

***USHE Final Report on the  
2004 Legislative General Session***

**Prepared by David Buhler  
Associate Commissioner for Public Affairs**

March 10, 2004

---

**2005 Budget.** The 2004 Legislature increased tax funds appropriations to Higher Education (total of 10 institutions, statewide programs, Utah Education Network, and Medical Education Council) by \$16.8 million in ongoing funds, representing a 2.7% increase. The Legislature also provided one-time appropriations totaling \$6.9 million, representing 1.1% of the base budget.

The largest ongoing increases were for compensation (salary adjustments and health/dental insurance increases) at \$9.1 million, and for enrollment growth at \$5.5 million. (This represents an amount equal to current year growth or 10% of the total unfunded enrollment growth.) USHE institutions also received \$675,000 in ongoing funds for a statewide Nursing Initiative, and an additional \$550,000 in ongoing funds was allocated to the Board of Regents for the Engineering and Computer Science Initiative. Other programs received a total of \$1.1 million in ongoing funding.

The largest one-time funding went to compensation for a one-time employee bonus, \$3.8 million, and for student financial aid at \$1.5 million. UEN received \$900,000 and the Engineering and Computer Science Initiative received \$500,000 in one-time funds. Other programs received a total of \$230,000.

Through Legislative Intent Language, the Legislature requested that the Board of Regents limit first-tier tuition to 3%, and set second-tier tuition caps for each institution. The Legislature also requested that USHE institutions internally reallocate \$34.6 million to meet unfunded needs of Fuel and Power (\$21.4 million), Operations and Maintenance (\$2.4 million) and 25% of the unfunded enrollment growth (\$10.9 million). Intent Language also directed that the Board of Regents, Commissioner, and Legislature's Higher Education Appropriations Subcommittee work on developing a funding formula and consider options for addressing the remaining \$28.2 million in unfunded enrollment growth by fiscal year 2007.

Details of USHE Appropriations, including comparisons with the Board of Regents' Budget Request and Governor's Recommendation is found in Attachment 1, and Intent Language in Attachment 3.

**Capital Facilities.** The Legislature authorized General Obligation Bonds to fund the following USHE projects: \$5.6 million for WSU Swenson Remodel (SBR #1 priority), \$21 million for SLCC Health Science (SBR #4 priority), and \$2.4 million for CEU/San Juan Campus Library and Health Sciences contingent on a community match of \$2.4 million (SBR #8 priority). In addition, revenue bonds were approved for a number of Higher Education projects not funded through tax dollars, including new student housing at USU and completing purchase of the Board of Regents Building. The Legislature also funded \$44 million for capital improvements to be allocated by the State Building Board. Since USHE buildings account for 67% of the state inventory, an equivalent share of these funds is usually allocated to Higher Education institutions. A table summarizing USHE Capital Facility requests and funding is attached (Attachment 2).

