

**MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
ROOM 210 SENATE BUILDING, STATE CAPITOL COMPLEX
WEDNESDAY, FEBRUARY 15, 2012**

Members Present: Sen. Stephen H. Urquhart, Senate Chair
Rep. Michael T. Morley, House Chair
Rep. Jack R. Draxler, House Vice Chair
Sen. Stuart Reid
Sen. Ross I. Romero
Sen. Jerry Stevenson
Sen. John L. Valentine
Rep. Patrice Arent
Rep. Bradley M. Daw
Rep. Becky Edwards
Rep. Douglas Sagers
Rep. Dean Sanpei
Rep. R. Curt Webb
Rep. Mark A. Wheatley

Members Excused: Sen. Scott Jenkins

Members Absent: Rep. Don Ipson
Rep. Kay L. McIff

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

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

A list of visitors and a copy of handouts are filed with the committee minutes.

1. **Call to Order.** Co-Chair Urquhart called the meeting to order at 5:15 p.m.
2. **Approval of Minutes.**

MOTION: Rep. Webb moved to approve the minutes of the February 9, 2012 and February 13, 2012 meetings. The motion passed unanimously with Rep. Edwards, Sen. Romero, and Sen. Valentine absent for the vote.

Co-Chair Urquhart explained the draft priority list that was distributed. He briefly explained the top four items: 1) College Readiness Assessment Tool (one-time funding); 2) 1 percent compensation increase which has been recommended by the Governor for other state employees; 3) Legislative Fiscal Analyst Issue Briefs; 4) Equity Funding and Institutional Priorities. Co-Chair Urquhart explained that the funding dollars would be divided equally between these two items, dollar for dollar; and 5) Other items for which the Committee has requested funding. Co-Chair Urquhart asked that the Engineering Initiative be moved down to the bottom of the list because this has been prioritized by the Business and Economic Development Appropriations Subcommittee. Co-Chair Urquhart said that the proposed amounts on the draft list could be changed.

Sen. Reid asked what the percentage split would be between equity funding and institutional priorities.

Co-Chair Urquhart responded that the proposal is 50/50; whatever the funded amount is, it would be divided equally.

Rep. Edwards noted that the Women's College Task force was not on the list. She asked that it be added to the list. Co-Chair Urquhart stated that this was an omission on his part, and asked that it be put at the bottom of the list at the current time. Rep. Edwards asked if this could be rearranged. Co-Chair Urquhart stated that everything is up for discussion.

Rep. Sagers expressed his concern that the UCAT waiting list is so low on the prioritized list. He is very concerned that UCAT will not receive this funding. He asked what the probability is that it will be funded if it is kept at its current location. Co-Chair Urquhart answered that there was really no way to know, but felt that it does have a good chance to be funded, possibly not at the full amount. Rep. Sagers stated that he would still like to have UCAT moved to a higher priority.

Rep. Sanpei asked a follow-up question to Sen. Reid's question. A breakdown of the \$8 million was shown; so is the equity funding \$4 million and then institutional priorities also \$4 million? Mr. Pratt stated that this was correct. Rep. Sanpei asked if the percentage allocations for institutional priorities are the same as the percentage allocations of equity. Mr. Pratt stated that the institutional priorities are funded based on the formula that has been used for many years. The two major universities would get the biggest share, and as institutions have changed, those percentages have changed. Mr. Pratt prepared the percentage breakout by university during the meeting.

Rep. Draxler commended the Committee for its good work, and commended the institutions and programs that made presentations to the Committee. He stated that it has been a very productive Session. He mentioned that balance is very important and suggested that the total amount of \$8 million for equity and institution priorities is low. He asked if the Committee should consider more funding for this item.

Rep. Wheatley concurred with Rep. Draxler's comments. He asked for clarification on the college readiness tool. He asked if this is yet to be developed. Co-Chair Urquhart answered that this is one-time money for development. Students who enter college who require lots of remedial education often do not complete. This assessment tool would that encourage high school juniors and seniors to be more serious about college.

Rep. Webb stated that in past years the Committee has broken some of these blocks down and asked something be funded, for example, at 60 percent higher on the list and then 40 percent further down on the list. Co-Chair Urquhart stated that this could be done for any of the prioritized items.

Rep. Draxler supported the Chairs' decision to move the Engineering Initiative since it is a high priority at another Committee. He would also support keeping this on this list to send the message that it is important. He asked if the assumption is that it will be funded, if the \$2.5 million can be utilized somewhere else. Co-Chair Urquhart said that there will be intent language given later on regarding the Engineering Initiative. He asked Committee members to be prepared with intent language.

MOTION: Sen Valentine moved to adopt the priorities summary sheet as shown on the screen as a starting position. The motion passed unanimously.

