

**MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
Room 210 Senate Building, State Capitol Complex
February 20, 2013**

Members Present: Sen. Stephen H. Urquhart, Senate Chair
Rep. Keith Grover, House Chair
Rep. Spencer Cox, House Vice Chair
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. McIff
Rep. Maria H. Poulson
Rep. Dean Sanpei
Rep. Mark A. Wheatley

Members Excused: Sen. J. Stuart Adams

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 Grover called the meeting to order at 8:10 a.m.

2. Presentation: State Board of Regents, Spencer Pratt, Fiscal Analyst

Mr. Pratt discussed the State Board of Regents Budget Brief behind Tab 14 which includes six line items, each on separate pages. Most of the funding is from the Education and General fund. There are many items where funding is passed through the Regents office. Should additional funding be available, the Analyst would recommend: 1) \$90,000 to support the 2020 goal, 2) \$500,000 for Regents Scholarship funding 3) \$2,000,000 for Success Stipend; 4) \$150,000 for Technology-Intensive Concurrent Enrollment ongoing, and 5) \$600,000 Technology-Intensive Concurrent Enrollment (one-time). The Governor's FY 2014 budget is listed on Page 2. Page 3 shows that the State Board of Regents Recommended Budget for FY 2014 is \$30 million, with the administrative portion at \$3 million.

Mr. Pratt reported that the next line item for the State Board of Regents is **Student Assistance**. This is financial assistance for students which includes scholarships and financial aid.

Mr. Pratt mentioned that the next line item for the State Board of Regents is for \$1.5 million for **Student Support** which includes services for hearing impaired students, concurrent enrollment, articulation support

and Campus Compact. This is 100 percent state funded.

Mr. Pratt reported that the fourth line item is for **Technology** which covers the Higher Education Technology Initiative (HETI) and the Utah Academic Library Consortium (UALC). The HETI program involves the IT infrastructure which provides a pooling of resources to purchase software contracts and licenses. The performance measures for the HETI and the UALC are listed on Page 2. The total is just over \$7 million.

Mr. Pratt stated that the next line item for the State Board of Regents is **Economic Development**, which consists of the engineering initiative created in 2000, the engineering loan repayment, and economic development initiatives from the State Board of Regents. This is 100 percent state funded. He stated that the top points in the graph on Page 1 are when the state funded \$2.5 million for the Engineering Initiative. The degrees awarded in both Engineering and Computer Science were shown. Engineering degrees have increased 62 percent and computer science degrees have increased by 16 percent. The on-going budget is \$2.8 million.

Mr. Pratt said that the last line item for the State Board of Regents is **Education Excellence**. This provides funding for some special initiatives at the Board of Regents Office. Last year it funded the technology intensive concurrent enrollment, the Women's College Task Force, and the online assessment tool to assess the readiness of high school students for college. There is no on-going funding, but there is about a \$2 million non-lapsing balances that will be used to continue these efforts.

Rep. Draxler asked why the Computer Science Engineering degree was singled out from all Engineering degrees.

Mr. Pratt answered that the original initiative included engineering degrees and the computer science degrees. He stated that the original goal in 2000 was to double the number of graduates in engineering and computer science by 2006 and then to triple the number by 2009.

Sen. Stephenson said that the charts show that the engineering degrees have only doubled in 12 years and computer science degrees haven't increased very much. He would like the institutions to provide information about what can be expected towards making the goals set by these initiatives. He asked if USHE still has the goal to triple the number of degrees and if so, by when, and what are the benchmarks to obtaining that goal.

Co-chair Urquhart asked Comm. Buhler to discuss how the Commissioner's Office might handle this request.

3. Commissioner David Buhler, Commissioner of Higher Education.

Comm. Buhler reported that part of the original funding that was planned over time for the Engineering Initiative did not materialize. There has been a significant commitment by the Legislature to fund this initiative and great progress has been made. The STEM fields are a major focus in the 66 percent plan. The goal is now to add 7,300 graduates across all of the STEM fields. The Technology Investment Advisory Board and the USHE Presidents could provide more details. He will try to provide this information before the next meeting.

