



Utah State Legislature

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November 30, 2016

President Wayne L. Niederhauser
Speaker Gregory H. Hughes
Utah State Capitol Complex
Salt Lake City, Utah 84114

Dear President Niederhauser and Speaker Hughes:

During the interim, the Higher Education Appropriations Subcommittee (HED) met on August 2, 2016 at Mountainland Applied Technology College and on October 20, 2016 at the Capitol. During these meetings, discussions were held in relation to agreed-upon items as determined in May after consultation with the Senate President, House Speaker, and Chairs of Executive Appropriations. For these items, we (1) had presentations and discussions, (2) took action, and/or (3) moved certain items to be considered at a later date.

To review, the agreed-upon items are listed below in black, with the subsequent result shown in blue.

1. Student Loan Debt – average level of student debt, default rates, by institution, national comparisons –

The subcommittee held an in-depth discussion on student debt including the average level of student loan debt for graduating students in Utah at each institution and compared with national averages. The average debt for graduating Utah students is the lowest reported in the country. The subcommittee also discussed default rates which Utah also ranks low in nationally and ideas to reduce student debt.

2. Funding Issues – historical funding sources, trends, costs per degree, national comparisons –

The subcommittee examined appropriations for higher education in the state from FY 1999 to FY 2015. The analysis also included detail regarding the state tax funds and tuition appropriations per full-time equivalent (FTE) student. A state-by-state comparison illustrates

that Utah's expenditures per FTE student is at the lower end of the scale. The subcommittee also reviewed costs per degree at Utah System of Higher Education (USHE) institutions. The Board of Regents Chair, Daniel Campbell, and Commissioner David Buhler addressed these issues with the subcommittee and expressed the concern of USHE institutions about costs and keeping tuition rates low. This item was followed up in the October interim meeting with an examination of the percent of higher education funding coming from the state and also a comparison of resident and non-resident tuition at USHE institutions.

3. Career and Technical Education Programs – who is providing CTE programs and outcomes –

Subcommittee staff quickly highlighted career and technical education (CTE) in Utah. This coverage included CTE programs offered by USHE and the Utah College of Applied Technology (UCAT). USHE and the UCAT serve post-secondary as well as high school students through their CTE programs.

4. Review of partnership proposals for stackable credentials – S.B. 103, Strategic Workforce Investments (2016 General Session) –

The subcommittee reviewed the five recommended strategic workforce investment proposals and voted unanimously to approve allocating previously-approved funding for those proposals. This recommendation will be forwarded to the Executive Appropriations Committee for its December 2016 meeting. The Higher Education Appropriations Subcommittee will review future proposals during the 2017 General Session.

5. Report on UCAT certificates awarded –

The subcommittee heard a report on the certificates awarded by program length at each of the eight applied technology colleges between FY 2013 and 2015. Trend lines suggest a general trend of increases in program certificates awarded in programs shorter in length and decreases in program certificates awarded in longer programs over time although future analysis should be extended to include data from before FY 2013.

6. Report on UCAT internal efficiencies –

The UCAT is tasked with meeting the needs of Utah's employers for technically skilled workers. In working toward this mission, UCAT aims to be responsive to the needs of employers in Utah. The UCAT system had 159 employer advisory committees in FY 2015. These committees help ensure that the programs offered are current and relevant. The needs of employers change over time and, as a result, the colleges must make changes internally to

meet these needs. The subcommittee heard a report on some of the internal changes made by the applied technology colleges in FY 2015 and 2016.

7. Base Budget Review –

LFA staff provided handouts that compared projected to actual expenditures by line item and program for USHE and UCAT FY 2016 budgets. The subcommittee reviewed and discussed these FY 2016 budgets and actuals. The subcommittee will further review the USHE and UCAT base budgets during the 2017 General Session.

8. Higher Education Capital Development Funding Proposal (S.B. 188, 2016 General Session) –

The subcommittee discussed the higher education capital development funding proposal from the 2016 General Session. Discussion included the current procedure for funding higher education buildings through Infrastructure and General Government (IGG) and how it may foster requesting large amounts of funding for state-of-the-art buildings due to the time it may take to get to the top of the priority list.

9. Performance Based Funding Update –

Commissioner Buhler provided an update of performance based funding for USHE. He discussed the formulas used for measuring the outcomes shown and the metrics involved along with the allocation of the \$5.0 million one-time appropriation for performance based funding for fiscal year 2017.

10. Building Block/Budget Change Review –

As directed by the Executive Appropriations Committee, the relevant items from the Building Block/Fiscal Note Follow-up Report were presented to the subcommittee. These included the following:

- Scholarships for Students with Intellectual Disabilities
- UCAT Campus Capacity
- Research and Graduate Programs
- Regents' Scholarship
- Performance Based Funding
- Utah Wellness Program
- Engineering Initiative
- Demographic Decision Support
- New O & M Program within E & G

- STEM Technology Pipeline – DSU
- STEM Technology Pipeline – SUU
- S.B. 175 – School Safety and Crisis Line
- S.B. 196 – Math Competency Initiative

11. Free Speech and Due Process Issues (H.B. 262, H.B. 337, H.B. 365, 2016 General Session) –

Representative Coleman discussed three bills involving free speech and due process rights from last session which she has had re-filed for the 2017 General Session. The subcommittee discussed the bills and USHE noted that there is a policy on these issues which institutions must follow. Rep. Coleman expressed her willingness to work with USHE and UCAT on this legislation.

The subcommittee expects that further discussions about some of these items and other budget issues will occur during the 2017 General Session, when further recommendations will be made to the Executive Appropriations Committee for their consideration.

Sincerely,

Senator Don L. Ipson, Chair
Higher Education Appropriations
Subcommittee

Representative Keith Grover, Chair
Higher Education Appropriations
Subcommittee

Representative Jon Stanard, House Vice Chair
Higher Education Appropriations
Subcommittee