

(Draft – Awaiting Formal Approval)
**MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBSUBCOMMITTEE**
Room 210 Senate Building, State Capitol Complex
August 21, 2013

Members Present: Sen. Stephen H. Urquhart, Senate Chair
Rep. Keith Grover, House Chair (by telephone)
Rep. Spencer J. Cox, House Vice Chair
Sen. Patricia W. Jones
Sen. Howard A. Stephenson
Sen. Jerry W. Stevenson
Rep. Derek E. Brown
Rep. Jack R. Draxler
Rep. Dana L. Layton
Rep. Kay L. McIff
Rep. Maria H. Poulson
Rep. Mark A. Wheatley

Members Absent: Sen. J. Stuart Adams
Sen. Aaron Osmond
Sen. John L. Valentine
Rep. Rebecca P. Edwards
Rep. Don L. Ipson
Rep. Dean Sanpei

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

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

1. Call to Order

Co-Chair Urquhart called the meeting to order at 8:15 a.m.

2. Success Framework Presentation - GOMB

Ms. Kristen Cox, Executive Director, Governor's Office of Management and Budget (GOMB)

Ms. Kristen Cox gave a detailed presentation regarding the Success Framework and the Governor's goal to have all Utah agencies and institutions find efficiencies in their operations of 25 percent.

Ms. Cox indicated that this approach was presented to both Budgeting and Managing Operations and the Senate Leadership team, who requested that the presentation be made to all of the appropriations subcommittees. This is important to ensure that all subcommittees understand how performance measures will be managed as budget requests move forward. She stated that the relevance of this program for education is that education is a system and this framework is about systems management. As the USHE system and UCAT come forward with budget requests, they should use some of these same questions and work in collaboration with the Governor's Budget Office.

Sen. Stephenson asked how it is determined which departments have the greatest potential for improvement. He used an example of overstaffing at the Unemployment Insurance Department at Workforce Services.

Ms. Cox answered that by the end of September they will have set up an agency profile for each agency. The agency has to list each major system. These systems are then prioritized and the agencies can select areas of improvement that they are most comfortable with.

Sen. Stephenson indicated that this agency felt they were already optimal. He asked if this inefficiency would be discovered if the agencies select their own areas of improvement.

Ms. Cox reported that the GOMB sees all of the budgets and that everyone has to improve by 25 percent. This is non-negotiable. It is not a punitive measure, they want to be supportive and provide tools and insights to analyze the system to identify possible improvements. They have reorganized internally, so there are people whose only focus is on operational excellence.

Co-Chair Urquhart stated that this presentation is only a thumbnail sketch and that it will be outlined in much more detail in coming months.

Rep. Layton thanked Ms. Cox for her great presentation. She asked how an agency could improve by 25 percent if they suddenly had a huge increase in workload or if other variables changed. She asked what would happen for example if new federal laws required changes in state agencies.

Ms. Cox answered that if the measurements are set up the right way, these changes can be put into the formula. For example, in unemployment eligibility quality is accuracy. The volume will go up or down, the important question to ask is that relative to the volume are costs going up and is quality getting better or worse. The measurement ratio should still be consistent and helps normalize the system regardless of fluctuation in volume.

Rep. McIff thanked Ms. Cox for presentation. He stated that it was very timely for him and discussed a personal experience he had and the difficulty in obtaining some information from a state agency. Ms. Cox indicated that she would follow up with Rep. McIff about the details of the situation. She stated that the system would never be perfect; there will always be some problems. She discussed the fact that if there are large gaps between touch time and lead time that this is an indication those improvements could be made. They will be focusing on reliability.

3. Report on Performance Based Funding (\$1 million approved during 2013 General Session)

David Buhler, Commissioner, Utah System of Higher Education

Comm. Buhler mentioned that in higher education the key to success is both investment on the part of the state and innovation on the part of the institutions. He discussed a handout which outlined the five measures that the institution could select to gain performance based funding.

Co-Chair Urquhart reminded the subcommittee that the Legislature has allocated \$1 million for performance-based funding. He discussed the intent was to move the USHE system towards some components of performance-based funding based on completion rates in five or six years.

Comm. Buhler explained the five core performance areas adopted by the Commissioner's Office and approved by the Board of Regents. The handout delineated which measure the president selected, what the measurements were, and their current data. It gives the time line involved in this effort. By June 2014 institutions will report on meeting the approved benchmarks and then in July the Board of Regents office will allocate the \$1 million based on how well they have performed.

Com. Buhler indicated that of the \$9 million that was approved for mission-based funding, \$4.3 million was earmarked for completion strategies. At the present time, only about 50 percent of those students who enter the USHE system graduate. Com. Buhler discussed completion strategies to increase college comprehension. He distributed a handout entitled "Resolution to implement strategies to increase completion rates in support of the 66 percent goal" and a white paper discussing the college completion initiatives. Com. Buhler reported that each institution is working on college completion. They have been working with "Complete College America". The more prepared that students are when coming in to the system, the better their chance of success. He discussed some of the initiatives to improve completion rates. He discussed some of the barriers to completion, and how as a system they can overcome these barriers. One problem is that when freshmen only take 12 credit hours per semester, it will take six years to get a bachelor's degree. Students who are able to go full-time (15 credit hours) are much more likely to complete. The Commissioner's Office has discussed some strategies for encouraging more full-time students such as a tuition plateau (a student can take 15 hours at the same tuition price as 12 hours), encouraging students to take math during their first year, creating graduation maps for every major, and exploring the feasibility of implementing reverse transfer and stackable credentials. Comm. Buhler discussed the success of earning a credential like an associate's degree. The institutions will report to Board of Regents on their completion strategies.

