MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE

MONDAY, FEBRUARY 9, 2004, 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. 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. Stephen H. Urquhart
Members Excused:	Sen. Peter Knudson
Members Absent:	Rep. Katherine M. Bryson
Staff Present:	Boyd A. Garriott, Senior Legislative Fiscal Analyst Debra Headden, Legislative Fiscal Analyst Rolayne Day, Secretary
Public Speakers Present:	Pres. Judd Morgan, SLCC Dean Maureen Keefe, UU Nursing & Chair, Utah UNLF Gar Elison, Executive Director, Utah Medical Education Council Dave Gessel, VP Utah Hospitals & Health Sciences Association Kim Worthlin, UU Health Sciences Brad Mortensen, USHE C. Gail Norris, Assoc. Commissioner & UHEAA Pres. Ryan Thomas, CEU Dave Feitz, Deputy Director, UHEAA Commissioner Richard Kendell

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

Committee Co-Chair Gladwell called the meeting to order at 2:23 p.m.

MOTION: Rep. Dayton moved to approve minutes of the February 4, 2004, and February 5, 2004, meetings.

The motion passed unanimously with Sen. Hickman and Rep. Urquhart absent for the vote.

1. Nursing Initiative & Coordination of Health Care Education Resources—Analyst Boyd Garriott—There are over 17,000 nurses in Utah, but only 13,257 (75%) live and work in healthcare professions. The Department of Professional Licensing approves 1,300 to 1,400 new RN licenses annually (700 are new graduates). Utah has the 3rd fewest nurses in the country with 595 nurses per 100,000 population—31 percent below the national average. The need for additional nurses will become critical over the next five years. Factors influencing the nursing shortage include (1) growth in Utah's population, particularly among the elderly; (2) longer life spans and more chronic illness; (3) aging of the workforce; (4) lack of instructional capacity in nursing education programs; (5) inadequate nursing faculty & many approaching retirement; (6) national shortage of nurses limits the ability to recruit outside the state; (7) Utah's nursing salaries and compensation packages are not competitive with other states; and (8) more nurses

leaving the profession because of working conditions. A request of $2.2 million in on-going funding and $0.5 million in one-time funding are requested for the Nursing Initiative. The analysts recommend that the nursing programs continue to rely on the private sector and internal relocations.

Since there is no money for new funding, the analysts tried to address the nursing shortage in other ways. Medicaid programs in many states are trying various ways to fund nursing education including developing a Medical Education Trust Fund administered by a neutral third party. Some of these Medicaid programs in other states can be used to increase Utah's nurses. The analysts suggest following the same model as the Regional Dental Education Program. The Medical Education Council would identify funding that could be put into a medical education trust fund. Students who desire nursing education could apply to the Council for funding. Students who are accepted would take out loans, go out of state for training, and then come back to Utah to work. The trust fund would then pay them a percentage of their nursing education costs for every year they work in Utah to pay off the loans. The analysts also recommend intent language as follows:

It is the intent of the Legislature that the Utah Medical Education Council coordinates and maximizes the available health care education funding to establish a Utah Medical Education Trust Fund as a tuition reimbursement for Utah residents in any approved accredited health care program, particularly in the areas with workforce shortages or under served areas. It is further the intent of the Legislature that the students requesting tuition reimbursement from the Utah Medical Education Trust Fund must be employed in a health care profession in Utah upon completion of their education (excluding dentistry). For each year they are employed in Utah in a medical field, up to a maximum of four years, they will receive a reimbursement in tuition. If the student chooses to practice in an under served area of the State or in a field with workforce shortages, the tuition reimbursement will be enhanced to encourage residents to work in those areas. It is also the intent of the Legislature that an annual report be prepared and presented to the Legislature on the utilization of the health care funding.

Analyst Debra Headden said the fund could also be used for nurses who want to teach or faculty who want to get a higher degree. They have identified about $1 million in available funding.

Sen. Gladwell thanked the analysts for thinking creatively. Comments, questions, and discussion were heard from Reps. Holdaway and Jones and Mr. Garriott. Rep. Holdaway expressed concern about sending graduate level nursing students out of state if there is room in Utah programs. Mr. Garriott said 500 students are turned away from nursing each year. With both a nursing shortage and program space shortage, this is a way to help some of those students become nurses.

Dean Maureen Keefe, UU Nursing, introduced those in attendance from nursing schools throughout the State. Dean Keefe said there are many student scholarships and financial aid, but a lot of qualified students cannot get into a program because space is so limited. The critical issue is a shortage of faculty. If there is any money available, she would like it to go for faculty education to help increase the capacity of Utah's own programs. Sen. Gladwell said if the goal is to increase the number of nurses, it doesn't matter where the student goes and the plan merits further discussion. Dean Keefe said the number of nursing applicants has continued to grow along with the demand for more nurses. She feels a big problem is the retirement of direct care nurses and nursing faculty. Dave Gessel, Vice President of the Utah Hospitals and Health Sciences Association, said the private sector has donated money to hire faculty to train more nurses, and has provided a lot of tuition reimbursement for employees who work to increase their education. He asked that the Legislature either provide funding or just tell them to go away and solve the problem themselves. He applauded the analysts' creative funding efforts, but was cautious about counting on Medicaid for nursing education.

Dean Keefe said Utah's nursing programs aren't keeping up with retirements. Hospitals have spent a lot of time and energy looking at nursing practices and how to make the working environment better. Utah has one of the best articulation models from one level of nursing education to another. Nursing education is being successfully offered via distance education. Hospitals are providing a variety of incentives, but they need to find a way to hire more faculty. The $6.6 million base increase proposal is to maintain and increase the current faculty and nearly double the number of graduates.

