

**MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE  
ROOM 210 SENATE BUILDING, STATE CAPITOL COMPLEX**

January 30, 2013

Members Present:            Sen. Stephen H. Urquhart, Senate Chair  
                                 Rep. Keith Grover, House Chair  
                                 Rep. Spencer Cox, House Vice Chair  
                                 Sen. J. Stuart Adams  
                                 Sen. Patricia W. Jones  
                                 Sen. Aaron Osmond  
                                 Sen. Howard A. Stephenson  
                                 Sen. Jerry W. Stevenson  
                                 Sen. John L. Valentine  
                                 Rep. Derek E. Brown  
                                 Rep. Jack R. Draxler  
                                 Rep. Rebecca P. Edwards  
                                 Rep. Don L. Ipson  
                                 Rep. Dana L. Layton  
                                 Rep. Kay L. McIlff  
                                 Rep. Maria H. Poulson  
                                 Rep. Dean Sanpei  
                                 Rep. Mark A. Wheatley

Staff Present:                Mr. Spencer Pratt, Fiscal Manager  
                                 Ms. Angela Oh, Fiscal Analyst  
                                 Lorna Wells, Secretary

A copy of related materials and an audio recording of the meeting can be found at <http://le.utah.gov/asp/interim/Commit.asp?Year=2013&Com=APPHEd>

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

1.    **Call to Order.** Co-Chair Urquhart called the meeting to order at 8:22 a.m.
2.    **Introductions** - Each member of the committee introduced themselves.
3.    **Opening Remarks** – Co-Chair Urquhart explained the upcoming Committee calendar. He welcomed new Committee members as well as members of the audience. He stated that they will try to leave time at the end of each meeting for significant Committee discussion. In the past, the Committee has not been able to have discussion following each day of presentations. Generally, there was only Committee discussion at the last meeting.

Co-Chair Grover is pleased to be a Co-chair of the Committee. He has worked with many of the institutions. He is interested to know what things have worked well and how to have even greater efficiencies. He stated that the Committee should work to make a great system even better. He is also excited to have the House and Senate work together.

4.    **Presentation - Utah College of Applied Technology**

Rob Brems, President of the Utah College of Applied Technology (UCAT) introduced Thomas E. Bingham, who is Chair of the UCAT Board of Trustees; Vice President Tyler Brinkerhoff; and each

of the UCAT Campus Presidents. Pres. Brems stated that UCAT has had a great year. They have been pleased to have had several legislators visit the campuses. He reviewed the mission statement of UCAT. UCAT has set a path to become part of the Utah System of Higher Education. They are now accredited by the Council on Occupational Education. Over the last two years, every program has been examined individually. Of the 263 accredited programs, they have had an 81 percent completion rate, an 87 percent placement rate, and a 97 percent licensure rate. Mr. Bingham explained that these statistics are extremely important to UCAT based on the mission statement and goals of UCAT. This is extremely relevant because it means they are meeting a great need for students and employers.

Co-Chair Urquhart agreed that these statistics are very positive. He mentioned the State's goal to have 66 percent of the population with a post-secondary degree by 2020. The quickest way to reach that goal is to complete the number who have started a post-secondary education. He asked Pres. Brems to tell the Committee which programs are not enrolling as many students as they used to and which programs are not placing students in jobs.

Pres. Brems stated that as each campus makes their presentation they will also address this question. He explained that if a program at any campus falls below the national standard of 60 percent for completion, or 70 percent for placement and licensure, it is immediately triggered, and plans for improvement are initiated at the campus. Sometimes modifications can be made in the program to bring the figures up. If not, then these programs are discontinued, allowing room for other programs that are in high demand. Mr. Bingham indicated that high demand is for those people offering jobs not necessarily just courses that are in high demand.

Sen. Stephenson asked for clarification on the statistics given. He asked if there are non-accredited programs.

Pres. Brems indicated that there are non-accredited programs. One such program is the Custom Fit program. He will bring more data with the annual report. The non-accredited programs are subject to a periodic review with 11 standards. These three measurements are examined and any program, whether or not it is accredited, that drops below these numbers is in jeopardy. This creates a danger for the entire campus if action is not taken. The Custom Fit programs are not part of this group.

