

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS INTERIM COMMITTEE MEETING
TUESDAY, JANUARY 15, 2002, 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
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. Peter Knudson
Sen. Steve Poulton
Rep. Martin R. Stephens

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

Public Speakers Present: Charlie Johnson, Chair, Board of Regents
Regent Brent Hogan
Norm Tarbox, Associate Commissioner, USHE
Pres. Ryan Thomas, CEU
Pres. Paul Thompson, WSU
Pres. Kermit Hall, USU
Pres. Lynn Cundiff, SLCC
Commissioner Cecelia Foxley

Visitor List on File

Committee Co-Chair Hillyard called the meeting to order at 2:20 p.m.

1. Committee Discussion and Adoption of FY 2002 Supplemental Budget—Sen. Hillyard discussed a proposed motion giving higher education presidents some budget flexibility, but not all that was requested. He explained legal issues that have been resolved in the motion and said that the legislation would have to be written, passed by a **b** majority of both houses, and signed by the Governor in the next two weeks. If it is not passed in that time frame, it wouldn't go into effect until May and that might be too late. He also expressed concern about the precedent it might set. Fiscal Analyst Boyd Garriott said the motion preserves the authority of the legislature but still gives flexibility to the presidents. The Regents would like to make the effort to get the legislation passed in the first two weeks of the session. Mr. Garriott said there is a similar modification coming to the Minimum School Act to reduce public education's budget proportionally across the state and another piece that might be necessary for health and human services.

MOTION: Rep. Bradshaw moved to approve minutes of the January 9, 2002, and January 10, 2002, meetings and corrected minutes of the January 8, 2002, meeting.

The motion passed unanimously.

2. Committee Business—Mr. Garriott briefly reviewed the Analysts' budget reduction recommendations for the Utah Education Network.

MOTION: Rep. Siddoway moved to approve the Analysts' recommended budget cuts for the UEN.

Rep. Arent spoke against the motion because she does not think that the cuts need to be so deep. She indicated that she would vote against all budget cut reduction motions for the same reason.

The motion passed with Sens. Hillyard and Julander and Reps. Bradshaw, Bryson, Dayton, Siddoway, Snow, and Urquhart voting aye and Reps. Arent, Jones and Shurtliff voting nay.

3. Report of CEU Finances—Regent Brent Hogan said CEU's deficit will be reduced over time and that it should be understood that the deficits are accrued not cash deficits; there is enough cash to run the institution. Committee members, Mr. Hogan, and Associate Commissioner Norm Tarbox discussed the situation and various accounting practices at CEU and across the system. The Regents are instituting on-going fiscal guidance for all schools rather than just a yearly audit. The financial health of an institution can be graded with a one to five-point ranking. Most of the schools are in the 3.0 range; CEU is between 1 and 1.5.

WSU President Paul Thompson discussed cuts each institution has taken and outlined plans for the next cut. Institutions will continue a hiring freeze and make further cuts in operating budgets, deferred maintenance, equipment purchases, and current expense. Decisions were made through collaboration between deans, department chairs, area directors, etc.

MOTION: Rep. Siddoway moved to accept the presidents' budget cut proposal and to adopt intent language as follows:

It is the intent of the Higher Education Appropriations Subcommittee that the Office of Legislative Research and General Counsel be directed to draft legislation that gives the presidents of each institution of higher education the authority to make reductions across line items in an amount adopted by the Legislature for each institution, with the approval of the institution's board of trustees.

Rep. Shurtliff asked that the motion be divided.

Rep. Snow spoke in favor of the motion.

The proposed intent language portion of the motion passed unanimously.

The budget cut portion of the motion passed with Sen. Hillyard and Reps. Bradshaw, Bryson, Dayton, Siddoway, Snow, and Urquhart voting aye, and Sen. Julander and Reps. Arent, Jones and Shurtliff voting nay.

Commissioner Foxley asked that the Committee ask for temporary support to get the institutions through the rest of the academic year.

Rep. Arent moved to adjourn.

Committee Co-Chair Hillyard adjourned the meeting at 3:25 p.m.

Minutes were reported by Rolayne Day, Secretary.