Comm. Buhler expressed his appreciation for being able to work with great college presidents. There is a tremendous amount of cooperation within USHE, UCAT, and K-12. He asked the Committee to consider the Budget Priorities which were distributed and include 1) Compensation, 2) Mission-Based Performance and Equity Funding, 3) 2020 Goal, 4) Operational Imperatives; 5) USHE State-Wide Programs, 6) State Initiatives; 7) One-Time Increases, and 8) O&M Request for Non-State Funded Buildings

Comm. Buhler referred to a second handout that discusses the return on investment regarding the value of higher education. Page 1 indicates where state tax revenue comes from based on educational attainment, median wages and unemployment rate by degree earned. Page 2 shows earnings by type of degree as well as a

comparison of income by degree and field of study. Page 3 depicts the societal benefits of higher education. Page 4 shows the correlation between the education level and the level of income and the geographic makeup of students in USHE.

Comm. Buhler distributed a memo to the Committee regarding the projections for New Century and Regents' scholarships.

Comm. Buhler stated that the Commissioner's office provides support for the Board of Regents, all of the USHE Institutions, each of the college presidents, the Legislature, and the Governor's Office to be one source for data and accountability. He reported that nearly 90 percent of the budget is passed through to the institutions for state-wide programs.

Co-chair Urquhart explained that the Committee will be discussing Budget Priorities for the entire meeting on Friday. There will be one additional meeting on Wednesday next week. He asked the Committee members to be prepared to list their priorities as the Co-Chairs come to meet with them individually before Friday's meeting. On Wednesday, after the prioritized list is prepared, they would welcome comments from Comm. Buhler and Pres. Brems for feedback on the prioritized list. These priorities will then be presented to the Executive Appropriations Committee (EAC).

Rep. McIff asked if Comm. Buhler had an indication as to what percentage of high school students are working harder to meet the higher admission standards for the USHE institutions.

Comm. Buhler said that the Commissioner's Office only sees those students who apply for the scholarships and are very prepared for College. They project that next year they will have 3,200 recipients for the Regents' Scholarship. If they add those students who have deferred for two years, that number would be larger. If that is compared to the approximately 30,000 High School graduates, it might seem quite minor, but it has grown substantially. Those who receive the Regent's scholarship have a higher GPA, require almost no remedial education, and their retention rate is much better than their peers.

Co-chair Urquhart stated that when expectations for high school students are raised, high school students step up and meet those expectations.

Comm. Buhler thanked the Committee for the attention and support to Higher Education. He emphasized that the budget priorities were developed by consensus from all of the Institutions and asked the Committee to take them seriously. He said that they are counting on this Committee to help the rest of the Legislature understand the tremendous value of higher education and return on investment for the State.

Co-chair Urquhart thanked Comm. Buhler for the additional information and for providing the committee with substantive data to plead the case for Higher Education to the EAC. They can encourage funding areas that provide this return on investment. He commended USHE and UCAT for their great stewardship.

4. Presentation: University of Utah, Spencer Pratt, Fiscal Analyst

Mr. Pratt reported that the U of U Budget Brief is behind Tab 6. The U of U is the flagship university of the State. The budget includes 12 line items. The Education and General is the largest at 87 percent. He explained that this percentage is smaller than other USHE institutions because the School of Medicine is one of the other line items. The FY 2012 FTE was 29,371 FTE. He discussed the retention rates and that the graduation rate is at 55 percent. In 2012, the U of U received 2,437 grants bringing almost \$400 million to the State. The U of U Base Budget for FY 2014 is \$467.8 million. Should additional funding be available, the Analyst recommends funding of \$5.7 million towards the 2020 goal; \$652,200 for mission-based funding and equity; and \$7 million in utility Infrastructure.

