

**MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE**

Room 210 East Senate Building, State Capitol Complex

February 5, 2015

Members Present: Sen. Stephen H. Urquhart, Co-Chair
Rep. Keith Grover, Co-Chair
Rep. Jon E. Stanard, House Vice Chair
Sen. Jim Dabakis
Sen. Ann Millner
Sen. Aaron Osmond
Sen. Howard A. Stephenson
Sen. Evan J. Vickers
Rep. Kim Coleman
Rep. Fred C. Cox
Rep. Jon Cox
Rep. Jack R. Draxler
Rep. Don L. Ipson
Rep. Kay L. McIff
Rep. Carol Spackman Moss
Rep. Mark A. Wheatley

Members Absent: Sen. Jerry W. Stevenson
Rep. Daniel McCay

Staff Present: Mr. Spencer Pratt, Fiscal Manager
Ms. Angela Oh, Economist/Statistician
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 Grover called the meeting to order at 8:05 a.m.

2. Institutional Presentations

a. University of Utah (U of U) - David W. Pershing, President, discussed the vision of the U of U to provide high quality, affordable education and health care. He reported last year they had 32,000 students, with 8,000 graduates and about 190 different undergraduate and graduate programs. He stressed the importance of the community partnerships. He stated that nationally the U of U is a unique research institution because one-half of the students work more than 20 hours per week and only 11 percent don't work at all.

Pres. Pershing discussed the significant increase in retention of first-year to second-year students (up to almost 89 percent) and compared this to other PAC 12 schools. He reported the six-year graduation rate has improved, but they have set a goal to improve. He clarified that the eight-year graduation rate is better because so many students are working. They conducted a

longitudinal study to determine who is not graduating. They have developed several strategies to improve the graduation rate. He discussed the partnership with Salt Lake Community College (SLCC) called "Access U" where students are admitted to the U of U, but start at SLCC and then transfer.

Pres. Pershing explained the "Presidential Promise" program to have students engaged in an out-of-class experience. He said hybrid classes and on-line classes give students greater scheduling flexibility. They have focused the on-line priorities into three areas: 1) high-demand undergraduate courses, 2) degree completion courses, 3) professional master's program classes.

Pres. Pershing compared the tuition rates at the U of U with other PAC 12 and Top 10 schools. The U of U is proud of offering high quality education at a reasonable price. Pres. Pershing discussed the request being presented to the Building Board for the new core education building, Orson Spencer Hall.

Rep. Fred Cox asked if there is a reciprocating transfer program where students could transfer from the U of U to SLCC. Pres. Pershing acknowledged that this does happen as well as taking courses simultaneously and said the new articulation will help.

Rep. Moss stated the articulation is a great idea and will particularly help students who aren't sure of future plans. She asked if the on-line professional courses will include graduate programs in education. She attended many courses at Orson Spencer Hall and agreed that it needs some upgrades.

Sen. Vickers said that the committee has focused on certain key indicators. He asked if being in the PAC 12 impacts academics as much as the athletic arena and if the other schools are looking at these same indicators.

Pres. Pershing reported that although the perception is that the PAC 12 is athletic, the presidents are all very focused on academics. They are concerned about the same issues as the U of U. He stated the retention rate is a challenge because students are working much more and they don't borrow money, so it takes them longer. He said that private scholarships can help retention.

Vice-Chair Stanard asked what the biggest challenges are in developing on-line courses.

Pres. Pershing answered that one challenge is the start-up cost of creating the on-line courses. He said that if additional distinctive-mission funding is appropriated, this is an area that would receive funding. He said that many faculty are excited about this.

Sen. Dabakis reported the faculty and students think Pres. Pershing is terrific. He said the program with SLCC suggests that as freshmen, students are not necessarily prepared to face the academic rigor of U of U. He asked what could be done to get the recent high-school graduates so that more of them could acclimate immediately to the U of U.

Pres. Pershing said that recent research has predicted that of the 5,000 incoming freshmen for Fall 2014, there is concern for about 500 students regarding completion and retention. The

students have the ACT score and the grades, but not the study habits for college-level courses so they are working on direct intervention. He felt the high schools do a great job in preparing students academically, but the adjustment to the university is difficult.

b. Utah State University (USU) – Stan L. Albrecht, President, commented that he just celebrated ten years as president of USU. He said that a large part of the success at USU is because of the committee's commitment to higher education. He reported on the performance indicators from USU. <http://le.utah.gov/interim/2015/pdf/00001130.pdf> He mentioned the recognition USU has received on a national level. He mentioned the land-grant component of their mission. He reported they have had a significant increase in the number of applications and re-admits. They have focused on growing enrollment in the STEM disciplines.

