

MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE  
Room 210 Senate Building, State Capitol Complex  
February 27, 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. Howard A. Stephenson  
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 Absent: Sen. Aaron Osmond

Sen. Jerry W. Stevenson

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/Commitasp?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 4:15 p.m.

2. Approval of Minutes.

MOTION: Rep. Cox moved to approve the minutes of the February 13, 15, and 20 meetings. The motion passed unanimously with Sen. Adams, Rep. Ipson, and Rep. Sanpei absent for the vote.

3. Committee Discussion, including prioritization list

Mr. Spencer Pratt, Fiscal Manager, explained that a motion sheet addressing some of the Issue Briefs had been distributed and posted on-line. He also stated that a potential prioritization sheet was posted on-line and was currently being displayed on the screens in the room. These prioritizations would be discussed during the meeting.

MOTION: Rep. Brown moved to adopt the motions on the handout. The motion passed unanimously, with Sen. Adams, Rep. Ipson, and Rep. Sanpei absent for the vote.

Co-Chair Grover introduced Lyle Brinkerhoff, who is a boy scout working to fulfill a requirement for his Citizenship in the Community merit badge.

Co-Chair Grover referred Committee members to the prioritization list. Co-Chair Urquhart explained that the chairs had spoken to all of the Committee members about the list.

MOTION: Co-Chair Urquhart moved to adopt the priorities listed on lines one through eight of the prioritization list.

Rep. Layton asked if the amounts could be changed once the priorities were adopted. Co-Chair Urquhart explained that the amounts listed were the requests that were discussed in prior meetings. The Executive Appropriations Committee (EAC) may alter these amounts, which would then come to the floor. There would be opportunities at that time to make some alterations.

Sen. Valentine asked for clarification about the one-time reduction of \$4 million for the expansion of the University of Utah (U of U) Medical School. It was his understanding that \$6.5 million would be required for the first year. Co-Chair Urquhart asked that the amount should be \$3.5 million.

AMENDED MOTION: Co-Chair Urquhart moved to amend his motion that the Committee adopt the priorities listed on lines one through eight of the prioritization list with the one-time reduction for the U of U Medical School at \$3.5 million and the one-time appropriation to Utah State University also at \$3.5 million.

Co-Chair Urquhart explained that the U of U needs \$10 million to build up the Medical School class size. They need \$6.5 million this year. The bill sponsored by Sen. Valentine will give them \$10 million ongoing. This amount would be reduced in the first year by \$3.5 million. This amount would then go to Utah State University (USU) towards their PhD programs.

Rep. Sanpei asked if USU only needs funding for the PhD program expansion for one year.

Co-Chair Urquhart answered that USU would need funding beyond one year. They are aware that this is all that has been appropriated and they would have to make adjustments for subsequent years. At this point, there is no commitment for funding beyond the first year.

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

Co-Chair Grover stated that the items listed on lines one through eight of the prioritization list were now approved. He indicated that the additional items were now open for discussion.

MOTION: Sen. Jones moved to place the Utah Women and Education Initiative line item up to line number nine on the list under the compensation line.

Sen. Jones explained that many more women, who constitute more than half of the State's population, completing degrees and certificates will be needed in order to reach the 2020 goal.  
Co-Chair Urquhart

supported the motion. Rep. Edwards supported the motion. She wanted to echo Sen. Jones statement about the importance of the Women and Education Initiative and the work they are doing to prepare women in the workforce for the entire state.

A vote on the motion could not be recorded because of the lack of a quorum.

MOTION: Rep. McIff moved to place Item #25 (Snow Funding to bridge tuition loss from missionary change) for \$1,000,000 to under Line #12 (USHE Technology-Intensive Concurrent Enrollment)

Rep. McIff stated that all of the institutions are impacted by the missionary age change of the L.D.S.

Church. The average age of students at Snow College is between 19 and 20 so the impact will be far greater than at any other institution. This appropriation would soften the impact on Snow College for one year.

Co-Chair Urquhart spoke against the motion. He stated that the change will impact all institutions in various ways. It is predicted to have a huge impact on UVU, which is already tremendously low on funding. The projected loss for USU is \$19 million. There is only one semester of data, which has suggested that the numbers are not down at Snow, where numbers are down at USU and UVU.

Rep. Cox spoke in favor of the motion because even though all of the institutions are impacted, Snow College will be disproportionately impacted because of its size. Other institutions have the ability to absorb some of these changes through upper division classes, Snow does not have that opportunity. This impact will mean layoffs and substantial cuts to programs at Snow.

Sen. Stephenson spoke against the motion because it would mean moving this item ahead of some of the other prioritized items. He stated that all of the institutions can look for ways to manage the situation. If future data shows that Snow College is impacted more than the other institutions, this could be examined next year.

The motion failed with Sen. Jones, Rep. Brown, Rep. Cox, Rep. Edwards, Rep. Layton, Rep. McIff, and Rep. Poulson voting in favor of the motion and Sen. Stephenson, Sen. Urquhart, Sen. Valentine, Rep. Draxler, Rep. Grover, Rep. Ipson, Rep. Sanpei, Rep. Wheatley voting in opposition.

Co-Chair Grover mentioned that he had concerns about the \$9.75 million request to UCAT for Campus Capacity. He met with Pres. Brems regarding the disparity and equity funding within

UCAT. There were several issues raised by Committee members regarding the fact that there are some campuses that are granting certificates at \$600 per certificate and others at thousands of dollars per certificate. He has encouraged Pres. Brems to take some direction regarding this area during the next few months.

Co-Chair Urquhart echoed the same concern and asked Pres. Brems to look at equity funding similar to the USHE system. He encouraged Pres. Brems to come back to the Committee with recommendations rather than having the Committee make these funding decisions.