Rep. Draxler asked if the plateau tuition would be enforced during this school year.

Comm. Buhler stated that seven of the eight institutions have already had tuition plateaus. He doesn't feel that the public is aware of this and how much money could be saved by taking 15 hours. The Commissioner's Office will be working hard to let the public know of this incentive.

Rep. Layton stated that private institutions had always had a tuition plateau. She asked if this was not the case for the public higher education institutions. She asked if tuition then rises for 18 credit hours.

Comm. Buhler answered that seven of the eight institutions have had the tuition plateau for some time. One institution it is totally linear, for some institutions the plateau goes up to 18, some cut off at 15. The Commissioner's Office is trying to focus on the 15-hour benchmark.

Rep. Layton if there is more academic support for students taking heavier loads. Bright students can't handle the stress of more than 12 credit hours of difficult classes. Rep. Layton stated that another common issue is that students cannot take more than 12 credit hours because of scheduling problems. All of the classes needed for graduation are taught at the same times.

Comm. Buhler stated that institutions are working on both of these issues. He mentioned that increased academic support is usually a funding issue. They hope that the graduation maps will help with the scheduling problems. As an institution prepares a graduation map, they can do a better job ensuring that the suggested course load for one semester could actually be taken during that semester.

Rep. Layton stated that she is aware that completion is something that is measurable. In her opinion, someone who goes to one year of college, or even takes one college course is better off than someone who hasn't take any.

Co-Chair Urquhart stated that the goal is to go to college and complete a degree. It is a very expensive life learning experience if they don't get that degree. There are many who would agree that they are better off having gone to some college; but many would disagree because they have accumulated debt without a degree.

Comm. Buhler stated that there is data that there is value to getting "some college" but the degree really enhances that value. Right now, Utah is number two in the country for the percentage of their population who have "some college" without a degree. Having a degree or certificate really increases that value. He stated that most students come to college expecting to leave with a degree.

Rep. Layton asked if there is any follow up for students who are very close to graduating but are not motivated to put in the final effort to get the degree. She asked if there was an outreach to track these students. If there was more follow-up, this might help the completion. She mentioned that Professor Dan Jones would call students who missed class more than two times.

Comm. Buhler said that this outreach does happen sometimes, but it should be happening more often. It is usually a resource issue.

Sen. Jones stated that Rep. Layton has made a very good point. She stated that many people don't understand the part that the tax-payer plays in the process. Students feel like they pay their tuition, so they can do what they want. It is important to be reminded that tax dollars help share the cost of higher education because it benefits the whole state. She commented that even though students didn't like it at the time, her husband received many letters after-the-fact thanking him for his efforts. She wondered if the fact that more students are working while going to school impacts their ability to take 15 credit hours. She commented that it is important to start early to save and plan for payment of education and mentioned the benefits of the Utah Educational Savings Plan. She asked if there are academic counselors available to help guide students with a graduation plan. She asked about more flexibility on scheduling of classes.

Comm. Buhler answered that he would defer the question regarding academic counseling to the Presidents. As far as the flexibility of scheduling of classes, he reported that there are more on-line and hybrid courses, Saturday schedules, evening classes, and more summer schedules. He reported that a problem with summer semester is that the PELL Grant program can only be used two semesters for a calendar year. He and the Presidents sent a joint letter to the U.S. House of Representatives as they discuss the student-loan issue to consider adding a summer PELL program.

Co-Chair Urquhart mentioned that this flexibility in scheduling is particularly important for the pinch-point courses.

Rep. Poulson was quite intrigued with the discussion of 12 versus 15 credits. She reported that students often do better with more hours and they get better grades when their life is fully committed to school. She asked if there is any statistical analysis on this issue.

Comm. Buhler reported that there is national data that shows that students do better if they are taking a full load.

Co-Chair Urquhart said that students who take full-time loads are four times more likely to complete. He mentioned that Complete College America emphasizes the importance of taking 15 credit hours whenever possible.

Comm. Buhler stated that they would like 15 credit hours to be the default, and have other levels be the exception.

Sen. Stephenson stated that when he attended college in order to maintain a scholarship, he had to have 15 credit hours with good grades. He had to complete in three and a half years, there was no choice. He asked why this standard isn't set for scholarships in Utah.

Comm. Buhler answered that the Legislature addressed this issue for students receiving the New Century Scholarship or Regents' scholarship. Students have to take 15 credit hours. They are encouraging institutions to set their own top scholarship requirements at 15 credit hours. All of these scholarships also have GPA requirements.

Sen. Stephenson asked why there is a surcharge in place for the very degrees that are needed to help build the economy.

Comm. Buhler answered that this is a complex issue. They don't feel that cost is a barrier to the engineering students because almost anyone who can qualify to be in the engineering programs can get a scholarship.

Sen. Stephenson said that this means it is not a charge to the student; it is a charge to the scholarship provider. He asked for data regarding this issue.

Comm. Buhler summarized his comments by stating that the priority for this completion agenda is to help students reduce costs, to improve preparation, and to add guidance to better navigate their majors. These are very important to help reach the 66 percent goal. He showed a video clip emphasizing the "15 to finish" initiative.

4. Proposed expenditures of \$9 million Mission-Based Funding (approved during 2013 General Session)

Comm. Buhler reported that as the Board of Regents compiles its budgets, employee compensation, mandatory costs, state-wide and institutional priorities, and unfunded historic growth would be involved. The statute regarding mission-based funding has three components: new enrollment growth, distinctive mission, and equity. This past year they specifically asked for mission-based funding for distinctive mission and equity particularly among institutions that experienced rapid growth without funding. He thanked the subcommittee for helping to fund \$9 million for distinctive mission and \$9 million for equity. He explained the handout that detailed the distinctive mission part was being spent by each institution.