5. Pres. David Pershing, University of Utah President

Pres. Pershing was joined by Jason Perry, Vice President for Government Relations. Pres. Pershing discussed his Great Red Road trip where he traveled to many areas of the state. He stated that this allowed him to talk to people about what the U of U could do for them. They learned the importance of collaboration between universities in the state. They want the U of U to be a supportive environment for creative doers, and for students who come to the U of U to succeed. As President, he has developed the motto to put students first. Of the 32,000 students at the U of U, 83 percent are from Utah. Pres. Pershing stated that there are more than 100 undergraduate programs and 90 graduate degree programs. In 2012, they graduated more than 7,000 students. He reported that the U of U provides 89 percent of all PhD degrees in Utah. They provide almost 60 percent of the Master's Degrees.

Pres. Pershing discussed the 66 percent goal. They want to increase the retention rate to 88 percent and the graduation rate to over 80 percent. He stated that first and second year retention is critical. They want to increase student participation in learning committees and to have every student complete a deep engagement experience. They are committed to adding 700 new graduates in the STEM and health sciences field. In order to achieve this goal, they have to have the right students. Pres. Pershing stated that they are changing the way that students are admitted. They will look at focusing beyond grades and test scores and looking at the level of course work completed in high schools. They will also be trying to reach out to juniors and seniors who seem to be at risk of dropping out and try to get them graduated. He reported that one-third of the students are taking at least one on-line course and technology is an important part of this. Pres. Pershing discussed several ways in which they are trying to support students. He thanked the Legislature for the support of the new Spencer Fox Eccles Business Building which is now being completed. He showed the new student living center and reported that they will break ground on the student life center this spring.

Pres. Pershing presented a video describing some of the University programs regarding innovation at the U of U especially in the USTAR program and in graduate research. They have a goal to expand the annual medical school class size from 82 to 122. They are asking for \$10 million to train more doctors.

Sen. Valentine would like to have a breakdown of exactly how the \$10 million would be used. A breakdown of how the \$10 million will be applied would be helpful. He would like to see transparency regarding faculty members needed, support members, facilities, equipment and even labs.

Pres. Pershing will provide that information as soon as possible.

Rep. Wheatley asked what the ratio of students to academic advisors is at the U of U.

Pres. Pershing answered that he doesn't have the exact number, but this has been one of the challenges, especially with the budget cuts that took place in 2008. They did increase the number of advisors last year and they will increase it this year as well. The U of U has gone to mandatory advising. They are aware that this has been a problem at the U of the U in the past and they are working hard to remedy this.

Rep. Poulson appreciated the fact that the U of U is requiring rigorous courses from high school students. As a teacher in high school, she is dismayed that students will opt not to take challenging courses in order to get a higher GPA. She asked what percentage of students at the medical school are local students. She asked if there is actually a shortage of doctors state-wide, or only a shortage of primary care physicians in rural areas. She asked what incentives are there for students to choose those rural areas where doctors are needed?

Pres. Pershing reported that 75 percent of the students in Medical school are from Utah. They are trying hard to admit students who are from more rural settings. They are focusing on students who are particularly interested in primary care. They are well aware of this issue. One incentive is to keep tuition low enough so the students don't end with as much debt. He reported that all 40 of the additional medical students would be

tied to Utah.

Sen. Stevenson asked for clarification about the \$10 million and the \$6.5 million request.

Pres. Pershing reported that the first year is \$6.5 million is the amount they have to have and then \$10 million to keep it going after that. This would be 40 students per class for four years so 160 students involved. They have asked for \$10 million for the startup, but \$3.5 million could be reduced one-time in FY 2014.

Sten. Stephenson stated that there are about 1400 engineering degrees and about 600 computer science degrees awarded annually. He asked if Pres. Pershing referred to increasing engineering degrees by 700 and in what time frame.

Pres. Pershing stated that the Legislature expects the U of U to be accountable for what they promised. The funding that has been requested for their 2020 goal means that they will commit to increasing STEM and Health Science graduates by 700, which would be more broad than just the engineering and computer sciences.