Co-Chair Urquhart mentioned that Performance Based Funding on the prioritization list is for \$1,000,000. The Committee is going to look for performance standards that are established over the next year. If those standards are met, they will receive funding. The college presidents have

identified areas such as retention, freshmen math, and students taking full course loads. Co-Chair Grover discussed front-loading the money towards the 66 percent goal. The Committee should work with USHE to develop standards where performance is funded. The Committee will put the institutions on notice that in the future this money will be funded for actual performance. Rep. Layton asked for clarification about the funding for Dixie State University status. She was supportive of this measure, but she understood that UVU was appropriated \$10 million to become a university and never received that funding. She stated that any conversion to a university requires capital and UVU should be made whole.

Co-Chair Urquhart stated that the Committee recognizes the funding situation at UVU. Money was given to UVU and like all other institutions, UVU had some money pulled back in the downturn. He recognized the fact that UVU is significantly underfunded on a per-student basis. The Equity Funding portion is designed to address this issue. The institutions that are underfunded would resist moving to performance based funding if the inequity continues.

Rep. Ipson stated that UVU was given \$10 million. The downturn came and UVU took a ten percent cut, but they were not cut the entire \$10 million. The reduction was based on their budget after the \$10 million was added. He said that the bill on mission based funding has a provision to deal with the equity issue.

Co-Chair Grover stated that he agreed with Rep. Layton and stated that equity funding will help UVU, Dixie, SLCC, and Weber State University.

MOTION: Rep Draxler moved to place Item #12 (USHE Technology-Intensive Concurrent Enrollment) up under Utah Campus Compact

Rep. Draxler stated that this is part of a strategic plan to better prepare students in a rapid way.

The motion failed with Sen. Jones, Rep. Brown, Rep. Cox, Rep. Draxler, Rep. Edwards, Rep. Grover, Rep. Ipson, Rep. Layton, Rep. McIff, Rep. Poulson, Rep. Sanpei, Rep. Wheatley voting in favor of the motion and Sen. Adams, Sen. Stephenson, Sen. Urquhart, and Sen. Valentine voting in opposition

MOTION: Sen. Valentine moved to adopt the full prioritization list as it currently stands.

SUBSTITUTE MOTION: Rep. Ipson moved to place the UCAT O & M Money for Non-State Funded facilities up under USHE Technology-Intensive Concurrent Enrollment.

Rep. Ipson stated that UCAT has needed this funding for a few years and it should be placed high enough on the priority list to get funded this year.

The motion passed with Rep. Cox and Rep. Draxler voting in opposition.

MOTION: Sen. Valentine moved to adopt the full prioritization list as amended. The motion passed unanimously

MOTION: Co-Chair Grover moved to adopt the following intent language in conjunction with the performance-based funding item.

*The Legislature intends that the Utah State Board of Regents develop standards to measure institutions' performances using, but not limited to the following:*

- 1. Retention (1st year to 2nd year)*
  - 2. Completion rates (including transfers)*
  - 3. Reduction in remedial/developmental math courses*
  - 4. Successful completion of math courses following remedial/developmental*
  - 5. Acceleration in fulfilling general education math courses*
  - 6. Increase in graduate education (as applicable by institutional mission)*
- The Legislature further intends that the \$1 million Performance-Based funding will be allocated by the Utah State Board of Regents to institutions that show improvements in these areas.*

Co-Chair Urquhart stated that this intent language allows the chairs to go to EAC and show rationale for extra funding for Higher Education. This is the most vibrant, innovative part of the State's Budget. He praised each of the college presidents and Commissioner Buhler for developing this phenomenal list.

Rep. Layton asked if the change in ages for L.D.S. missionaries will affect the retention for 1st and 2<sup>nd</sup> year students unless allowance is made for deferment.

Co-Chair Urquhart answered that the impact is unknown and is still to be determined. Each institution can select one of the items or spread it among the six. Each institution will have maximum flexibility to deal with their situation.

Rep. Draxler asked for clarification regarding the last line of the intent language and whether each institution would be required to show improvement in all six areas.

Co-Chair Urquhart answered that each institution could select one area or all six. It is up to the institution.

AMENDED MOTION: Rep. Layton moved to pass the intent language out of Committee with the following amendment: To add the words "one or more of" after the word "in" on the last line of the last paragraph. The motion passed unanimously.

Rep. Edwards asked for clarification on why \$3.5 million is deducted for the U of U Medical School program expansion listed on Line 4 of the Prioritization List.

Co-Chair Urquhart explained that \$10 million is ongoing. It will take two years to expand the program. The first year will only require \$6.5 million so \$3.5 million is available. The recommendation would be to take that and put it towards the PhD programs at USU for one year.

Rep. Poulson asked the chairs if they have any indication how far down on the priority list the items may be funded.

Co-Chair Grover answered that it is not known at this time.

Co-Chair Urquhart stated that the chairs will take this prioritization list to the EAC. He stated that the EAC represents the entire Legislature, so after their changes, there would still be an opportunity to make further corrections.

Co-Chair Urquhart thanked the Committee members for their diligent service during the session and interim and wants to finish the year doing good things for the Higher Education budget.

Co-Chair Grover also thanked the Committee and reported that he is looking forward to working with the USHE and UCAT institutions during the year.

4. Adjournment.

MOTION: Rep. Cox moved to adjourn. Co-Chair Grover adjourned the meeting at 4:50 p.m.

Minutes were reported by sma ells, Secretary.

Sen. Ste hen Urquhart, Senate Chair Rep. Keith Grover, House Chair