Co-Chair Urquhart thanked the Commissioner, the Regents and all of the Presidents for their their hard work and vision. He encouraged subcommittee members to reach out to the presidents, the institutions and the Regents. They are happy to answer questions and are very responsive.

5. How has the \$9 million Equity Funding approved during the 2013 General Session affected the funding climate at USHE institutions? How much funding is needed?

Co-Chair Urquhart explained that the University of Utah, Utah State University, Weber State University, and Southern Utah University would be reporting on mission-based funding. Dixie State University, Salt Lake Community College and Utah Valley University would be reporting on equity funding.

Sen. Stephenson stated that Co-Chair Urquhart's leadership is what led to the mission-based funding. He would like to know the chair's opinion if what was envisioned has been achieved.

Co-Chair Urquhart answered that the blunt answer is "No". He wanted something more performance based, but he is not upset because in order to get to performance-based funding, the mission of each institution has to be defined. A great deal of progress has been made, the next step is to equalize the base.

Sen. Stephenson thanked the Chair for his candor and response. He asked that as the institutions make their reports that they respond to the performance-based funding vision.

Comm. Buhler added that President Wyatt from Snow College would be reporting later on distinctive mission-based funding.

Institutions' Reports on Mission-Based Funding

Cathy Anderson, Associate Vice President of Budget & Planning, University of Utah (U of U)

Ms. Anderson thanked the subcommittee for its support. They have focused on two areas: research/economic development and student participation. In the past, the administrative processes for the researchers were manually intensive. This funding helped to jump-start a program of automating these processes which allow researchers to have more time to be in the lab doing research. This research will hopefully result in new inventions, developments and disclosures moving into the market place and the economy. They are moving to better and more efficient on-line reporting for faculty budgeting for these projects.

The other piece is undergraduate student participation. They have used the funding for undergraduate research opportunity program (UROP). This program gives undergraduates the opportunity to do a research project in the labs with faculty to research new ideas and new concepts. The results of this program have helped undergraduate students achieve success in graduate school or in the workplace. This additional one-on-one contact with faculty has increased their likelihood of success in undergraduate studies. They would like to expand this effort.

Stan L. Albrecht, President, Utah State University (USU)

Pres. Albrecht discussed the reinvigorating renewal that occurs each fall at USU with new students. He discussed a summary sheet distributed to the subcommittee where they have divided the funding into two categories: student access initiatives and faculty/instructional initiatives. Last year they increased resources for summer course offerings in five pilot departments. Their enrollments doubled in these departments. They have extended the summer programs to eight more departments this year and then in the third year, they will extend it to all departments. He reported that because of the age change for L.D.S. missionaries, USU lost 600 students Spring Semester 2013. They were projecting that by fall, they would be down 1,400 students. They have used the funding for extensive additional recruitment and they will be down fewer than 500 students. The tuition waiver tool was extremely helpful for this effort. Next year it will be even more helpful. The average index score of these out-of-state recruits is 122 compared to 110 for other students. They have focused on attracting well-prepared quality students coming into the STEM programs.

Pres. Albrecht mentioned the library initiative. When the College of Eastern Utah became a part of USU, it was imperative that library resources be upgraded at both the Price and Blanding campuses. He reported that they have just opened the new Living Learning Center in Blanding and every room is full.

The USU presence in Price and Blanding has had a very positive impact in those communities. They have put additional funds in retention and diversity initiatives. Their focus has shifted from enrollment to completion. They are seeing more students who are first-generation college students as well as populations that have been under-represented in the past. They are devoting a significant portion of the funding to student growth in the high market-demand areas. They are attracting outstanding faculty and have placed some money in a faculty retention pool. They have put in place a five-year technology replacement schedule to better equip classrooms. The Foundation Board has helped fund the creation of STE²M center, some of the state-approved funds have been used to match these private gifts. They will come back to the subcommittee to report on the success of using these funds.

Charles A. White, President, Weber State University (WSU)

Pres. White reminded subcommittee members that the fiscal year only began seven weeks ago; so much of his report is forward looking. He will identify some of metrics that they are using to demonstrate outcomes. He stated that Weber State University serves the greater Ogden region as the academic bridge to economic prosperity and personal achievement. WSU has a community- college mission as well as bachelor's degree.

He reported an increase in minority enrollment trends; they have more than doubled the enrollment of Hispanic students in the past few years. They are putting a great deal of effort into making WSU's diversity reflect the community's diversity.

Co-Chair Urquhart applauded Pres. White for this success and asked what might be attributed to this success.

Pres. White indicated that they have established a community on campus to help recruit and retain students. He reported that the \$1.14 million has been utilized in four areas: more on-line and technology driven courses, expansion of critical pathway courses, additional advising to help students stay on-track and graduate, and growth in the supply-chain management program. He specifically discussed metrics regarding student retention at 73 percent. This is especially significant because WSU has an open-admission policy. Pres. White discussed the progress on the developmental math program, which is completely self-supported.

Co-Chair Urquhart asked what has happened with students at the high school level.

Pres. White reported that WSU has a very large Concurrent Enrollment program to help students stay engaged during their senior year.

Sen. Stephenson asked for more detail regarding the developmental math program.

