

MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE  
WEDNESDAY, FEBRUARY 11, 2004, 2:00 P.M.  
Room 223, State Capitol Building

Members Present: Sen. David Gladwell, Co-Chair  
Rep. Bradley T. Johnson, Co-Chair  
Sen. Peter Knudson  
Rep. Katherine M. Bryson  
Rep. Margaret Dayton  
Rep. Kory M. Holdaway  
Rep. Gregory H. Hughes  
Rep. Patricia W. Jones  
Rep. Susan Lawrence  
Rep. LaWanna "Lou" Shurtliff

Members Excused: Sen. Ron Allen  
Rep. Stephen H. Urquhart

Members Absent: Sen. Bill Hickman  
Rep. Brad Dee

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

Public Speakers Present: Commissioner Richard Kendell      Dave Buhler, Assoc. Commissioner  
Brad Mortensen, USHE      Pres. Ann Millner, WSU  
Kim Worthlin, UU Health Sciences      Dr. Michael Peterson, Exec. Dir, UEN

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-Chair Johnson called the meeting to order at 2:30 p.m.

1. Intent Language—Rep. Johnson said Subcommittee members have responsibility not only for new money, but for the whole budget. Each member is also responsible to represent the people who pay taxes. Analyst Debra Headden distributed and discussed a handout of intent language. Reps. Holdaway and Jones spoke against including the intent language on the School of Medicine. Rep. Johnson said that at an interim meeting the Higher Education Subcommittee decided to continue getting updates on the School of Medicine, so the intent language should be left in. Reps. Hughes and Dayton spoke in favor of the language. A discussion followed with Commissioner Kendell, Analyst Boyd Garriott, Brad Mortensen, USHE, and Sen. Gladwell participating.

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

**Miners' Hospital:** *It is the intent of the Legislature that the Miners' Hospital pays \$100,000 for the disabled miners' settlement from the Land Grant Trust Fund until 2008. It is further the intent of the Legislature that the Miners' Hospital prepare an annual report documenting the service provided to disabled miners and an accounting of the Land Grant Management Funds. It is further the intent of the Legislature that these funds shall not be used to subsidize the Orem Clinic of the University Hospitals and Clinics.*

**Applied Technology Education Study:** *It is the intent of the Legislature that a study be performed of applied technology education in the state with the Utah System of Higher Education, Public Education, and the Utah College of Applied Technology, by the Office of the Legislative Fiscal Analyst in conjunction with the Governor's Office of Planning and Budget. It is further the intent of the Legislature that a written report be presented by*

*October of 2005 to the Executive Appropriation Committee, and also reported to the appropriate Legislative Appropriation Subcommittees during the 2006 General Session.*

**Salary Increases:** *It is the intent of the Legislature that any salary increases be distributed to faculty, professional and classified employees in an equitable manner.*

**Operation and Maintenance of Facilities:** *It is the intent of the Legislature that all Utah System of Higher Education institutions use facility operation and maintenance (O&M) funding consistent with State Agencies and only for O&M purposes.*

**School of Medicine:** *In order to assure the Legislature that the University of Utah's School of Medicine is selecting and graduating the most highly qualified and competent doctors for the citizens of Utah, it is the intent of the Legislature that the University of Utah's School of Medicine present a detailed written report to the Higher Education Appropriation Subcommittee on their admission standards, policies and practices.*

**Utah Academic Library Consortium:** *It is the intent of the Legislature that the State Board of Regents in consultation with the Utah Academic Library Consortium should coordinate the acquisition of library materials for the ten USHE institutions.*

**Chilled Water Plant at USU:** *It is the intent of the Legislature that to the extent allowed by law, Utah State University may include in its annual fuel and power budget request the payments to be made under an Energy Savings Agreement entered into under the authority of Section 63-9-67 for a Cogeneration and Central Chilled Water Plant.*

**Funding Formula:** *It is the intent of the Legislature that the Council of Presidents and representatives of the Board of Regents working in **conjunction with legislators, the Legislative Fiscal Analyst** and a representative of the Governor's Office review and refine the funding formula for the Utah System of Higher Education. It is the intent of the Legislature that this proposed formula reduce dependence on growth funding, link to measurable system-wide and institutional specific performance indicators, respond to changes in costs of instruction due to the implementation of technology or the utilization of cost saving measures, and respond to market demand and student performance as well as recognized differences in institutional roles and mission.*

**SUBSTITUTE MOTION:** Rep. Jones moved the same intent language, but take out the language for the School of Medicine.

Sen. Gladwell and Rep. Johnson both spoke against the substitute motion. There was some confusion about what the intent language for the School of Medicine actually requested in the report. Comments were heard from Rep. Holdaway, Commissioner Kendell, Sens. Gladwell and Knudson, Kim Worthlin, UU Health Sciences, and Reps. Hughes and Shurtliff.