Sen. Stephenson said he would like to see a more specific breakdown which included the other USHE institutions to prove that the goal to triple the number of engineering degrees can be met.

Mr. Pratt explained that the chart Sen. Stephenson was referring to was across the entire USHE system.

Rep. McIff wanted to reinforce and express appreciation for the holistic approach to admission especially in areas of limited exposure such as might be the case in rural Utah.

Co-chair Urquhart thanked Pres. Pershing for the good work being done at the U of U.

6. Presentation: Salt Lake Community College, Spencer Pratt, Fiscal Analyst

Mr. Pratt explained that the Budget Brief is behind Tab 13. SLCC is a multi-campus community college. Last year they had 19,300 FTE students. They have the community college mission as well as serving as the UCAT campus for Salt Lake Valley. The School of Applied Technology performs the same function for Salt Lake County as UCAT. He reported that SLCC is funded by about 50 percent tuition and 50 percent state funds. The retention rates for SLCC are around 50-60 percent, the graduation rate is 24 percent, and 38 percent of classes are taught by regular faculty. The total FY 2012 budget is \$123.6 million.

7. Pres. Cynthia Bioteau, SLCC President

Pres. Bioteau discussed the comprehensive community college mission at SLCC. They are focusing on innovation towards completion. She reported that 58 percent of SLCC students go to the U of U. SLCC is third in nation for the number of degrees awarded at a community college. She emphasized that degrees are just one piece of completion. The other ways to measure completion would include workforce readiness, industry based certifications; transfer; and CTE education. She indicated that there are 7,812 concurrent enrollment students.

Pres. Bioteau reported that SLCC has 13 sites and that 60,700 students attended SLCC last year. Of these, 46,638 were taking classes for credit and 14,026 were non-credit students. SLCC offers 100 programs and has 4,000 employees. She indicated that during the economic downturn some programs were eliminated. She mentioned the robust on-line course offerings and that summer term is just as important as fall and spring. She reported on the School of Applied Technology and the partnership with the Utah Manufacturers Association and UCAT. Pres. Bioteau showed a video depicting some of the innovation at the college including the math emporium and the successful biotechnology program. USU has a direct partnership with

SLCC and is now offering business courses at SLCC. The Veterans center has been recognized nationally. Pres. Bioteau explained the Partnerships for Accessing College Education (PACE) program involving high schools, SLCC, and local businesses. Students who complete this program receive two years of college at SLCC tuition free. Pres. Bioteau asked that as the Committee determined budget recommendations to consider more than just degrees awarded, and the comprehensive mission of SLCC.

Sen. Osmond asked how SLCC works with the CTE programs with UCAT, public education, and business.

Pres. Bioteau indicated that every CTE program has an advisory committee to help determine curriculum. SLCC meets with the high school CTE consortium monthly to ensure their programs are aligned. She said that concurrent enrollment provides credit for CTE courses in high schools. They articulate between other UCAT campuses and SLCC. She mentioned that accreditation is overseen by Northwest Accreditation for both credit bearing and non-credit courses. Students who complete a certificate at another ATC often come to SLCC and when competency is determined, then credit is given.

Rep. Wheatley asked if certificates of completion were included in graduation rates.

Pres. Bioteau answered that at the present time, they are not included. She urged the Committee to consider broadening the definition to include certificates of completion.

Co-chair Urquhart praised Pres. Bioteau for her leadership and for the tremendous job SLCC does in fulfilling its comprehensive community college mission. He encouraged Committee members to visit SLCC and the other institutions.

8. Requests for Appropriations:

a. Walker Institute

Rep. Barlow gave a presentation to the Committee regarding a one-time Legislative Appropriation request of \$250,000 to fund the Olene S. Walker Institute of Politics and Public Service at Weber State University. He indicated that they have received \$1.42 million through private fundraising activities.