Pres. White explained that the program is called Technology Enhanced Remedial Mathematics (TERM). Students pay for 3 credits of tuition and they can complete as many remedial math courses as they can get through in a semester. They can roll-over work from semester to semester. It is based on a larger computer lab where they come to work and have access to math teaching assistants and faculty to answer their questions in real-time. They are experimenting with a flipped classroom approach. They watch instructional videos at home and in the classroom they do project work, discussion, and work on areas of deficiency. They then go to the lab to practice and advance through the software.

Co-Chair Urquhart stated that SLCC is doing something similar. He encouraged subcommittee members to visit both of these programs.

Pres. White reported on the growth of their supply chain management program, which is a successful program. Many of their students get jobs at Hill Air Force base. In 2011-2012, their graduates had an average of three job offers each. He reported that 82 percent of their graduates are employed full-time within three months after graduation with an average starting salary of over \$40,000.

Rep. McIff asked if these job placements are primarily within the Ogden region and asked for specific data regarding this.

Pres. White answered that he will get specific data for Rep. McIff. He stated that the jobs are primarily in Utah, but students are sent all over the country. Pres. White reported on the total education related costs per completion. For every \$31,852 spent on education, there is a graduate. He stated that state tax funds are about 50 percent of the total cost. Pres. White mentioned that WSU was recently recognized by affordable colleges on line and was rated second in the nation.

Rep. Wheatley asked if the return on investment mentioned takes student debt into account and if student debt was deducted, would expected earnings be reduced.

Pres. White answered that the data only shows expected earnings and tuition payment. Utah does have one of the lowest student debt ratios in the nation, at about \$17,000.

Co-Chair Urquhart mentioned that one of the strengths of the USHE system is keeping tuition low. He mentioned that in 2001 state funding was 65 percent for USHE institutions and it is now 50 percent. He asked subcommittee members to work with colleagues to stress the importance of keeping tuition low.

Sen. Stevenson asked about the status of the engineering program launched a few years ago at WSU and asked if they are close to capacity.

Pres. White indicated that the first cohort of Electronics Engineering students graduated more than a year ago. There were about 13-15 graduates this past spring, and they are approaching a steady state where there will be 15-20 graduates each year, which is at full capacity.

Rep. Brown asked for clarification on the educational related costs. He specifically wanted to know about the cost basis.

Brad Mortensen, Vice President University Advancement, Weber State University (WSU)

Mr. Mortensen answered that costs were computed based on all types of contributions, not just student cost.

Rep. McIff asked about the favorable statistic regarding student debt rates, whether it would include only baccalaureate degrees.

Pres. White replied that it is total debt but would be dominated by baccalaureate degrees.

Rich Kendell, Interim President, Southern Utah University (SUU)

Dr. Kendell discussed the distinctive mission at SUU as an undergraduate institution in arts of sciences. He discussed the complementary roles with SouthWest Applied Technology College and Dixie State University. They are working to make sure that the undergraduate experience is one of high quality. They are tracking their progress. Their proposal had five major areas. First was increasing the

availability of high-demand courses. Faculty have been hired where there were bottlenecks. Second was targeted retention and quality initiatives. SUU has the third highest graduation rate in the state, but they want to increase that. They have purchased some software that will better track students. They have put additional money into tutoring resources, enhanced learning communities, and service training initiatives. Fourth, every undergraduate student is required to have a capstone experience. This is called the EDGE program, which did receive additional funding. Fifth, they put some additional funding into need-based financial aid. Often students who are right at the point of graduating give up. The Venture program is in conjunction with the Utah Humanities Council is for non-traditional low-income students. He challenged SUU faculty to have the highest completion rates and graduation rates.

Co-Chair Urquhart requested a 10 minute recess. He resumed the meeting at 10:43 a.m.

Scott Wyatt, President, Snow College

Pres. Wyatt reported that this year the sophomore class enrollment dropped by two-thirds due to the L.D.S. missionary age change. They have made comparisons from last year and on the Ephraim Campus they have lost from 25 to 33 percent of the studentbody. He stated that overall enrollment has all been made up with new students. He indicated that classes started today.

Pres. Wyatt stated that their mission-based funding initiatives were in four distinct areas. First is their increasing desire to be relevant in their community for economic development. This is now one of their major drivers. They conducted a comprehensive audit and spent considerable time with workforce services labor economists. The local industry has asked Snow to improve health care, a broader industrial mechanics and technology base, and natural resources. They have created new programs based on these community driven economic needs, which include chemistry. The second initiative involves the small business entrepreneurial program. About seven percent of the population in Central Utah is receiving their income from the arts. They are creating items and then selling these pieces through internet. There are many other small businesses in the area. Snow is rolling out new programs including new certificates in web technology, design and marketing to meet the needs of these entrepreneurs.

Pres. Wyatt stated that the third initiative is focused on agricultural and range innovation. Most of agriculture is a second income so they are small plots and they are struggling. There are some new agricultural incubator innovations throughout the country. They have partnered with USU to help those engaged in agriculture find new products, finding more cooperative arrangements, and other projects. Their fourth initiative was related to underserved populations. The most prominent group is the Hispanic community. They have collected data and will be launching initiatives to aid this segment of the population.

Co-Chair Urquhart would like more information regarding what they are doing at Snow and at Weber State with the Hispanic students specifically with regards to retention.

Institutions' Reports on Equity Funding

Com. Buhler stated that equity funding is very important for the institutions that have experienced rapid growth when there was no enrollment growth funding. The institutions most in need of equity funding will report. The future budget request will include a major initiative to focus on equity funding for the coming year.

Co-Chair Urquhart noted that the Presidents are coming together and looking at this on a system-wide basis. He would encourage subcommittee members to do the same thing and to be unified.