MOTION: Sen. Valentine moved that the top two priorities would be Item #1 - College Readiness Assessment Tool; and Item #2 - a 1 percent compensation increase. The motion passed unanimously.

MOTION: Rep. Daw moved that as priorities are examined that funding for equity funding and institutional priorities be divided equally, dollar for dollar. The motion passed unanimously.

MOTION: Rep. Daw moved that the \$8 million in equity funding and institutional priorities be moved up to Item #3. The motion passed with Sen. Reid, Sen. Stevenson, and Rep. Sagers voting in opposition.

Sen. Reid asked for clarification if now all of the LFA Issue Brief Items are moved to Item #4. Co-Chair Urquhart answered that this would be correct.

MOTION: Rep. Daw moved to add an additional \$2 million in equity funding and institutional priorities below the LFA Issue Briefs.

Rep. Webb asked for clarification if this would now be Item #5. Co-Chair Urquhart answered that would be correct.

Rep. Sagers spoke against this motion even though this is an on-going problem that does need to be addressed. He said that setting this as the prioritization is bothersome. Co-Chair Urquhart said that this sends the message that if there is still money available after the four top priorities, before it is spent on any of the items listed under "Other Items", this Committee wants \$2 million added to institutional funding and priorities. Rep. Sagers said that his concern is that \$10 million was allocated for the new UCAT facility in Tooele by the State; the city added \$4 million and there were other donations to bring the total to \$16 million. This facility needs to be funded, otherwise Tooele will have an empty building, which took many partnerships to build.

Rep. Sanpei spoke in favor of the motion. The equity funding issue is a multi-year process; but the original \$8 million is barely starting this process; and only \$4 million would actually go to equity funding.

AMENDED MOTION: Rep Daw amended his motion to change the second equity/priority piece to \$1 million for equity funding.

Rep. Wheatley asked for clarification that this would still be on-going funding rather than one-time. Co-Chair Urquhart answered that this would be correct. Mr. Pratt explained that the one-time funding and ongoing funding are listed in two different columns on the list.

Rep. Draxler supported the original motion of \$2 million that would be equally divided. Last year the Committee requested that funding be moved to a mission-based funding model.

SUBSTITUTE MOTION: Rep. Draxler moved to return to adding \$2 million; with \$1 million for equity funding and \$1 million for institutional priorities and placed as Item #5 on the list.

Rep. Daw would hope that the committee accept either of the two motions.

Sen. Stevenson asked that if the motion is passed, the entire UCAT system has been moved down the list. Co-Chair Urquhart stated that in the original priority sheet the \$8 million equity funding was above the UCAT items; so that hasn't changed the UCAT position; but this current motion would change the position of UCAT.

The substitute motion failed in both houses, with the following votes cast:

Voting in favor: Sen. Valentine, Rep. Draxler, Rep. Daw, Rep. Edwards, Rep. Sanpei
Voting in opposition: Sen. Reid, Sen. Romero, Sen. Stevenson, Sen. Urquhart, Rep. Arent, Rep. Morley, Rep. Sagers, Rep. Webb, Rep. Wheatley.

AMENDED MOTION: Rep. Daw restated his amended motion that \$1 million for equity funding would be moved as Item #5. The motion passed in the house and failed in the senate. The motion failed, with the following votes cast.

Voting in favor: Sen. Valentine, Rep. Daw, Rep. Draxler, Rep. Edwards, Rep. Morley, Rep. Sanpei, Rep. Webb
Voting in opposition: Sen. Jenkins, Sen. Reid, Sen. Romero, Sen. Stevenson, Sen. Urquhart, Rep. Daw, Rep. Sanpei, Rep. Wheatley

Sen. Romero stated that the School of Medicine has a matching component which means that if \$6.5 million is funded, they could leverage that into \$20 million. He asked if there are any other items that have a matching component. Co-Chair Urquhart answered no.

MOTION: Sen. Romero moved to move the School of Medicine from Item D to Item B. The motion passed in the senate and failed in the house. The motion failed, with the following votes cast:

Voting in favor: Sen. Reid, Sen. Romero, Sen. Stevenson, Rep. Arent, Rep. Edwards, Rep. Sagers, Rep. Wheatley
Voting in opposition: Sen. Urquhart, Sen. Valentine, Rep. Daw, Rep. Draxler, Rep. Morley, Rep. Sanpei, Rep. Webb

MOTION: Sen. Reid moved to move the UCAT Waiting List and SLCC Waiting List from the "Other Categories" up just below Equity Funding and Institutional Priorities.

Sen. Valentine spoke against the motion stating he felt it is more appropriate at the current location because many of the items in the LFA Issue Briefs are critical. Rep. Draxler spoke against the motion stating that some of the Operations and Maintenance issues must be addressed and are overdue.

