

USHE Weekly Legislative Report
Fourth Week: February 16-20, 2009
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This is the fourth weekly report on the 2009 legislative session from the perspective of the System of Higher Education, for distribution to Regents, Presidents, and Trustees. Progress was made in advancing Higher Education's agenda, as detailed below:

2009 and 2010 Budgets. New revenue estimates were released on Tuesday, showing a continued deterioration of state tax collections, and yet, not as bad as some expected. For the current fiscal year (2009) revenues were down an additional \$171 million beyond the level that budgets have already been cut. For the fiscal year starting 2010, revenues are projected to be \$320 million less than previously thought.

And yet, on the bright side, the federal stimulus package signed into law by President Obama, includes money for states to make up shortfalls in education funding (both K-12 and higher education). The exact amount that will be coming to Utah, and how it will be divided, is yet to be precisely determined, and yet it appears that it will go some distance in filling the additional shortfall at least for 2009 and possibly for 2010. Further, we understand from conversations with legislative leaders that there is no appetite to impose further cuts for 2009, and the shortfall will be covered through one-time sources including federal stimulus funding.

On Thursday, the Co-Chairs of the Higher Education Appropriations Subcommittee, Senator John Valentine and Representative Kory Holdaway, did an excellent job presenting higher education's needs to the Executive Appropriations Committee. So far, the Legislature has enacted cuts in our 2010 base budget of 11.3% from the original appropriation one year ago. Further cuts that had been requested by Executive Appropriations would total 19%. These kind of cuts, Senator Valentine pointed out, would equal the entire remaining state budgets of Weber State, Dixie State, and Salt Lake Community College. They pointed out that if the projected additional cuts are implemented it is likely the Board of Regents will need to declare a financial exigency for at least one institution, and there will be consequences in the availability of courses and impacts on students. They asked that the amount to be cut be reduced,

Majority Leadership will be working during the coming week to fashion a plan to balance the state budget. USHE Presidents met with Commissioner Sederburg and agreed that our position during the final weeks of the Legislature should be that budgets should not be cut beyond the 11.3% already imposed, and that the Legislature should look at all possible options including revenue enhancements. Another high priority will be to seek flexibility for presidents in managing their institutions to meet the cuts.

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 County, among other changes. The Senate approved it unanimously on Friday (27-0) without amendments, meaning it now goes to the Governor for signature.

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- **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). Previously passed by the House, the bill was considered on Thursday by the Senate Education Committee, which amended it to allow the tax credit to apply to private colleges, and then approved it, 6-0. It will now go to the full Senate for consideration.
- **HB 100S1, Dept. of Corrections—Tracking and Reimbursement of Individual Prisoner Costs,** by Rep. Carl Wimmer, transfers responsibility, revenue, and budget for post-secondary education of inmates from the Board of Regents to the Department of Corrections. Commissioner Sederburg convened a meeting Friday with Corrections officials and President Bioteau of Salt Lake Community College (the institution most directly affected). Unable to forge a compromise, it will be opposed in its current form. It is “circled” (being held) on the House floor. Could come up for a vote this week.
- **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 2nd Reading in the Senate on Thursday 20-0, will likely receive final vote early this week.
- **HB 207S1, Concurrent Enrollment Amendments,*** by Rep. Kory Holdaway, modifies the distribution of appropriations based on whether the instruction is by higher education institution or by a high school. (This provision mirrors part of SB 81.) Approved by the House on Thursday 68-0, now goes to the Senate.
- **HB 364, Border Student Amendments,*** by Rep. Don Ipson, provides new tools for presidents to grant waivers to students who live near Utah’s borders, or are children of alumni. Bill is awaiting a hearing.
- **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, 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. Senator Dayton is planning to introduce a substitute bill which will remove a proposed honors program, and clarify other provisions. Bill will likely be considered this week by the Senate.
- **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 House on Thursday, 65-0, now goes to Governor for signature.
- **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. Has passed both houses and is awaiting Governor’s signature.
- **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. Has passed both houses and is awaiting Governor’s signature.

* 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>