Stephen D. Nadauld, President, Dixie State University (DSU)

Pres. Nadauld distributed a handout regarding the branding for DSU. He recognized Paul Morris and Frank Lojka, Vice Presidents at DSU. He reported that enrollment is down between 3 and 4 percent or about 240 students. He mentioned that the number of out-of-state students has grown by 40 percent. This reflects DSU's mission as a regional state university. They are drawing students from California, Nevada and Arizona in much greater numbers. They have seen an increase in international students as well as an increase in minority students. He reported that enrollments for minority students are up 15 percent this year.

Pres. Nadauld appreciated the equity funding received last year. He reported that the tax funds per FTE student are quite a bit lower at DSU than other USHE students. There is a great need for equity funding at DSU because of the rapid growth during the downturn in the economy. One of those years, DSU grew by 25 percent. They have budgeted to increase the adjunct professor budget especially in STEM areas, some of the funding will be used in salary equity and hiring of critical positions including institutional budget director, additional academic advisors, and classroom testing coordinators. He identified other critical needs at DSU.

Cynthia Bioteau, President, Salt Lake Community College (SLCC)

Pres. Bioteau expressed gratitude for the support of SLCC through equity funding. She asked the subcommittee to understand that completion is more broadly defined in a community college than merely degrees. At SLCC, degrees are 25 percent of what they count in looking at completion and accountability measures. Many of their students come for workforce readiness, industry based certification, and 64 percent of their students transfer to sister institutions. They have used some of the equity funding to create cohorts of learning. She explained the General Education "Step Ahead" program. She discussed the important role of the School of Applied Technology and non-credit stackable credentials.

Co-Chair Urquhart commented that Pres. Bioteau was correct with her analysis; he praised the stackable credentials and the phenomenal transfer rate for SLCC students.

Pres. Bioteau stated that they specifically used equity funding in the areas of teaching, learning and completion. They used a large bulk of funding to add non-tenure track full-time faculty to work toward the 50/50 balance of adjunct to full-time faculty. They used another piece of equity funding to enhance technology in the math emporium. This allows students who tested into developmental math to pay for one course and move seamlessly and without additional cost to college level math. They used equity funding to enhance the Centers for Independent Learning at the Westpoint and Taylorsville Redwood campuses. They already have a robust summer term, but used equity funding to build weekend programs. She mentioned that there are 750 students enrolled in the weekend college program at the Jordan campus. They used a smaller piece of equity funding to expand the square footage of the leased space at the Library Square campus, where this campus has a number of U of U students take some General Education courses. In the future, equity funding would be used to enhance academic advising, more full-time faculty and a technology infrastructure.

Rep. Wheatley thanked Pres. Bioteau for her presentation and asked her to discuss the Early Alert system and asked if it has fully been implemented.

Pres. Bioteau stated that they have had Early Alert system in place for some time. She reported that since July the mission-based funding has been used to obtain more technical analytical components to enhance

this program. This tracks student progression for faculty, advisors, and student support services. As soon as a red flag is observed, outreach is made to these students.

Sen. Jones thanked Pres. Bioteau for her great work. She asked for an update on the progress of the Prosperity 2020 web portal and to explain the purposes and benefits.

Pres. Bioteau stated that SLCC was happy to take the lead in the creation of the web portal that provides a connecting point to enhance the partnerships for businesses, public education and higher education throughout the state. She reported that it has been completed and turned over to the Salt Lake Chamber and Prosperity 2020 team.

Rep. McIff thanked Pres. Bioteau for her presentation. He stated that SLCC plays a vital role in the state. They know their mission and live up to that mission.

Pres. Bioteau appreciated his comments and has the goal to help the state understand how a community college contributes to and for the economic vitality of the state.

Sen. Stephenson asked about the completion rates and the differences between licenses and certificates earned at SLCC and those at UCAT institutions. He asked for clear specific completion data for students enrolled in these programs.

Pres. Bioteau asked UCAT to answer their part of the question. She explained that licenses are usually correlated very closely with national or regional associations. Certifications are normally granted according to accreditation bodies or based on industry standards. As an accountability measure, when SLCC provides a certification they track that the certification brings higher wage gains. She gave an example of the 100 percent completion rate and 97 percent pass rate in the licensure of their dental hygiene students. She stated that SLCC is one of 40 colleges nationally leading out on a voluntary framework of accountability. There are four different metrics to measure completion effectiveness: degrees granted, career placement, completers (students who have participated in a program for 100 hours or longer), and wage gain. She explained that they are tracking a six-year cohort and SLCC has completed two years. She will provide the two-year data to the subcommittee.

Sen. Stephenson would like to see this data. He is concerned about the low completion-rate of the CTE programs in high schools. He asked the Chairs to see if the Utah Data Alliance would report at the next meeting. He asked them to show first year earnings for completers in certificates and licenses compared to baccalaureate degrees. It would also be helpful information for students enrolling in these programs. In most states this data is available widely to the public, but in Utah, it is not.

Pres. Bioteau agreed that the Utah Data Alliance can be a critical tool that is not as publicly utilized as it could be.

Co-Chair Urquhart stated that this would be included on the agenda at the next meeting. He would like to have a report on the return on investment for the great deal of money spent on CTE programs. He would specifically like to see where CTE funding is helping people get jobs. He congratulated SLCC on their fine work especially in giving the state of Utah outcomes for the money invested.

Matthew S. Holland, President, Utah Valley University (UVU)

Pres. Holland thanked the subcommittee for allowing UVU to present. He reported that last year they had a record-setting over 4600 graduates. He said that about half were bachelors' and half associates' degrees.