Mr. David Simmons, Chairman and CEO of Simmons Media spoke in favor this request. This institute would encourage civic engagement, public policy and more political involvement with students. Mr. Leo Memmott spoke in favor of this request. He is a strong support of this institute.

b. Computer Crime Institute

Rep. Snow introduced Mr. William Matthews who is the Director of the Southwest Regional Computer Crime Institute at Dixie State University. Mr. Matthews reported that they received a federal grant to establish this institute. They are requesting a Legislative appropriation of \$375,000 to continue. The institute trains and develops qualified individuals for employment in the field of digital forensics. This would be considered part of the STEM programs. They are the only college in that nation that offers cell phone forensics. Mr. Matthews explained the Chip-off training program. He introduced three representatives from Thailand who have come to DSU for this specialized training.

9. Issue Brief: UCAT Operations and Maintenance (O&M) Non-State Funded Facilities –Spencer Pratt, Fiscal Analyst

Mr. Pratt distributed this Issue Brief which is a request from UCAT for \$497,000 for the O & M of three non-state funded facilities at Davis ATC, Dixie ATC, and Mountainland ATC.

10. Issue Brief: Technology Intensive Concurrent Enrollment (TICE) – Spencer Pratt, Fiscal Analyst

Mr. Pratt explained this Issue Brief was behind Tab 3 and Page 23. He stated that in 2012, the Legislature appropriated \$2.1 million for the development of five TICE courses. Should additional funding be available, the Analyst recommends \$150,000 in ongoing funding for course maintenance, upgrades, and teacher professional development and \$600,000 in one-time funding for the development of additional core courses.

Co-Chair Urquhart asked if there is data available on the utilization of these courses.

Comm. David Buhler indicated that the data was distributed earlier in the meeting.

Rep. McIff asked where the courses are delivered.

Dr. Elizabeth Hitch, Associate Commissioner for Academic Affairs stated that a list of the high schools where TICE courses were delivered was distributed to the Committee. They are working to expand this to additional rural schools. Comm. Buhler explained that the concept is that these courses would be available state wide. There would be a high school teacher teaching the live in the classroom, utilizing on-line resources to enhance the course and also open course work in the place of a textbook.

Co-Chair Urquhart indicated that he is sponsoring a bill that will impose fees on concurrent enrollment students. In exchange for these fees is a commitment from Higher Education to deliver General Education courses to all of the high school students in the State. He asked if most of the courses will be delivered through TICE.

Comm. Buhler answered that it may not be most, but it will be an important way for many.

11. Issue Brief: USHE Tuition and Fees – Spencer Pratt, Fiscal Analyst

Mr. Pratt indicated that this Issue Brief is an informational item behind Tab 3 and on Page 65. The brief shows the general undergraduate tuition rates and fees. It includes resident rates and non-resident rates. The tables compare tuition with two different groups of institutions. These comparisons are made with peer institutions for each of the USHE institutions.

Co-Chair Urquhart stated that all of the USHE Presidents are to be congratulated for their impressive financial management.

12. Issue Brief – USHE Direct and Full Instructional Costs

Mr. Pratt stated that this Issue Brief is behind Tab 3 and on Page 47. There are various ways to calculate costs at universities and colleges. Looking at just instructional costs and then full costs produce different results. He mentioned that Page 48 shows direct and full costs with appropriated funds (which would include tuition and General and Education Fund) and then with all funds to make comparisons. Mr. Pratt suggested to the Committee that they review Page 47 to help understand the information

13. Issue Brief – USHE Reallocations

Mr. Pratt referred Committee members to Page 1 behind Tab 3 for this Issue Brief. During the year the institution might want to reallocate some of the appropriated funds. They must receive Legislative approval for this. The Base Budget keeps existing funding levels in place, and so there is no overall budget change, but does change individual line items. The Analyst would recommend that these reallocation requests from the

institutions be approved.

14. Adjourn

MOTION: Co-chair 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.

Sen. Stephen H. Urquhart, Senate Chair

Rep. Keith Grover, House Chair