Sen. Stephenson commented that Custom Fit training would be contracts with employers. So the completion rate would be close to 100%

Pres. Brems answered that this would probably be the case. The standard that the program would be subject to would be if the employer is pleased with the training that was provided. This would be discovered immediately.

Sen. Stephenson asked if these numbers include anything other than Custom Fit and the accredited programs.

Pres. Brems answered that there are also some categories of students who are called life-time learners as well as senior citizens.

Sen. Stephenson asked if these are on a space-available basis so they are not bumping students who would complete the training for employment.

Pres. Brems indicated that this is true. However, many of those individuals see the value of getting a certificate, so they would then matriculate in as a certificate-seeking person.

Sen. Stephenson asked if the numbers include high school students.

Pres. Brems stated that high school students have to complete a program in order to be counted. Many graduate from high school before completing, but when they achieve adult status and then complete the program, they are counted.

Sen. Stephenson said that he would like to have Pres. Brems bring the raw numbers of high school students who attend an ATC. He would also like to see numbers of high school students who complete at a later date.

Co-Chair Urquhart mentioned that many of these high school students aren't looking to complete a program, they are only coming over for a class or two.

Pres. Brems said that the typical pattern for a high school student is to attend one or two classes. The UATC campuses are constantly striving to improve completion rates. He will bring more specific data at a later meeting.

Rep. Wheatley asked if any of the campuses are not meeting the measurements mentioned.

Pres. Brems indicated that probably half of the campuses have a program or programs that are triggered. If the program improves or makes modifications, it will be safe. This process allows them to see dividends and reports coming back. It also helps them to discontinue non-productive programs.

Pres. Brems indicated that in FY 2011, UCAT awarded 5,386 certificates; in FY 2012 they awarded 5,846 certificates, which is an 8.5 increase. UCAT has been charged to triple the number of certificates awarded by 2020. He showed the plans for achieving this goal. The goal for FY 2014 is 8,000 certificates, which would keep them in line with the 2020 goal. Each campus has their part in obtaining this goal. If employment compensation and benefits for state employees is increased, Pres. Brems asked that UCAT be included as part of that funding increase.

Pres. Brems also requested funding for new and expanded programs at each of the eight UCAT campuses. He explained how this goal has been strategically determined through advisory committees and a very targeted goal in helping to achieve the UCAT mission statement. This would require a budget increase in the amount of \$9.75 million. They have implemented a small marketing campaign. They request additional funding in the amount of \$500,000 to implement a more extensive marketing campaign. They have been challenged by the lieutenant governor about more innovation, adding blended learning and on-line instruction capacity. They are requesting an additional \$1 million to provide more enhanced learning. They would like to initiate a UCAT scholarship program similar to the New Century program or Regent's scholarship which would cost approximately \$250,000. Each year there are approximately 150,000 membership hours or 166 students completing a 900-hour UCAT program. There are many students who can't come because of financial difficulties. Some are eligible for PELL Grants and some are not. He stated that the Issue Briefs will contain some of this information.

Sen. Stevenson asked if a certificate is given when a student completes a Custom Fit program. If so, these certificates should be counted. That is the shortest track between an employee and a job. He said that this seems like a great investment which provides immediate dividends because as soon as they complete the training they have a job.

Pres. Brems stated that some recognition is given when the Custom Fit training is completed. He wanted to clarify that students in Custom Fit programs are already gainfully employed. Companies are partnering with UCAT to offer these programs.

Sen. Valentine stated that if a budget increase in the amount of \$9.75 million would yield about 8000 certificates, that would mean that each certificate costs the State \$10,000? He recognizes that the overall budget is about \$55 million; but that includes all of the other things that UCAT does.

Pres. Brems stated that he has never approached the math in this way. If the average turns out to be that calculation, then that is the answer. The handout that was distributed contains very targeted and calculated requests to implement new programs or to enhance and expand existing programs which are recommended by their employer advisors and boards of directors. UCAT has been challenged to triple the current 5,000 certificates by 2020. For FY 2014 the goal is 8,000 certificates. The \$9.75 million is requested in order to increase and offer new programs.