They are working to fulfill both the community college and university roles. He stated that UVU has a very creative Latino initiative. In 2007-2008 they had 700 Latino students. They now have over 3,000 Latino students. He explained the success of the structured enrollment program. This has greatly enhanced retention and completion, with the end of term enrollments exceeding the first day enrollments.

Co-Chair Urquhart asked for clarification on the structured enrollment program.

Pres. Holland answered that students who have under 19 on the ACT or less than 2.5 GPA are still admitted to the university, but are required to come to orientation, meet with an academic counselor every semester, and demonstrate immediate remediation. He mentioned one reason this has been successful is the early admission deadline and early purge process purges students who are not committed to attending college. This frees up seats for serious students. He reported that their enrollments are down by about seven percent or 1,500 students, one of the highest in the system due to the L.D.S. missionary-age factor. While, this has put pressure to do away with structured enrollments, they are not going to do this. The long term implications are that this program will be very positive.

Co-Chair Urquhart asked if UVU was able to use the non-resident tuition waivers.

Pres. Holland reported that this was helpful and that their non-resident enrollment is up. They lacked the recruitment infrastructure to act on this as quickly as they would have liked; but have now improved that ability.

Pres. Holland reported that UVU is very grateful for the equity funding. The money was used to stop the "hemorrhaging" caused by the huge enrollment surge. A few years ago their base budget included 54 percent state funding. During the enrollment surge at the time of the economic downturn, UVU had gone down to 38 percent state funding. They have now moved back up to 41 percent. He stated that the equity funding has been utilized in the following six key areas: first, deferred maintenance issues especially in technology; second, software licensing for on and off campus application and electronic subscriptions; third, accommodating for adjustments with the Utah Higher Education Assistance Authority (UHEAA) and the student loan-default system; fourth, strengthening some key existing programs; fifth, enhancing the adjunct faculty rate from a community college level to a market-rate for a regional teaching university; sixth, working to improve the salaried to adjunct faculty ratio. They are working to go from their current 48 percent to the 55 percent university target.

Rep. Draxler expressed gratitude to UVU for hosting the Governor's Native American Summit and the Legislative Liaison Subcommittee. He said that this was extremely well done and how impressive the Native American students were who interacted with the group.

Pres. Holland mentioned that UVU has a Native American initiative and is consciously reaching out to the tribes, which is a population in desperate need of higher education.

Rep. Layton said that she is aware of the Muslim and Saudi Arabian population at UVU. She said these groups feel that the Utah county area has similar standards and they can trust sending their children to this area. It is interesting that they become friends with the Latino population and people from other countries because they are all taking English as a second language. They also share an interest in soccer.

Pres. Holland mentioned the Region 1 soccer team launched at UVU this year.

Rep. McIff asked if adjunct faculty add value to the faculty mix.

Pres. Holland answered that adjunct faculty play a vital role. Their real-world experience and coming from industry are very important. A university needs to balance the need for full-time salaried faculty members because of leadership and on-going efforts with adjunct faculty.

6. University of Utah Infrastructure – history, progress to date, funding provided by the legislature (direct appropriation or through capital improvement allocation), and proposals for finishing the project

Jason Perry, Vice President for Government Relations, U of U
Michael J. Perez, Associate Vice President for Facilities, U of U

Mr. Perry stated that many years ago the decision was made at the University of Utah (U of U) to have very low power rates rather than build the money into system to maintenance. The U of U has put tremendous resources into the infrastructure. Mr. Perry reported that they are very grateful for the funds allocated by the Legislature in the past two years.

Mr. Perez reported on the progress of this critical project at the U of U. He introduced members of the project team, Porter McDonough from Layton Construction and David E. Wesemann with Spectrum engineers. In FY 2013, \$35 million was allocated by the Legislature, \$22 million was in development funds and \$13 million was capital improvements. In FY 2014, an additional \$7.5 million was allocated for capital improvements. They still need \$56.5 million to complete the \$99 million project. Mr. Wesemann said that they are replacing a very aged failing electrical system which affects all parts of campus. They are also adding redundancy into the system. They will be adding a monitoring system which will allow the campus to quickly and isolate a failure in order to get things back on line. Mr. McDonough explained that there are three substations; 25,000 linear feet of duct bank (concrete and case conduits carrying the wires throughout campus); and they have integrated new high voltage services with Rocky Mountain Power. They are about 90 percent complete on lower campus and are currently working on upper campus. Most of the work that has been completed is underground infrastructure, which is about 50 percent complete. He explained the high efficiency, high temperature water upgrade replacing the 60-year old steam piping and stated that they are about 90 percent complete with this phase. Mr. McDonough explained that they are currently on schedule and making good progress.

Mr. Perez explained two possible funding options for the subcommittee to consider. Funding Option A suggests a rate increase that the U of U charges itself. The problem with the current funding mechanism is that there is no margin or surplus for upkeep. In the past they have had to rely on capital improvement funding to maintain the system. There would be a 30 percent surcharge, the state amount would be a \$3.9 annual rate increase and \$2.1 million increase to auxiliaries. A revenue bond would be issued for \$56.5 million and they would utilize this margin and rate increase to retire the debt. If the rate increase is maintained, after the debt service is paid, the margin would be there to take care of future problems.

Mr. Perez explained that Option B would allow a revenue bond to be issued for the auxiliary services in the amount of \$29.4 million; then there would be a 30 percent surcharge imposed. With that, the University would need \$27.1 million in state funding. This is a short-term solution. This would take care of the debt service, but would not be sufficient to maintain the infrastructure in the future.

He stated that they would prefer Option A because it is a long-term solution and they would have the resources available to finish the project and to retire the debt service. Mr. Perez asked the subcommittee to consider both options.