Sen. Reid mentioned that he has been contacted by local businesses saying that they need this waiting list to be reduced, they have jobs that require trained personnel.

The motion failed in both houses, with the following votes cast:

Voting in favor: Sen. Reid, Sen. Stevenson, Rep. Arent, Rep. Edwards, Rep. Wheatley
Voting in opposition: Sen. Romero, Sen. Stevenson, Sen. Urquhart, Sen. Valentine, Rep. Daw, Rep. Draxler, Rep. Morley, Rep. Sagers, Rep. Sanpei, Rep. Webb

Co-Chair Urquhart stated that the sentiment of the Committee is very supportive of UCAT and SLCC. These items will be noted by Executive Appropriations and hopefully will be funded.

MOTION: Rep. Arent moved to switch the Women's College Task force above the Engineering Initiative.

SUBSTITUTE MOTION: Rep. Edwards moved a substitute motion, that the Women's College Task Force be placed under the LFA Issue Briefs, under the line that follows the Success Stipend.

Rep. Edwards stated that this is an issue that the State is facing, there is a tremendous need to educate half of our workforce. The Committee seems to be supportive of the 66 percent goal, and knows that 75 percent of women are in the workplace and 65 percent of women in the workplace have children six years and under in their homes. Only 25 percent of Utah women are college graduates. The Women's College Task Force provides an opportunity for collaboration amongst institutions to address the critical issue of improving women's graduation completion rates. She felt that it is as important as the scholarships. She mentioned that it is a very small amount and only one-time funding, it speaks to the priorities of the Committee and the State.

Sen. Romero spoke in favor of the motion. This is a very small amount relative to a big impact for a large segment of the community. This would be a way to help reach the 66 percent goal and best use all of the resources and especially to reach those who might have unique challenges and opportunities.

Rep. Arent said she is supportive of this friendly substitute. She reported that she is a member of the task force, it started late last year and has just begun its work. There are many significant issues, and this is a very small amount of money that could pay huge dividends later on.

The motion failed in both houses, with the following votes cast:

Voting in favor: Sen. Romero, Rep. Arent, Rep. Draxler, Rep. Edwards, Rep. Wheatley
Voting in opposition: Sen. Reid, Sen. Stevenson, Sen. Urquhart, Rep. Daw, Rep. Morley, Rep. Sagers, Rep. Sanpei, Rep. Webb

UNDERLYING MOTION: Rep. Arent moved to switch the Women's College Task force above the Engineering Initiative. The motion passed unanimously.

MOTION: Sen. Valentine moved that \$3 million be taken from the UCAT waiting list \$150,000 from the SLCC waiting list and move it directly under the Institutional Priorities and Equity Funding.

Sen. Valentine explained that this would leave \$200,000 for SLCC and \$4,391,300 for UCAT at the current position on the priority list. Funding the whole waiting list at a higher priority is a problem, but it does send a message to colleagues in Executive Appropriations that this is an important issue.

The motion passed unanimously.

MOTION: Rep. Daw moved that the Committee lock in Items 1 through 4, which would include the LFA Issue Briefs. The motion passed unanimously.

MOTION: Sen. Reid moved that the Committee pass the prioritization list as it was displayed on the screen, and that this will be the recommendation to the Executive Appropriations Committee.

Sen. Valentine stated that he was concerned that the Library Consortium (UALC) is so low on the list. He mentioned how important the UALC is to the backbone of the State.

SUBSTITUTE MOTION: Sen. Valentine moved that the UALC be placed just above the USU Regional Campus.

Rep. Morley spoke against the substitute motion. He said he is very supportive of the UALC; but felt that TICE is one of the most important things on the list. The ability to bring students out of high school with acceptable college credit is critical. He would be in favor of the motion if UALC went just below TICE.

Rep. Draxler spoke against the substitute motion. All of these are worthwhile issues. The Committee has discussed return on investment, and the USU Regional Campuses are making a tremendous contribution to the state.

AMENDED MOTION: Sen. Valentine moved to amend his motion to move UALC just below TICE.

Sen. Romero spoke against the motion because of the importance of the funding for the School of Medicine and the economic impact that new doctors in the community would bring.

The motion passed in both houses with the following voting in opposition: Sen. Romero, Rep. Arent, Rep. Wheatley.

Rep. Edwards noted that additional funding is not listed for the Utah Medical Education Council other than the 1 percent compensation. Mr. Pratt answered that the base budget has passed, but there were no additional funding was listed.

