

**CORRECTED MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE  
FRIDAY, JANUARY 24, 2003, 2:00 P.M.  
Room 223, State Capitol Building**

Members Present: Sen. David Gladwell, Co-Chair  
Rep. Bradley T. Johnson, Co-Chair  
Sen. Bill Hickman  
Sen. Peter Knudson  
Sen. Ron Allen  
Rep. Margaret Dayton  
Rep. Brad Dee  
Rep. Kory M. Holdaway  
Rep. Gregory H. Hughes  
Rep. Patricia W. Jones  
Rep. Susan Lawrence  
Rep. LaWanna "Lou" Shurtliff  
Rep. Bradley A. Winn  
Rep. Stephen H. Urquhart

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

Public Speakers Present: Commissioner Cecelia Foxley  
Pres. Lynn Cundiff, SLCC  
Pres. Robert Huddleston, Dixie  
Pres. Michael Benson, Snow  
Pres. Ryan Thomas, CEU  
Pres. Bernie Machen, UU  
Pres. Ann Milner, WSU  
Interim Pres. Lucille Stoddard, UVSC  
Paul Brinkman, USU  
Stan Albrecht, Executive Vice Pres. & Provost, USU  
Pres. Bill Edwards, ASUU/USA

Visitor List on File

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

1. Introductions—Sen. Gladwell welcomed everyone to the meeting. Introductions and comments were heard from subcommittee members, staff, Commissioner Cecelia Foxley; Pamela Atkinson, Board of Regents' Vice-Chair, Regents George Mantes and Jed Pitcher, and Mike Peterson (representing UEN). Student leaders were introduced by Bill Edwards, UU Student Body President and President of the Utah Student Association. Commissioner Foxley introduced her staff and each of the institutional presidents (or their representative) who, in turn, introduced members of their own staff in attendance.
2. Overview of Current Funding Status—Legislative Fiscal Analyst Boyd Garriott said the Executive Appropriations Committee adopted a flat legislative budget for FY 2004 making the State \$86 million short for the current fiscal year. Projections indicate recovery of that deficit with an additional \$18 million available to committees. Recent cuts have had a major impact on higher education resulting in some complex issues that need solutions.

Mr. Garriott discussed higher education budget reductions taken over the last year in special sessions for a total of \$23.9 million noting that \$8.6 million was restored. Mr. Garriott reported that 9,600 unfunded students are currently on campus and it would cost \$54 million to fully fund them. The Regents are asking for 60% of that (\$22 million) in State money. The only funding available now is tuition money, and that is not adequate. There are also O&M costs, increases in retirement, and increases in dental benefits (\$3.6 million for the State portion) for a total increase

of \$56 million with tuition only covering a portion. Campus expansion and increases in fuel and power and other utility rates are rising at \$6.3 million. There are many more needs including ADA and scholarship money. The institutions will have to cover these expenses with no new State money.

Mr. Garriott stressed that higher education is in a very serious situation with the need to enhance the quality of instruction, to upgrade teaching and administrative computer systems, the engineering and nursing initiatives, and library resource needs—all with large price tags. There is some relief in tuition revenues in both the first and second tiers, but that is not enough. The students are there so the costs must be covered somehow.

3. Institutional Report of Budget Reductions—Snow College President Mike Benson said Snow's mission is to become the best transfer institution it can be. They have tried to keep that in mind when making cuts over the last year by focusing on the teaching mission. They put the money given back in the last special session in a special fund to prepare for any future cuts. Snow is developing a campus master plan to make it as efficient as possible. Pres. Benson is worried about deferred maintenance because most of their buildings are over 60 years old. About 25% of their budget is tuition based. They will be increasing tuition 9.5% next year to increase course offerings and to provide salary equity. Although they have tried to preserve the teaching focus, class size has increased, more adjunct faculty are used, and there are bottlenecks in some major courses.

President Bob Huddleston, Dixie State College—Dixie is a comprehensive community college with selective four-year degrees. About 5% was cut from their budget with more positions eliminated in non-academic areas. These cuts made it more difficult to get information, to register, to get advising, and increased the number of adjunct faculty. All administrators teach one class each semester, but he was told not to do that any more because it is affecting where they work. If there are more cuts, they would not fill five vacant faculty positions.

President Huddleston said they need two new nursing faculty for one of their four-year degrees, especially since there is a nursing shortage. They will have a 7.5% tuition increase for the first two years and 9.5% for the second two years. HB 331 affected them with some new students not coming, but those that were already there stayed them. He reported that tuition covers about 30% of their budget, but, at the request of Rep. Holdaway, Pres. Huddleston will get exact numbers.

Unless financial exigency is declared, they cannot touch tenured faculty for the current year. It is common to give tenured faculty at least six-month's notice. Commissioner Cecelia Foxley said that is a standard practice throughout the country. A group has been appointed to review this given the current budget situation. Hopefully an outline will be available by the end of the session.

President Steven Bennion, Southern Utah University—SUU's mission is a regional, comprehensive university with primarily baccalaureate degrees. There are four selected master's degrees and a limited number of associate degrees. They offer strong education and business programs and prepare a lot of people for professional and graduate school in the arts and sciences.

Budget reductions in the base and one-time eliminated 23 FTE positions—eight of those faculty so 64 fewer classes offered. There are six fewer grounds people, cuts in financial services and athletics, and the elimination of two student service administrator positions. Operating budgets beyond personnel are cut as close to the bone as they can be. Further cuts would be vertical with program eliminations. A couple years ago they went through a re-prioritization process where all programs and services were ranked. This list would be used to determine where further cuts would be made. Tuition is 29% of their total budget. They propose a 23.5% tuition increase for next year geared toward student success issues.