7. Efforts toward resource equity at UCAT campuses

Rob Brems, President, Utah College of Applied Technology (UCAT)

Pres. Brems thanked the subcommittee for allowing him to report. He stated that at the end of the last Legislative session, he was assigned to look at equity in the UCAT system during the interim. They will take a proposal to the Board of Trustees that will integrate the principles of equity into their budget request. They have identified four elements for this equity proposal: 1) per capita funding in each UCAT service region; 2) current population of each service region compared to total population of all UCAT service regions; 3) most recent enrollment information; and 4) expanding offerings of campuses that have available facilities.

Pres. Brems stated that they have not received approval from the Board of Trustees on these elements. He explained that later in this meeting he will be discussing costs per certificate. They expect to come to the October meeting with more data regarding equity funding and how it will impact budget requests.

Rep. McIff asked for more clarification on the first two elements and how population in an area is directly tied into enrollment and actual needs.

Pres. Brems explained that the first two elements would look at general population numbers and then the per capita funding available. For example, equity funding based on population would mean increasing resources in the highly populated Mountainland Region.

Rep. McIff stated that the demand for a program should be paramount over just population numbers.

Pres. Brems replied that the input was noted and perhaps this should be a fifth element. He mentioned that the campuses are almost always functioning below the level of demand because of funding restraints.

8. Presentation of the Legislative Auditor General's Performance Audit of UCAT

Tim Osterstock, Audit Manager, Legislative Auditor General's Office

Tim Bereece - Audit Supervisor, Legislative Auditor General's Office

A copy of the report can be found at this link: http://le.utah.gov/audit/13_02rpt.pdf

Mr. Bereece stated that this audit focused on whether programs offered by UCAT are addressing market needs and to what extent students are participating in the costs of their education. UCAT's technical education offerings appeal to a wide variety of students. Mr. Bereece reported that the highest portion of students attended for occupational upgrades, the vast majority of membership hours are generated by certificate seekers.

Mr. Bereece said that Chapter 2 of the report discusses how new accreditation requirements are forcing programs to be more effective at addressing marketing needs. He stated that 78 percent of the UCAT programs met the requirements that 60 percent of the students complete the program. He reported that 93 percent of programs were able to place 70 percent of the students who completed their program in their targeted industry. Individual program accountability has shown initial improvement in student outcomes. Programs that fall below accreditation requirements are given two years to improve. The auditors recommend that completion, placement and licensure rates for accreditation also be considered in program growth determinations. In the past, funding growth has been based on waiting lists. This was found to be an unreliable measure of student demand due to the ease that individuals can add their name

to a particular waiting list. The auditors recommended that waiting list reliability increase by incorporating elements of existing application processes that identify higher level of commitments by the student to attend. The waiting lists only present a supply side perspective of the growth picture. Program outcomes should be considered along with waiting lists. The auditors recommend that the UCAT Board submit program-level completion, placement, and licensure data to support future budget requests.

Mr. Bereece reported that Chapter 3 analyzed the extent to which students are participating in their program costs. They looked at tuition and the additional costs necessary to attend UCAT programs. He stated that for six of eight campuses tuition accounts for less than 50 percent of total student cost. The concern with this is that the Board of Trustees has focused its oversight on tuition and allowed campuses full control of fees, books and supplies. To generate additional funds, three campuses were charging uniform fees to all programs. The proceeds of these fees were supporting activities such as credit card processing and grounds maintenance at two campuses. The auditors recommend that the UCAT Board adopt a fee-oversight policy similar to that used at the Utah State Board of Regents. Secondary student fees were also addressed as campus practices significantly. Some campuses were exempting students from certain fees, while others were creating separate fee schedules. A third group was charging the same rate for secondary students as adults. The specific level of contribution is a policy decision best left to UCAT; the auditors do recommend setting a minimum secondary student fee policy.

Mr. Bereece explained that Chapter 4 discusses the Custom-fit Program which is designed to subsidize training costs to incumbent workers. Based on the findings, the auditors have three recommendations to make them more effective at achieving their outcomes. Custom-fit funds have been allocated on a first-come first-served basis; this has led to a disproportionate amount of funds going to companies with a history of participation. The results show that leadership training does not align with traditional UCAT programs. Specific economic development objectives and corresponding metrics should be adopted for the Custom-fit program. These objectives will make the program more effective as it targets funds towards the most beneficial training opportunities rather than those that applied earliest. Company contributions are an integral part of Custom-fit that could be enhanced further. Custom-fit programs at eight campuses are already exceeding UCAT policies regarding contribution rates, practices at two campuses stood out as options to provide additional training. For example, at the Mountainland campus frequent users of the program must contribute a higher percentage of training costs. The auditors recommend that similar practices be considered as improvements to UCAT's existing contribution rate policy.

Mr. Bereece reported that Chapter 5 discusses UCAT's role in providing basic education skills to secondary students at UCAT campuses. Specifically, two sets of courses were observed that raised questions about UCAT's role in providing this instruction. The auditor's question whether UCAT campuses should be providing computer literacy training to secondary students. Computer literacy is a core graduation requirement; the Uintah Basin ATC provides this course as a replacement for High School instruction. At the Ogden/Weber ATC secondary students are re-taking material that they were already taught in high school. The auditors recommend that the Legislature provide guidance on whether ATC's should be providing this particular course. The other course that was identified as basic skills education was math remediation. Only two ATC's were offering this course, while the other six campuses delegated the responsibility to ensure that student's math skills were adequate to the high school. The auditors recommend that the UCAT Board determine whether providing math skills remediation is a worthwhile endeavor that should be provided at all campuses rather than relying on readiness evaluations from high school counselors.