Sen. Valentine asked what is the cost per certificate. It would be important to know this information especially looking long term. There are other alternatives to delivering these services.

Co-chair Urquhart said that UCAT is looking to grant an additional 2,154 certificates for \$9.75 million additional funding requests. This would be about \$4,500 per new certificate. Perhaps this means that the cost of certificates is going down. He reminded Committee members that these are initial presentations. In order to dig further, there will be other opportunities at future meetings. This is definitely one of the tasks assigned to the Committee. He asked Commission Buhler to bring similar information for the entire USHE system. What is the total cost that goes into the system and how many degrees are being awarded for that money?

Sen. Stephenson asked Pres. Brems to bring information on the number of certificates that are granted for the \$58 million that is the current base budget. If all that is going for that purpose, then it is about \$10,000 per certificate; but it would be helpful to know if there are other credits earned in other categories.

Pres. Brems answered that he would like to bring more information back at a later meeting. These are important questions especially as they relate to the 2020 goal.

Pres. Brems also discussed the cost of equipment and technology for UCAT. There is an ongoing request of \$500,000 to enhance the current fund. They are also making a one-time request of \$800,000. The request for Custom Fit is to add \$500,000 to the current \$2.6 million Custom Fit program across all eight campuses. Company contributions would also be required to stretch these funds. He discussed the aging financial management system. They need to look at upgrading to a better system. They are piloting a new system that would be SIS as well as FIS. In order to implement this system, there would be a \$4 million cost in one-time expense. He stated that there are three buildings that they would request O & M funding of about \$500,000 for existing buildings which are non-state funded facilities.

Sen. Jones stated that it is important for parents to realize and for the Committee to communicate to parents the importance of these technical avenues for students.

Co-chair Urquhart asked about the progress of better articulation systems between UCAT and the USHE institutions.

Pres. Brems stated that each campus will make a statement about articulation as part of their presentation.

## 5. **Presentation – Utah System of Higher Education, Commissioner Dave Buhler**

Comm. Buhler gave a brief overview of the USHE system. There are eight credit-granting institutions. He mentioned that Dixie State College has been approved by the Board of Regents to

become Dixie State University. He said that all but one regional college have community college functions. He welcomed members of the Board of Trustees as well as Board of Trustee members from each institution. Comm. Buhler discussed the geographic makeup of Utah college students. Every institution has students from each county in the state.

Comm. Buhler stated that the top three strategic priorities are: preparation, completion and the 66% goal. He mentioned the "Step-up to higher education" program which focuses on 8<sup>th</sup> graders, and especially first generation college students in K-12. He discussed the Utah Scholars initiative, where they use volunteers to go into middle schools and junior highs to talk about the importance of college and preparing for college. Comm. Buhler discussed the growth in the Regent's Scholarship which focuses on the rigor of courses in high school. He also discussed the success of the New Century Scholarship. He mentioned the Complete College Utah program and that two events were held this past year. This program focuses on college retention and completion.

Co-Chair Urquhart mentioned that he had attended a "Complete College Utah" event. He encouraged Committee members to attend these events. This is a research-based program and they have utilized the experience gained in other states. It has the support of the USHE institutions. He would suggest that the Committee also endorse this initiative.

Comm. Buhler stated that according to financial aid, 12 credit hours is full-time. This is misleading to students. They would like to have this changed to 15 credit hours for the New Century Scholarship and Regent's scholarship. This will further ensure that motivated and highly qualified students are awarded these scholarships. The Commissioner's Office is very supportive of the bill sponsored by Sen. Stevenson regarding this issue.

Co-Chair Urquhart mentioned that time and money are both enemies to completion.

Comm. Buhler discussed the Governor's 66 percent goal which is based on a study that predicts that by 2018, 66 percent of all jobs will require some type of post-secondary of education. Currently, 43 percent of Utahns hold a college certificate or degree. He explained some of the plans to achieve this goal. Last year the USHE system awarded about 31,000 degrees. They would like to boost enrollment by 4 percent each year to get to 45,000. This would be a total of about 59,000 more degrees than if it was just level between now and 2020. He discussed the most common majors in Utah as well as Utah's five-star jobs (according to the Department of Workforce Services). In order for a job to qualify as a five-star job it had to have high growth, high demand, and a high wage. Many of these jobs do require a bachelor's degree. There is a strong correlation between education and income. He stated that more information would be provided in a later meeting.