2. Utah Medical Education Council (UMEC)—Ms. Headden said the Medical Education Program was created by legislation in 1997 and is administered by the Utah Medical Education Council. Historically, federal funding for medical education was sent directly to the hospitals that provided healthcare training. The UMEC now receives and disburses federal funds allowing the UMEC to tie funding of medical education to workforce needs. Various clinical programs are threatened because of changes in the health care environment, particularly managed care. The UMEC is identifying ways to maximize revenue sources and stabilize funding for these programs. The Council was previously supported with some State funding and through a Federal grant, but State funding hasn't been available in the last two years and the grant has ended. Some money has been generated from the database they created, but on-going funding is needed. The Council requests $625,000 to operate the Utah Medical Education Program. The analysts recommend $250,000 in State funds as a high priority if funding becomes available.

   Gar Elison, Executive Director, Utah Medical Education Council, said the Council thought the State would pick up the funding when federal funding was lost. They are spread as thin as they can go and still do what they are supposed to do. Mr. Elison said one of the advantages the UMEC provides is third party status. The hospitals can't work together because they can get into antitrust situations so UMEC coordinates efforts to make better use of available funding.

   Dean Keefe said any amount of money would help, but to have any type of impact, at least $2 million is necessary to distribute to all six programs in the state. Mr. Elison said there are personnel shortages in other medical areas including obstetrics and gynecology, general surgery, anesthesiology, psychiatry, child psychiatry, internal medicine, pediatrics, radiation oncology, and pharmacy. The medical laboratory workforce demand is three or four times the number of graduates, but in some cases there is unused training capacity because there aren't enough applicants.

3. Regional Dental Education Program (RDEP) Update—Mr. Garriott said the UMEC, identified money to train dentists, and ten students have been selected to go to Creighton University. In addition, ten "at large" student positions are now available for any accredited dental program. Gay Taylor, Legislative General Counsel, said the intent language found on Page 46 of the Budget Book needs to be in statute.

   MOTION: Rep. Holdaway moved that Rep. Lawrence ask for a bill file to be opened to put the Regional Dental Education Program intent language in statute.

   The motion passed unanimously with Sen. Hickman absent for the vote.

4. Financial Aid—Ms. Headden said the New Century Scholarship program was created by the Legislature in 1999. It awards a two-year tuition scholarship (up to 75%) at any USHE institution for students who complete an Associate Degree by the September after their high school graduation. Since it began, 415 urban and rural students have qualified for the scholarship. Current statute says that the Legislature shall make an annual appropriation to the Board of Regents for costs of the New Century Scholarship Program. $238,000 is needed as a supplemental for FY 2004 and $406,800 in ongoing funding for FY 2005 is needed to offset expenditures. The analysts recommend $250,000 in ongoing funds for FY 2005 and one-time funding of $238,000 for FY 2004 if funding becomes available for students already on campus. Rep. Johnson said rural schools may not have faculty who are qualified to teach concurrent enrollment courses. Pres. Ryan Thomas, CEU, said the more hours a student accumulates through concurrent enrollment, the more likely he/she is to complete a higher degree. It is a life changing opportunity for many students on the Indian reservations, and many concurrent courses are taught via distance education.

   Ms. Headen said several federal financial aid programs including SEOG, Perkins, Workstudy, and LEAP require a state match. Page 33 in the Budget Book shows a breakdown of the match requirements to maintain those programs at the current level. The Utah Higher Education Assistance Authority (UHEAA) administers the campus-based programs, UCOPE, and the Computer Science and Engineering Loan Forgiveness Programs. $265,000 is needed for a state match. A Regents' policy states that when tuition is raised, financial aid should also be raised. Ms. Headden distributed a handout showing that $5.3 million at the low end up to $6 million at the high end is necessary for UCOPE to keep pace with tuition increases.

   Ms. Headden said that statutory tuition waivers total about $29.8 million for FY 2005. Utah ranks 41st in providing undergraduate, need-based financial aid and 51st for undergraduate grant aid. If you add tuition waiver money back

in, Utah is ranked 28th in undergraduate, need-based aid and 35th in grant aid. With rising tuition, the analysts feel students need more support, so they recommend $1 million for UCOPE as a priority should additional funding become available.

C. Gail Norris, Associate Commissioner and UHEAA, said they could use $40 or $50 million dollars to help get students through the system more efficiently. So many students work that it takes them a long time to get through. Pell grants are not enough help to students so they don't have to work. They need $9.5 million for UCOPE to stay even after losing ground for two years, but the real need is about $11.3 minus what tuition increases. The most they hope for is the $9.5 million request. Sen. Gladwell said by increasing tuition, the need for financial aid also increases. Mr. Norris said tuition isn't the only cost of an education—books, housing, living expenses, and transportation are also increasing. Thirty percent of students needed help last year, but it is now moving towards 50%. Rep. Lawrence said the same problems are occurring for students who are not on financial aid. Mr. Norris said there are many students that qualify for financial aid that don't get enough because there isn't enough money available. Mr. Norris noted that UHEAA has been able to keep the cost of borrowing relatively low.

The analysts distributed handouts showing the Regents' budget requests and the analysts recommendations. Committee members need to determine priorities because decisions will begin at Wednesday's meeting. Rep. Johnson said the Committee needs to identify some really good hot spots that everyone can agree with and then push hard to get them funded. Sen. Gladwell said priorities need to be restricted to about three really good ones. Ms. Headden noted that the Utah Campus Compact is not on the list.

MOTION: Rep. Shurtliff moved to adjourn.

Committee Co-Chair Gladwell adjourned the meeting at 4:25 p.m.

Minutes were reported by Rolayne Day, Secretary.

Sen. David Gladwell, Committee Co-Chair	Rep. Bradley T. Johnson, Committee Co-Chair