House Vice Chair Cox assumed the chair.

Pres. Brems continued his presentation and asked if there were any questions regarding the audit.

Rep. Draxler asked if the computer literacy courses are truly an overlap at Uintah Basin, or are they saving public school money by providing this service.

Pres. Brems reported that some time ago the school districts asked the UBATC if they could assist with this computer literacy training. They are located right across the street from the high school. UCAT tries to function as a bridge between public education, higher education and serve the needs of business and industry. The UBATC Board of Directors and President have looked into this issue and the programs will be moved back under the direction of the school district.

9. Cost per UCAT certificate by campus

Pres. Brems discussed the functions of UCAT and their participation in the 66 percent goal. When looking at membership hours, 58 percent of these hours are in certificate programs, 25 percent are in secondary students, 10 percent are occupational upgrade, and 7 percent are in basic skills, apprenticeships, etc. If student headcount is analyzed, 38 percent of the students are in occupational upgrade programs, 28 percent of students are certificate seekers, 23 percent are secondary students and 11 percent are in other programs.

Pres. Brems reported that in FY 13 membership hours were 5,669,219 hours and total appropriations were \$55,315,299. The cost per membership hour is \$9.76. The headcount for FY 13 was 36,000. This makes the average cost per student is \$1,533 at the UCAT system. In FY 13 the post secondary certificate headcount was 5,779. The secondary students who earned certificates were 8,856. In FY 13 there were 13,613 occupational upgrade certificates were granted. If all of these certificates are added together, the cost would be \$1,958 per certificate.

Pres. Brems stated that the Custom-fit program is measured separately for many reasons. In FY 13 there were 195,306 reported training hours. The appropriation that was provided was \$2.2 million. The average cost per training hour in the Custom-fit program is \$11.34. UCAT has taken the recommendation of the auditors and have modified their policy regarding company participation in this. They have moved from 40 percent to 50 percent participation. In FY 2013 there were 11,491 trainees in the Custom-fit program; this would average out to \$193 per trainee. There were 1,144 companies who participated in Custom-fit programs. This would make the average cost per company at \$1,937.

Sen. Jones was very impressed with the number of companies participating. She asked what types of companies participate in the Custom-fit programs and what the trends are.

Pres. Brems answered that this varies from the year to year, often following the economy. They found that the percent of Custom-fit effort going towards manufacturing ebbs and flows. Currently, it is on an upswing. The Utah Manufacturer's Association have come to UCAT and asked for more manufacturing programs. They are working on an initiative to bolster the funding for some Custom-fit manufacturing programs in many different areas. Pres. Brems indicated that these Custom-fit numbers do not include the SLCC Custom-fit programs.

Sen. Stephenson mentioned that Pres. Bioteau differentiated between certificates and licenses. The presentation from UCAT only showed certificates. He asked if the data includes licenses. Pres. Brems answered that some of the data does include licenses and sometimes it doesn't. It would depend on if a license is required. He stated that the next part of the presentation addresses this specifically.

10. Efficiencies achieved by UCAT campuses

Pres. Brems explained that UCAT is very efficient; but they are always looking for ways to do more with the resources they have. Pres. Brems reported that UCAT is accredited by the Council on Occupational Education (COE). He stated that the COE completion rate standard is 60 percent; UCAT's completion rate is 81 percent. The COE placement rate standard is 70 percent; UCAT has an 87 percent placement rate. The COE licensure rate standard is 70 percent; UCAT has a 97 percent licensure rate. UCAT is required to report completion on outcomes for occupational upgrade students. When an occupational upgrade student enrolls, they must indicate an objective that they are seeking to complete. He stated that in 2012, over 95 percent (14,043 of 14,698) completed their objectives. In 2013, the number dipped by two percentage points. He stated that 81.3 percent of secondary students completed 30 hours successfully in 2012; and 84.1 percent completed 30 hours in 2013.

Pres. Brems reported that other efficiencies have been achieved. An important aspect of UCAT is to keep in tune with the needs of employers in Utah. There are 1,137 employer advisors that serve on 152 employer advisory subcommittees and give direction to 263 programs on eight campuses. The employer-based UCAT Board of Trustees and the campus Boards of Directors know where the jobs are and provide guidance. Pres. Brems discussed some specific efficiencies achieved by UCAT regarding reducing hours in the Medical Office program. They recently recommended reducing the number of hours in this program, which resulted in lower membership hours. But, because of that decision there was a 13 percent completion rate increase. He mentioned the partnership with WSU and USU enabling students to complete their nursing program at the ATC campuses through the stackable credential effort.

Rep. Poulson was very impressed with the statistics. She asked what the biggest motivational factor for students to complete was.

Pres. Brems answered that probably the most motivating factor is that they are to find and get training in their area of interest. Students can obtain their credential rapidly and see an immediate benefit to their future.

Sen. Stephenson asked if they could receive the information aggregated by campus. He also asked if secondary students complete before graduation or completed at some point after high school.

Pres. Brems stated that they would have to complete before high school graduation because the measure is having them successfully complete the 30 hours that would equate to one-quarter of high school credit.

Sen. Stephenson asked the Chairs to get high school CTE completion data to compare this with the high-school completers in UCAT.

11. Other Business

House Vice Chair Cox reminded subcommittee members that the next meeting is scheduled for October 11, 2013 at Dixie State University.

12. Adjournment

MOTION: Sen. Jones moved to adjourn. House Vice Chair Cox adjourned the meeting at 1:00 p.m.

Minutes were reported by Lorna Wells, Secretary.