Comm. Buhler stated that the top three budget priorities of prepared participation, completion and the 66% goal. The specific budget requests are: 1) Compensation. Each one-percent growth in compensation costs approximately \$7 million. 2) Mission based performance/equity funding. The budget request for this is \$8 million. 3) A budget request of \$20 million to reach the 66 percent goal. This would be matched by \$20 million from the institutions. He distributed a budget summary which contained more specific details on these requests.

Comm. Buhler stated that the 66 percent goal could not be reached by doing everything the same way it has been done. They need to be more innovative and need help and additional investment from the state. They are seeking a \$40 million investment in capacity and completion; this would be focused on STEM (science, technology, engineering, and math) programs. They would leverage the use of technology which would include on-line and hybrid courses as well as open courseware. He also discussed the importance of college readiness and the importance of the preparation in K-12. They are in the first year of a seven year plan. They are striving for completion capacity for 7,300 new degrees and certificates for this one year.

Comm. Buhler further explained the USHE Budget Request; which includes operational imperatives in the amount of \$10.5 million; USHE programs for \$2.9 million; various state initiatives for \$14 million; and \$1.75 million one-time increase; and \$2.87 million for O & M for non-state funded projects.

Sen. Stephenson thanked Comm. Buhler for his strong leadership. He is thrilled with the idea of a match with institutions. He would like to see measures of how institutions are meeting their share. He also felt it would be very helpful to see additional funding for specific degrees. He mentioned that students often pay a surcharge for the STEM degrees. He wondered if this is still the case.

Comm. Buhler said that each of the presidents have had made great efforts to redirect resources and they will discuss this in future presentations.

Rep. McIff asked for clarification regarding where engineering programs are shown in the list of majors displayed. He asked if there is a reduction in the need for engineering graduates.

Comm. Buhler stated that because the list is from the Department of Workforce services there isn't an exact match; but many of the categories do include engineering and related technologies. He stated that there is still a great need for engineers in all programs. The Engineering Initiative has helped, but there is still a great need.

Co-Chair Urquhart encouraged Committee members to talk to the co-chairs if there are specific items they would like to see on future agendas.

**6. Presentation: Utah Medical Education Council, Executive Director Rick Campbell**

Mr. Campbell stated that the Utah Medical Education Council (UMEC) focuses on graduate medical education after the four years of medical education. This is an eight-member governor appointed council. It includes the Dean of the University of Utah Medical Center, a representative from Intermountain Health Care, Hospitals, and the Deseret Mutual Benefit Administrators. The UMEC has four main duties: 1) to seek and distribute graduate medical funds; 2) to facilitate training in rural areas; 3) to assess the supply and demands of health care providers and 4) to track physician retention. This includes physicians, physician assistants, dentists, pharmacists, etc. In 2012, the ratio in Utah was 178 doctors per 100,000 people. The national average is 240 doctors per 100,000 people. Utah needs 300 new physicians each year; this would be 100 from in-state residency training programs; 100 from out-of-state individuals with Utah ties; and 100 from out-of-state individuals without Utah ties.

Mr. Campbell stated that the UMEC tracks physician retention. The large majority of medical students practice in the location where they completed their residency program. They are not asking for additional funding. There is a bill sponsored by Sen. Harper which is asking to move the Council under the purview of the Department of Health.

**7. Other Business**

Mr. Pratt explained that the information in the budget binders is available on-line under the Higher Education Appropriations Committee as well as on SharePoint. He asked the Committee members to let staff know if they had specific needs regarding materials.

**8. Adjourn**

**MOTION:** Sen. Grover moved to adjourn. The motion passed unanimously. Committee Co-Chair Urquhart adjourned the meeting at 9:50 a.m.

Minutes were reported by Lorna Wells, Secretary.

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Sen. Stephen H. Urquhart, Senate Chair

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Rep. Keith Grover, House Chair