### Key Legislation of Interest to USHE

- **HB 2 (2S), General Obligation Bonds** sponsored by Rep. Loraine Pace authorizes \$86.5 million in General Obligation Bonds including \$29 million for three USHE projects: WSU Swenson, SLCC Health Sciences, and CEU-San Juan Library. **Passed** House 46-27, and Senate 17-8.
- **HB 65, Tuition Waiver for Purple Heart Recipients** sponsored by Rep. Greg Hughes requires USHE to grant a tuition waiver for qualified resident undergraduate students. It is estimated that there are 24 Utahns who might be both eligible and interested in applying for this waiver, so this bill is expected to have minimal financial impact on USHE institutions. **Passed** House 66-7 and Senate 26-0.
- **HB 113, Nonresident Tuition Waiver for Job Corps Students** sponsored by Rep. Lawanna Shurtliff passed in the House 39-29, but was not considered by the Senate, and thus **failed** to pass. Rep. Shurtliff indicated she had hoped to secure funding to pay the cost of waivers, but was not successful.
- **HB 164 (S1), Resident Tuition Status for National Guard Members** sponsored by Rep. Brad King requires institutions to count the time a member of the Utah National Guard serves in active duty out of state toward the time required to live in the state for tuition residency purposes. **Passed** House 66-0 and Senate 20-0.
- **HB 226 (S1), Legislative Approval for Capital Projects** sponsored by Rep. David Ure clarifies which capital projects must have prior legislative approval. For USHE, this is consistent with current practice. **Passed** House 64-6, and Senate 25-1.
- **HB 248, Disclosure of Higher Education Costs** sponsored by Rep. Ron Bigelow requires USHE Institutions to disclose to resident undergraduate students the average full cost of instruction, the portion covered by state tax dollars and the portion covered by student tuition and fees. **Passed** House 70-0 and Senate 25-0.
- **HB 319, UCAT Lease Approval Requirements** sponsored by Rep. Loraine Pace was **withdrawn** by the sponsor and not considered by either house.
- **HB 320, Transferability of Credits Among Higher Education Institutions** sponsored by Rep. Brad Johnson requires that the Board of Regents develop and maintain a transfer and articulation system, provide common course numbering for certain general education courses, and ensure transferability and provide an annual report to the Legislature and Governor regarding progress in carrying out this legislation. **Passed** House 69-0 and Senate 24-0.
- **HB 328, Revenue Bond and Capital Facility Authorizations** sponsored by Rep. Loraine Pass authorizes 12 Higher Education projects totaling \$110.2 million, paid for through a variety of non state tax fund sources including donations, grants, institutional funds, and operating revenue. It includes 3 projects at the University of Utah, 5 projects at Utah State University, 3 UCAT projects, and completion of the purchase of the Board of Regents building. **Passed** House 69-0 and Senate 22-0.

- **HB 366, Repeal of Exemption from Nonresident Tuition** sponsored by Rep. Glenn Donnelson repeals the exemption for non-resident aliens who have graduated from a Utah high school from non-resident tuition. **Failed.** It was killed by the House Education Committee when they failed to vote on forwarding it to the full House.
- **HCR 11, Resolution on Higher Education Remedial Classes** sponsored by Rep. Marda Dillree. It requests that the Commissioner of Higher Education review and evaluate and update costs of all remedial programs, that the Board of Regents collaborate with the State Board of Education to improve K-12 to higher education articulation, USHE to identify and implement more cost effective remedial programs, and submit a report to the Education Interim Committee in the fall of 2004. **Passed** House 69-0 and Senate 22-0.
- **HJR 12 (S3), Constitutional Amendment—Exception to Subscribing to Stock Prohibition** sponsored by Rep. Greg Curtis makes it clear that higher education institutions may have an equity interest in exchange for intellectual property. USHE supported this 3<sup>rd</sup> Substitute version. **Passed** House 68-2 and Senate 23-0. It will be on the General Election ballot this November for ratification.
- **SB 40 Cesar Chavez Scholarship Program** sponsored by Sen. James Evans creates a Cesar Chavez Scholarship within the current UCOPE program, to be funded with a grant of \$250,000 per year for four years from U.S. Department of Education. If federal grant does not materialize, UHEAA may set aside up to 10% of UCOPE funds to fund this scholarship. **Passed** Senate 24-4 and House 67-5.
- **SB 48 (S1) Uniform Firearms Laws** sponsored by Senator Michael Waddoups seeks to clarify that state agencies including Higher Education cannot prohibit legally concealed weapons without permission of the Legislature. Over objections of Board of Regents and USHE institutions, **passed** Senate 20-4 and House 55-16.
- **SB 172 Education Articulation Legislative Task Force** sponsored by Senator Scott Jenkins would have established a Legislative Task Force for the 2004 Interim to study and make recommendations regarding the articulation of students between high school and college, and consider remedial education in higher education. Passed Senate 22-0 but **failed** for lack of consideration by the House.
- **SB 185 Public Education Amendments** sponsored by Senator Tom Hatch makes modifications to K-12 Public Education regarding elections of the State Board of Education and implementation of competency based education. **Passed** Senate 21-7 and House 52-18.

(In addition to the above legislation, USHE legislative liaisons monitored several other bills throughout the Session.)

For more information about specific bills see the legislative website at [www.le.state.ut.us](http://www.le.state.ut.us).