Co-Chair Urquhart said that this significant up-tick in engineering students is very good news.

Pres. Albrecht said they are trying to get information out to students and parents to help them make informed decisions. The recruiting web sites focus on workforce opportunities where the jobs are, and which jobs have the highest income. He discussed the significant progress they have made in English Literacy and Math Literacy. They have been very proactive in the "15 to Finish" campaign which is resulting in significant progress. He emphasized that course availability is critical and they have had substantial growth in on-line courses.

Co-Chair Urquhart asked if the changes in tuition structure had helped this campaign.

Pres. Albrecht reported the new tuition structure does give incentives for students to take at least 15 credit hours. The availability of on-line courses is important. In addition, they have upgraded the summer school program. Data suggests that 54 percent of students stay in Logan during the summer, but are not taking classes. Now students will take a couple of classes and will move towards graduation within six years.

Co-Chair Urquhart asked for data about students who take longer than six years to graduate.

Pres. Albrecht reported there are a number of students who graduate in seven or eight years.

Pres. Albrecht discussed the success at the USU Eastern campus. They have had a dramatic increase in enrollment. He stated that at the other regional campuses students are much more likely to be older and working full time. He showed some video clips depicting some of the exciting things happening at USU.

Pres. Albrecht said they have had a dramatic increase in the number of applicants to graduate school programs, but the actual enrollments are flat. He reported they are competitive with the quality of the program, tuition & fees, and cost of living, but they fall way short in financial support for these students. He stated that in the PhD program specifically they are well below peer institutions. They need additional resources for research funding at the doctoral level. He stated the recent funding increases at the doctoral level have resulted in enrollment growth. They have eliminated some doctoral programs and are only adding programs where there is substantial opportunity including audiology, aerospace studies, and neuroscience as well as a master's in public health. He reported on the research funding and the success rate.

Pres. Albrecht discussed the iUtah program regarding water research and outreach.

Sen. Stephenson was stunned by what USU is doing, saying this is precisely what the committee has been hoping and looking for. He was appreciative of the report indicating areas where USU is falling short and plans for improvement. He said that USU is seeing students and employers as customers whose needs must be met.

Rep. McIff commented that USU has greatly enhanced its stature on the national scene in the ten-year period while Pres. Albrecht has been at the helm.

3. Approval of Minutes

MOTION: Rep. Stanard moved to approve the minutes of the January 28, 2015 meeting. The motion passed unanimously.

4. Committee Discussion on H.B. 1, Higher Education Base Budget

Co-Chair Grover stated that this is the base budget that is put in place so institutions can remain operational. <http://le.utah.gov/interim/2015/pdf/00000261.pdf>

5. Final Voting on H.B. 1, Higher Education Base Budget

MOTION: Rep. Stanard moved to pass H.B. 1 with a favorable recommendation. The motion passed unanimously with Sen. Stephenson absent for the vote.

Institutional Presentations (Continued)

c. Southern Utah University (SUU) – Scott L. Wyatt, President, compared SUU to producing bicycles. They are less concerned about how many raw materials or subcomponents come in and far more concerned with how many smooth-operating, high-tech, quality-tuned bicycles go out the front door. They have focused on completion rates and quality education, making sure the bicycles that come out are top-quality bicycles that are tuned and ready to go in today's environment. He discussed some of the innovations that are going on at SUU.

Pres. Wyatt reported that graduation rates have increased by 43 percent or seven percent per year over the last six years. Their goal is to reach a 70 percent graduation rate. He stated the graduation rate by ethnic group is better than average. Their goal is to be in top quartile in every measure of success. He specifically discussed the success of business and health care students.

Pres. Wyatt said the first recommendation from the Chamber of Commerce executive report was to have more project-based assignments. SUU has a project based learning requirement that gives every student a real-world advantage. He explained relevant and integrated general education. They are creating a comprehensive integrated relative program in general education. They have general education faculty team up with faculty from other disciplines to teach a six-credit class merging the two disciplines. They have eight Ph.D. faculty members teach ten courses of study in one 34-credit entire-year class.

Rep. Fred Cox commented on a personal experience where his own English grades improved when he was allowed to research something interesting to him and asked if this is what SUU is trying to do.

Pres. Wyatt answered that this approach will start Fall 2015 where everything will be related to a single topic chosen by the student.

Sen. Dabakis asked how the Shakespeare connection at SUU will mesh with this program. Pres. Wyatt explained that SUU is designated as the state's liberal arts and sciences school. For the last several years they have created a common freshman experience where each student is given a copy of a Shakespeare play to read, then watch it performed. Other faculty members refer to this play and this builds a bond for these students. This is part of a fully-integrated educational model. He said that to be successful in life an individual needs to be a liberally-trained technically-savvy person.