The substitute motion was withdrawn.

**2<sup>nd</sup> SUBSTITUTE MOTION:** Rep. Lawrence moved to approve the same language as the original motion, but to amend the intent language for the School of Medicine as follows:

*In order to assure the Legislature that the University of Utah's School of Medicine is selecting and graduating the most highly qualified and competent doctors for the citizens of Utah, it is the intent of the Legislature that the University of Utah's School of Medicine present a ~~detailed written~~ report to the Higher Education Appropriation Subcommittee on the full implementation of their admission standards, policies and practices.*

The 2<sup>nd</sup> Substitute motion passed unanimously.

Ms. Headden discussed proposed changes to intent language on timely reports and fuel and power.

**MOTION:** Rep. Bryson moved to include intent language as follows:

**Timely Reports:** *It is the intent of the Legislature that the USHE complete and submit all financial reports (i.e. A-1's, R-1's, S-10's, and S-12's, etc.) to the Office of the Legislative Fiscal Analyst by November 1 of each fiscal year.*

**Fuel and Power:** *It is the intent of the Legislature that the State Board of Regents be directed to closely supervise the fuel and power budgets with the intent of promoting greater energy efficiency on each campus. It is also the intent of the Legislature that the Board of Regents report during the interim to the Subcommittee on Higher Education on the implementation of long term plans to control and manage energy costs. It is further the intent of the Legislature, that the energy work group, consisting of members from higher education, the Office of the Legislative Fiscal Analyst, the Governor's Office of Planning and Budget, and Utah Energy Office continue to develop a viable plan to manage the energy costs for all State entities including higher and public education, and report to the Higher Education Appropriation Subcommittee in the interim.*

The motion passed unanimously.

Mr. Garriott discussed a second handout of proposed motions that empower the analysts to make appropriate transfers between line items. Comments were heard from Reps. Holdaway and Johnson. Ms. Headden explained each proposed motion before the committee voted on them.

**MOTION:** Rep. Shurtliff moved to appropriate \$30,400 from Mineral Lease Funds to the USU Water Research Lab for FY 2005.

Rep. Dayton spoke in favor of the motion.

The motion passed unanimously.

**MOTION:** Sen. Gladwell moved to transfer \$60,700 from Utah State University—Education & General budget to the Brigham City Continuing Education Center.

The motion passed unanimously.

**MOTION:** Rep. Holdaway moved to allocate the FY 2004 appropriation of \$500,000 for Engineering and Computer Science from the State Board of Regents' line item to USHE institutions as follows: University of Utah, \$180,000; Utah State University, \$100,000; Weber State University, \$35,000; Southern Utah University, \$50,000; Snow College, \$0; Dixie Stage College, \$35,000; College of Eastern Utah, \$0; Utah Valley State College, \$70,000; Salt Lake Community College, \$30,000; and the Board of Regents, -\$500,000.

Comments were heard from Reps. Holdaway, Dayton, and Shurtliff, Dave Buhler, Assoc. Commissioner, Ms. Headden, and Mr. Garriott.

The motion passed unanimously with Rep. Jones absent for the vote.

**MOTION:** Sen. Gladwell moved to appropriate \$120,000 from the General Fund for FY 2005 to USU's Agriculture Experiment Station—Climate Center.

Comments and questions were heard from Rep. Holdaway, Mr. Garriott, Sen. Gladwell, and Ms. Headden.

The motion passed unanimously with Rep. Jones absent for the vote.

**MOTION:** Rep. Bryson moved to appropriate \$272,900 from the General Fund for FY 2005 to Southern Utah University—Education and General for Nursing and to reduce the Weber State University—Education and General budget by \$272,900 to discontinue WSU's nursing outreach program at SUU.

Rep. Johnson spoke in favor of the motion.

The motion passed unanimously with Reps. Jones and Hughes absent for the vote.