Pres. Bernie Machen, University of Utah—The University of Utah is a comprehensive, Research One institution for both graduate and undergraduate education as well as a significant research component. They are also one of the largest employers in the State of Utah. The State appropriation is 15% of the total budget and tuition is 6%. They have absorbed 7% of their E&G budget with cuts and are \$3.6 million short for growth with a total reduction of over \$17 million. If nothing changes—no additional cuts or increases—the amount of cuts jumps to \$31 million because of growth. Tuition increased 9.5% last year, they are projecting 11% next year, but they aren't increasing fees. This year tuition covers 33% of the total cost of a student's education.

Administrative areas were cut at a higher rate than academic areas, and over 200 positions were eliminated. Special protection was given for advising, the writing program, and the fuel and heating budget (still a big hole). The results are an increased faculty/student ratio, the elimination of some course offerings, and a conscious decision to hire faculty who are primarily teachers not researchers. If they have to cut again, at least one college would be eliminated based on demand for slots in that college and the demand for graduates.

Pres. Machen is concerned about class sizes—some students are sitting on the floor. He also worries about the morale of faculty and staff with no raises. Research grants brought in \$210 million last year, but because of contracts with the granting entities, they can't use the money on anything else. This does, however, protect research from budget cuts. They aren't losing research faculty because the economy is bad everywhere, but the rub is felt when you can't attract the students that researchers come to work with.

One of the reasons they are considering capping enrollment is that growth has created a lot of their problem. They are behind \$54 million in enrollment and that is impossible to catch up. He noted that military personnel and LDS missionaries would be outside of this restrictive enrollment policy if adopted.

Pres. Ryan Thomas, College of Eastern Utah—CEU has made cuts much deeper than those imposed by the Legislature because of financial difficulties resulting in a 10% decrease in tuition revenue. They are trying to cover the cuts with voluntary pay decreases and increased class size and faculty load. Future cuts would be taken by not filling positions. One faculty is actually teaching 23 credit hours not counting labs. Other institutions assumed part of CEU's past cuts to help minimize the impact on CEU. At this point, any cuts will also reduce income.

Tuition accounts for 13.1% of their total budget. They cannot rely on adjunct faculty because of their geographic location. HB 331 caused them to lose one-third of their out-of-state students (over \$150,000). Resident students could have replaced them, but there are not enough jobs for students in Price. Students are taking a bigger number of credit hours per year to try to get through.

President Lynn Cundiff, Salt Lake Community College—SLCC is a comprehensive community college and does a great deal of training for business and industry. They also share facilities with various school districts. The budget split is 37% from tuition and about 63% in State dollars.

Budget cuts total \$3.8 million. There are 2000 more students this year than last with 58 less staff. If they have to cut more, they would cut more programs. They have already cut six programs, so any further cuts would be to viable programs because that's what is left. Accreditation requires institutions to finish program degrees with students in the pipeline, even if that program has been cut. SLCC is proactive with private resources in business and industry (for example nursing) and has developed creative partnerships. This is becoming more difficult as businesses also feel the economic crunch.

President Ann Millner, Weber State University—WSU is a comprehensive teaching university serving both a community college and university role with 93% of the students Utah residents. They are very focused on meeting workforce needs. Weber has grown more FTE in the last two years than in the history of the institution so cuts make it particularly problematic. About 60% of the students are on financial aid support.

Tax expenditure per student has declined 19% over the last 16 years prior to recent budget cuts. They have taken cuts in areas other than academics even though that is 65% of their budget. The impact is less services to students, increased class size, an increased number of adjunct faculty, and tuition increases. They are concerned about the quality of education in this environment. Thirty-five percent of the budget is funded by tuition; it was 20% two years ago. They are beginning a planning process to determine where they go over the long term.

Interim President Lucille Stoddard, Utah Valley State College—UVSC is a comprehensive, four-year state college with 31 four-year degrees. They have a unique student body—90% work and 65% come from homes where one or both parents have four-year degrees. Interestingly, there is a high demand for upper-division language and they teach more ethics classes than any other college or university in the nation. Currently, tuition is 50% of their \$80 million budget.

Budget cuts include 26.5 FTE faculty and staff and moving the aviation flight school to self-support. Students pay a high fee in the Dental Hygiene Program making it almost self-supported. UVSC lost \$1 million because of HB 331.

Dr. Stan Albrecht, Executive Vice President and Provost, Utah State University—Dr. Albrecht explained that faculty notification for termination is in the code for accreditation. Cuts at USU were taken vertically in the elimination of one college and also in an institutional hiring freeze for 128 positions. There were permanent cuts of three position, a number in facilities, and a reduction in the number of graduate assistants.

Committees meeting were held to determine where cuts were taken and a final report will be available on February 12. Further cuts would significantly affect programs and the quality of education and contribute to a major impact on morale. Consequences of new cuts would mean that the College of Business would fail accreditation if they don't increase the number of faculty by 13 or cut 600 students. Several colleges propose eliminating summer teaching programs and they will probably eliminate a number of certificates in the College of Agriculture. More students without more money will impact research programs. They fund labs, employ students, provide startup companies, and discover solutions. If they lost, for example, 20 of the most productive research faculty, they would also lose up to half of the research base. The best hope to get out of the economic downturn is to do things that will help research.

Sen. Gladwell said presidents are not required to be in attendance all the time although they are always welcome.

**MOTION:** Rep. Holdaway moved to adjourn.

The motion passed unanimously.

Committee Co-Chair Gladwell adjourned the meeting at 4:30 p.m.

Minutes were reported by Rolayne Day, Secretary.

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Sen. David Gladwell, Committee Co-Chair

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Rep. Bradley T. Johnson, Committee Co-Chair