allow them to implement the reading techniques into their elementary education curriculum. Rep. Morgan said the \$450,000 request is being presented in both the Public Education and Higher Education Subcommittees because there are applications in both.

Sen. Hillyard said it has been proposed that \$40 million be placed into an education protection fund and that a \$40 million tax cut be given. The bottom line is \$47 million in on-going revenues to spend on this year's budget. There are a lot of needs around the State and particularly in higher education (\$110 million). With \$47 million to spend, there will have to be some hard decisions made. Sen. Hillyard noted that nearly half of the \$47 million must be spent on Medicaid and spoke in favor of the Regents' funding formula.

Rep. Bryson said she is frustrated with the small amount of money available and feels the Legislature should apologize to the presidents because there is not enough money to cover needs. Commissioner Foxley urged the Committee to lobby for lower amounts for both the reserve and the tax cut.

MOTION: Rep. Snow moved to adjourn.

Committee Co-Chair Hillyard adjourned the meeting at 4:24 p.m.

Minutes were reported by Rolayne Day, Secretary.