Sen. Vickers mentioned that SUU raised its entrance requirements. He said the school districts said this was very positive because it elevated the level of high school students. He asked Pres. Wyatt if this has been successful. He asked if some spots were reserved for local students who didn't meet those standards.

Pres. Wyatt answered that superintendents have reported to him that this is helping the high school students be more successful in high school. He described the College Connections program which allows students who don't meet the standards to be admitted to the university, but are then required to enter a specialized program with intensive advising.

Rep. McIff expressed appreciation for Pres. Wyatt's leadership in taking over at a difficult budgetary time and the recent accomplishments of SUU.

Rep Jon Cox admired the integrated approach and asked about the faculty perspective and response. Pres. Wyatt explained that each faculty member in the team would lecture for about 20 minutes on their own subject. They have more faculty who want to participate than they have capacity in this experimental phase.

Co-Chair Urquhart asked Pres. Wyatt to create the proper incentives from the Legislature.

Pres. Wyatt stated that in the past, the most consistent funding has been for growth. They would like to have incentives from the Legislature to help them increase graduation rates, which can be expensive.

Rep. Wheatley asked if the demographics of the staff and administration mirror the demographics of the student population.

Pres. Wyatt answered that hiring of minority groups has been a high priority in recent years.

d. Utah Valley University (UVU) – Matthew S. Holland, President, expressed gratitude for last year's acute equity funding and reported on that funding. They specifically targeted student completion, a broad range of access and opportunity; fostering academic rigor and

professional excellence, and operating effectively and efficiently by adopting innovative practices. He highlighted some of the programs that have been expanded. He said they have increased distance delivery, and improved instructional materials and equipment. They hired 51 new salaried faculty and 47 salaried staff.

Pres. Holland discussed the mission of UVU as a regional teaching university that is serious, inclusive, and engaged. He said they are targeted by USHE as a growth institution and reported on the substantial projected growth in their service region. They have the unique role of blending community college inclusiveness with university-level seriousness. They have increased the number of certificate programs. He stated that 76 percent of UVU students are employed, and over 56 percent work more than 30 hours per week. He listed other specific demographics of UVU students. He reported they have 66 bachelor's degrees and 3 master's degree.

Pres. Holland reported on some of the national recognitions UVU has received. He explained the success of the structured enrollment program. They remain open admissions, but have a pre-semester application deadline. They require a high school transcript, ACT score, and orientation participation. Students falling below the standard must meet with an academic counselor, move immediately and sequentially through remedial education, attend a freshman convocation, and cannot pursue upper-division courses for at least a year.

Pres. Holland gave some specific data regarding math and the MOOC (massive open online course) and reported that retention rates have improved as well as the number of graduates. He cited some specific examples of student success.

Rep. McIff was intrigued by the structured approach to open enrollment and asked if it was a unique approach. Pres. Holland answered that the approach was designed at UVU, and he was not aware of this model being used at other institutions.

Rep. Jon Cox asked about the challenges that come from the unique dual mission especially at the scale at UVU. Pres. Holland mentioned the senior leaders of the university have to work hard to hold the two roles together. Most of the faculty and staff support and foster the dual-mission approach.

Rep. Moss asked about the electronic automation repair technology program.

Pres. Holland reported that this is a two-year degree program. They bring university level resources to a two-year program. The students who graduate from this program start with jobs at \$60,000 to \$70,000. This program is also ladderized into other four-year degrees.

Sen. Dabakis asked about the diversity of faculty, staff, and students

Pres. Holland reported that last year UVU was recognized as one of the top six Latino initiative programs in the nation. He stated the "inclusive" core theme means academically, culturally, ethnically, etc. They have an inclusive initiative that is being measured for recruiting, hiring, etc. to make sure that everyone feels welcome.

Co-Chair Urquhart welcomed Regent Pastor France Davis.

Pres. Holland thanked Co-Chair Urquhart for his support of USHE institutions including donning a new tie for each institution as they presented.

e. Dixie State University (DSU) - Richard B. Williams, President, mentioned that he is honored to be named the 18th president of DSU. He showed a video tour of the campus. He mentioned that DSU has one of the lowest annual tuition costs in the U.S. He discussed the positive impact of the acute equity funding. He stated that in the past they had many students transfer because they couldn't enroll in 12-15 credit hours. They hired 20 new faculty members in critical areas. They eliminated nine programs and improved or enhanced others. He discussed several critical infrastructure needs. He reported on the increased student services.