MOTION: Rep. Morley moved that the Committee pass the prioritization list as follows, and that this will be the recommendation to the Executive Appropriations Committee:

	FY 2013	
	One-time	Ongoing
College Readiness Assessment Tool	500,000	
1% Compensation		
USHE		6,667,200
UCAT		371,200
UEN		80,800
UMEC		4,300
Equity Funding and Institutional Priorities		8,000,000
CTE Initiatives		
UCAT Waiting List		3,000,000
SLCC Waiting List		150,000
USHE Personal Services Reallocations		0
USHE Reallocations		0
USHE Operations and Maintenance Transfer		1,522,000

USHE Operations and Maintenance State-Funded		138,700
USHE Operations and Maintenance State-Funded	(2,417,700)	
UCAT Operations and Maintenance Transfer		649,000
UCAT Operations and Maintenance State-Funded	(426,800)	
Higher Education Student Assistance		
Regents' Scholarship		1,700,000
Success Stipend	1,500,000	
Higher Education Technology Initiative	1,900,000	
Higher Education Student Support		20,000
UCAT Scholarship Fund		250,000
IT Curriculum, Training, Certification, & Prof. Devel.		85,000
CTE Initiatives		
UCAT Waiting List		4,391,300
SLCC Waiting List		200,000
USU Regional Campus		3,000,000
TICE		2,500,000
Utah Academic Library Consortium	1,000,000	750,000
School of Medicine		6,500,000
Women's College Task Force	100,000	
Engineering Initiative		2,500,000
Total	2,155,500	42,479,500

Sen. Valentine spoke in favor of the motion. Rep. Arent asked if any of the six items from the Governor's Office priority list are not on the Committee list. Co-Chair Urquhart said that most of the priorities are on the list.

The motion passed unanimously

MOTION: Rep. Daw moved to express this Subcommittee's support for the Engineering Initiative and recognize the Business, Economic Development and Labor Subcommittee's understanding of the importance of the Engineering Initiative by placing funding for it as its number two priority item.

Rep. Daw stated that this is an important item and he appreciated the Economic Development Committee's prioritizing this, and would like the Chairs to convey the sentiment of this Committee that we agree with that prioritization. Sen. Valentine stated that this is very good intent language. It is important that the EAC recognize that we would have placed this significantly higher had the other committee not already funded this. Rep. Arent strongly concurred with the intent language.

The motion passed unanimously.

Sen. Valentine asked for clarification on the second page of intent language. Rep. Morley explained that this intent language is for those institutions that have engineering programs not to charge more tuition for these programs, or in other words not to have a surcharge.

MOTION: Sen. Valentine moved to pass out the three additional pages of intent language. The motion passed unanimously.

MOTION: Rep. Morley moved that the Vehicle Expansion Requests be approved as presented in the Issue Brief. The motion passed unanimously.

Co-Chair Urquhart thanked everyone for the considerable effort and labor that was put into the Committee. He stated that it has been a fantastic Committee, and he appreciated being the Chair for the Committee. He thanked members of the committee, the institutions and organizations that have been involved. He mentioned the presentation from Clayton Christensen and that the Committee has accomplished *Disruptive Innovation*. He is very proud of the work that has been accomplished.

Co-Chair Morley would like to ditto Co-Chair Urquhart's comments. He thanked Sen. Urquhart for the work that he did in the off season. He was stellar in visiting universities, college campuses, and UCAT, and he appreciates the work and wisdom that he has. He complemented the USHE system for the way that they responded to the challenges that were given as far as thinking outside of the box and innovating.

Co-Chair Urquhart expressed gratitude to the great staff, Mr. Spencer Pratt and the phenomenal work on the budget. He responded very quickly with any information that was needed. He thanked Ms. Angela Oh for her great work. He thanked Ms. Lorna Wells and Ms. Cheryl Weight for their great work as secretaries.

Comm. Sederburg expressed appreciation on behalf of USHE and UCAT for the tone of the hearings and the good work of the committee. He thanked Co-Chair Urquhart for visiting all of the institutions around the State. He stated that this has been a good Legislative Session and mentioned that he looks forward to continued work together.

Co-Chair Urquhart expressed thanks to all of the individuals at the Commissioner's Office.

Rep. Arent expressed thanks to Comm. Sederburg and mentioned that he will not be with the Committee next year. She was grateful for his work as Commissioner and prior to that as the President of UVU.

Sen. Reid thanked the Chairs for all of the work that has been done and their leadership on this Committee. He also expressed appreciation for the staffs' contribution.

Co-Chair Urquhart said that people in Higher Education can't help themselves. If a willing student shows up with a desire to learn, then they are going to be taught. Co-Chair Urquhart mentioned that the USHE system has been great teachers to the Committee.

4. **Adjournment.**

MOTION: Rep. Morley moved to adjourn. Committee Co-Chair Urquhart adjourned the meeting at 6:40 p.m.

Minutes were reported by Lorna Wells, Secretary.