**MOTION:** Rep. Holdaway moved to appropriate \$845,056,200 to the Utah System of Higher Education for Fiscal Year 2005. The plan of financing includes: \$470,350,900 from the General Fund; \$95,000,000 from the Income Tax; \$265,617,800 from Dedicated Credits; \$4,203,700 from Federal Funds; \$783,000 from the Mineral Lease Account; \$62,600 in Transfers from the Commission on Criminal and Juvenile Justice; \$753,700 from Land Grant Revenue; and \$8,284,500 from the General Fund—Restricted. The allocation of these revenues to the Utah System of Higher Education is reflected in the following table:

<u>Institution</u>	<u>FY 2005 Total Appropriation</u>
University of Utah	\$304,852,500
Utah State University	179,944,700
Weber State University	85,877,400
Southern Utah University	38,229,800
Snow College	21,386,900
Dixie State College	23,017,100
College of Eastern Utah	15,175,100
Utah Valley State College	78,646,000
Salt Lake Community College	80,904,300
State Board of Regents	<u>\$ 17,022,400</u>
<b>USHE Total</b>	<b><u>\$845,056,200</u></b>

The motion passed unanimously.

Ms. Headden explained the next two proposed motions. Comments and questions were heard from UEN Executive Director Michael Peterson, Ms. Headden, Mr. Garriott, Sen. Gladwell, and Rep. Holdaway.

**MOTION:** Rep. Lawrence moved to appropriate \$20,103,600 to the Utah Education Network for Fiscal Year 2005. The plan of financing includes: \$14,895,600 from the General Fund, \$508,000 from Dedicated Credits, and \$4,700,000 from Federal Funds.

The motion passed unanimously.

**MOTION:** Rep. Shurtliff moved to appropriate \$6,600 to the Utah Medical Education Program for Fiscal Year 2005. The plan of financing includes \$6,600 from the General Fund.

The motion passed unanimously.

Mr. Buhler said salary is the top priority, but the USHE understands that will be taken care of in the Executive Appropriations Committee. The remaining USHE priorities and requested amounts are (1) enrollment growth at \$6,097,500 for 1,500 FTE (distribute according to the funding formula); (2) Facilities O&M at \$2,521,000; (3) Fuel and Power at \$4 million; (4) the Engineering Initiative at \$1 million; (5) New Century Scholarship at \$250,000; (6) UCOPE at \$1 million; (7) UEN at \$780,000; and (8) Technology at \$500,000.

Dr. Peterson said the EDNET conversion could be funded with one-time money, but the remaining money must be ongoing because it is for contractual items. Mr. Garriott said the Executive Appropriations Committee will determine the compensation package. He explained that tuition income is counted as dedicated credits and a proportionate share is used for compensation. Rep. Jones would like more direction from the Committee on how the Nursing Initiative should be funded.

Rep. Johnson said asked that each member of the committee declare his/her own priority list. Priority lists are as follows:

Rep. Shurtliff—(1) enrollment growth at \$10 million; (2) O&M ; (3) fuel and power; (4) the Nursing Initiative; and (5) UEN.

Rep. Lawrence—(1) enrollment growth; (2) O&M; (3) fuel and power; (4) financial aid; (5) UEN; and (6) the Nursing Initiative.

Rep. Hughes— (1) enrollment growth; (2) O&M; (3) fuel and power; and (4) UEN.

Rep. Jones—(1) enrollment growth; (2) financial aid; (3) the Nursing Initiative; (4) UEN; (5) O&M; and (6) fuel and power.

Rep. Holdaway—(1) fuel & power; (2) enrollment growth; (3) O&M; (4) financial aid; (5) UEN; and (6) the Nursing Initiative.

Rep. Dayton—(1) enrollment growth; (2) UEN; (3) fuel and power; (4) O&M; and a tie (5) the Nursing Initiative and the Climate Center.

Rep. Bryson—(1) enrollment growth; (2) O&M; (3) fuel and power; (4) UEN; and (5) financial aid.

Sen. Gladwell—(1)UEN; (2) financial aid; (3) the Engineering Initiative.

Rep. Shurtliff reminded the Committee that matches for federal financial aid and UEN need to be taken care of.

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

Committee Co-Chair Johnson adjourned the meeting at 4:00 p.m.

Minutes were reported by Rolayne Day, Secretary.

---

Sen. David Gladwell, Committee Co-Chair

---

Rep. Bradley T. Johnson, Committee Co-Chair