Pres. Williams discussed the enrollment growth and demographic information regarding their students. He stated retention rates have improved. He reported they have had a 19 percent increase in students enrolling in upper division courses and 80 percent of the students are staying to complete a bachelor's degree. There is now about a 50/50 mix of associate degrees and baccalaureate degrees given at commencement.

Pres. Williams reported on the strategic planning process which has included local, regional and state communities. He stated there are three more months left in the planning phase.

Rep. Ipson welcomed Pres. Williams to DSU. He commended Pres. Williams for his community involvement and soliciting employers and public support.

Co-Chair Urquhart welcomed Pres. Williams and appreciated his vision and drive. He mentioned that Pres. Williams came to Utah from Indiana and asked about Indiana's performance funding model.

Pres. Williams answered that collaboration is the key. He praised USHE for the cooperation among presidents, the Commissioner's involvement, and the Legislature's involvement. He would recommend making these changes slow and steady. It is important to recognize the differences among the institutions and their missions. He would not recommend having the institutions compete with each other, but to keep communications channels open. He was supportive of the Board of Regent's model.

Co-Chair Urquhart mentioned that in Indiana's model the items being measured fluctuated which was very problematic. Pres. Williams said that it was frustrating because every year the target changed.

Co-Chair Urquhart welcomed Pres. Carlston as the official president of Snow College.

f. Snow College – Gary L. Carlston, President introduced Dr. Steve Hood, Vice President of Academic Affairs. Pres. Carlson reported that Snow College is in its 126th year and serves a six-county rural area. They have two very integrated campuses in Ephraim and Richfield. He discussed the state and national recognitions for Snow College. He thanked the committee for last year's distinctive mission funding. He reported they used the funding to develop an integrative general education model, for the student employment/retention initiative;

to retain critical faculty and staff especially in STEM areas, for performance-based compensation, health insurance increases, retirement rate increases, and to enhance their concurrent enrollment role.

Pres. Carlston reported on the enrollment growth at Snow. He said that it was very important for Snow to stay affordable. He said one area they have targeted for improvement is the 62 percent graduate/transfer rate. They have been working on retention and completion. He discussed the pro-active positive relationship with the K-16 alliance. They have specifically developed math pathways and graduation maps. He discussed the 15 to finish program. He described the strategic planning process that has taken place and the five main goals they have identified. The results of this process were reallocation and prioritization to those programs that scored in the top quintile including 25 new certificate programs. They are enhancing technology at the school.

Pres. Carlston indicated that one of the challenges at Snow is a shortage of housing, and specifically a greater need for married student housing. They are working with the community and private providers. He stated that a budget priority is performance compensation which is necessary in order to attract and retain qualified faculty and staff.

Pres. Carlston reported on the \$1.3 million appropriation for concurrent enrollment and showed the increase in the number of students in 45 high schools. He stressed the importance of accurate information about which courses count towards which degrees. He reported on the status for the proposed new science building.

Rep. McIff expressed appreciation to Pres. Carlston on his recent appointment and for his great unifying work.

6. Presentation from Utah Educational Savings Plan (UESP)

Ms. Lynne Ward Executive Director gave a brief overview of the UESP and showed the dramatic growth in the plan. She discussed the new gifting program.

Rep. Draxler asked if there was a minimum amount for the gifting program.

Ms. Ward answered there is no minimum requirement for the gifting program, nor is there a minimum monthly required amount. This is one reason that UESP is so popular. She reported that UESP is fully funded by the fees charged at the end of the month. She mentioned the tax credit available to Utah tax payers. She stated they are very conscious about listing the required disclosures in any advertisement or brochure that is produced.

Sen. Stephenson acknowledged that Utah is noted across the nation for its superior plan. He mentioned that 75 percent of investors are from out-of-state, which is a good thing. He asked if an automated notice could be sent to the custodian of the account when someone contributes so they can be recognized.

Ms. Ward answered that it is not automated but the custodian of the account can use the secure login and see any contributions that have been made.

Sen. Stephenson mentioned that this is a wonderful way for people with means to take care of the future educational needs of younger relatives. He would like the Legislature to look at a tax policy which would allow people who don't have means to pay for tuition with pre-tax dollars.

Sen. Millner stated that Ms. Ward has done an outstanding job as the Director of UESP. She asked if there is something the Legislature could do encourage parents and grandparents to contribute to these accounts.

Ms. Ward stated the Legislature's tax credit is helpful. They could help get the word out to the public especially in local communities. She mentioned that there is a payroll deduction feature at no cost to the employer. They have been working on a low-income matching program.

MOTION: Rep. Stanard moved to adjourn. The motion passed unanimously.

Co-Chair Urquhart adjourned the meeting at 10:45 a.m.

Sen. Stephen H. Urquhart, Co-Chair

Rep. Keith Grover, Co-Chair