

USHE Weekly Legislative Report

Third Week: February 9-13, 2009

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This is the third weekly report on the 2009 legislative session from the perspective of the System of Higher Education, for distribution to Regents, Presidents, and Trustees.

This week was the “calm before the storm” as legislators and higher education officials alike collectively held their breath in anticipation of the updated revenue estimates which will be released Tuesday (thanks to a recently adopted amendment to the State Constitution, the Legislature will not meet on Presidents Day, Monday, February 16.) Progress was made in advancing Higher Education’s agenda, as detailed below:

2010 Budget. Appropriation Subcommittees completed their work on Thursday, approving, as instructed by the Executive Appropriations Committee, a recommendation for an operating base budget for fiscal year 2010 approximately 19% lower than last year’s original appropriation. For the USHE-9 (under the budget authority of the Board of Regents) this would mean a total cut of \$141.9 million, from \$767 million to \$625.1 million. Cuts were applied equally, on a “pro-rata” basis across all institutions. The Subcommittee also voted to support flexibility for institutions in managing across budgetary line-items, and went on record supporting the use of bonding, the rainy day fund, or other revenue sources, to free up money to “back fill” the cuts as much as possible, and requested that if this happens, they be allowed to meet again to prioritize the funds.

Of particular note, the Subcommittee voted unanimously to shift \$1.9 million from the Utah Centennial Opportunity Fund for Education (UCOPE) to the Regents Scholarship program, and adopted a motion that the Legislature support the Board of Regents in approving a 0.5% first-tier tuition increase for student financial aid at each institution which would equal the total reduction in UCOPE. The Subcommittee also voted to for some internal reallocations in the Commissioner’s Office to support state-wide economic development initiatives, concurrent enrollment, and system-wide articulation, and continuation of the Utah Electronic College (“Utah’s E-Learning Connection”) on a self-support basis. Most expect that when revenue projections are released they will be lower, but there is also talk of looking at every option to mitigate cuts to higher and public education.

Capital Facilities. The Capital Facilities Subcommittee voted to support a \$150 million bond, including \$30.8 million for Capital Improvements (most of which is spent for higher education facilities). The top ranked project was Salt Lake Community College’s Digital Design building, with the University of Utah business building as #4, the Gibson Science Center at Southern Utah University as #7. And the Subcommittee recommended \$3 million to plan and design a Science/Health building at Utah Valley University. Two UCAT projects (OWATC and MATC) were also recommended. The willingness to recommend a large bond is particularly significant given the fact that in December legislators were often advocating that there not be a bond at all.

Key Legislation of Interest to USHE

- **HB 15, Career and Technical Education,*** sponsored by Rep. Ron Bigelow, is the compromise bill that resulted from the 2008 interim task force study of issues related to Career and Technical Education and UCAT. This bill will merge the existing SLTATC with Salt Lake Community College, and provides for a stand-alone ATC in Tooele

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County, among other changes. Previously approved unanimously by the House, the Senate Education Committee approved it on Tuesday by a vote of 4-0; it will likely be considered by the full Senate this week.

- **HB 35S1, Higher Education Tax Credit and Contribution,*** sponsored by Rep. John Dougall, creates a tax credit for tuition and fees paid to one of the USHE institutions, and provides a mechanism to allow Utah taxpayers to send income tax refunds to their Utah Educational Savings Plan (UESP) account(s). On Friday an attempt to amend the bill to include private, including for-profit, institutions in the tax credit was defeated on the House floor. The House then approved the bill by a vote of 62-3. It now goes to the Senate for their consideration.
- **HB 100S1, Dept. of Corrections—Tracking and Reimbursement of Individual Prisoner Costs,** by Rep. Carl Wimmer, transfers revenue and budget for prison education from Higher Education to the Department of Corrections. Also requires prisoners to pay the state back for the cost of education once they are released and parole completed. Passed committee 8-0, now waiting for a vote of the full House.
- **HB 105, Dept. of Agriculture Amendments,** by Rep. John Mathis, allows the Department to make higher education student loans from their revolving loan fund. Passed the House Tuesday 74-0, now goes to the Senate.
- **HB 207S1, Concurrent Enrollment Amendments,*** by Rep. Kory Holdaway, modifies the distribution of appropriations based on whether the instruction is by a university/college or by a high school. (This provision mirrors part of SB 81.) The House Education Committee approved on Tuesday by a vote of 11-0, now goes to the full House.
- **HB 432, Higher Education Budget Authority Amendments,*** by Rep. Kory Holdaway, will give temporary authority to college and university presidents to shift funds between line-items in order to best respond to budget cuts. Similar authority was granted during the September 2008 Special Session, and in previous years when budgets were reduced. The bill is being drafted and, hopefully, will be published this week.
- **SB 81, Concurrent Enrollment Amendments,*** sponsored by Sen. Margaret Dayton, was introduced this week. It makes several improvements to the program including making classes that are a high school graduation requirement ineligible for concurrent enrollment, and modifying how funds are distributed. Also creates an honors pilot program. Senate Education Committee approved on Tuesday by a vote of 5-0. Expected to be considered by the full Senate this week.
- **SB 100, Financial and Economic Literacy Education Amendments,*** sponsored by Sen. Pat Jones, requires public schools to provide parents of Kindergarten students information about the Utah Education Savings Plan (UESP) at the time of school registration. Passed Senate 26-0, and Friday the House Education Committee approved it 11-0 and placed it on the House Consent calendar for passage this week.
- **SB 104, Higher Education Scholarship Program Amendments,*** sponsored by Sen. Lyle Hillyard, makes technical changes to the Regents' and New Century Scholarship programs, and, effective with the high school class of 2011, changes the maximum award from 75% of tuition to \$5,000 for New Century and \$6,000 for Regents' Scholarship. Senate approved 28-0, on Wednesday the House approved 73-0; now goes to Governor.
- **SB 105, Engineering and Computer Science Initiative Amendments,*** sponsored by Sen. Lyle Hillyard, changes the existing loan program for engineering and computer science students to a scholarship program. Approved by the Senate, 29-0; on Wednesday House voted 72-0 to approve, now goes to the Governor.

* USHE has taken an official position in support; ** USHE has taken an official position in opposition.

For more information about specific bills, legislative membership, or committees, see the legislative website at <http://legislature.utah.gov>