

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
TUESDAY, JANUARY 25, 2011, 8:00 A.M.
Room 210 Senate Building, State Capitol Complex

- Members Present: Sen. Stephen H. Urquhart, Senate Chair
Rep. Michael T. Morley, House Chair
Rep. Jack Draxler, House Vice Chair
Sen. Scott Jenkins
Sen. Ross I. Romero
Sen. Jerry Stevenson
Sen. John Valentine
Rep. Patrice Arent
Rep. Bradley M. Daw
Rep. Becky Edwards
Rep. Don Ipson
Rep. Kay L. McIff
Rep. Doug Sagers
Rep. Dean Sanpei
Rep. R. Curt Webb
Rep. Mark A. Wheatley
- Staff Present: Spencer Pratt, Fiscal Manager
Jonathan Ball, Director, Utah Office of the Legislative Fiscal Analyst
Lorna Wells, Secretary
- Public Speakers Present: Mike Petersen, Director of Utah Education Network
Eric Isom, Utah Government Affairs Director, Qwest
Richard Maughan, President, Bridgerland ATC
Mike Bouwhuis, President, Davis ATC
Reed Tonge, ATK Composite Technician
Bill Rose, Vice President, Business Development, ATK
Rich Van Ausdal, President, Dixie ATC
Kelle Stephens, Instructional Vice President, Dixie ATC
Rick Farmer, Vice President of Manufacturing at Viracon
Jerico Donovan, Operations Manager, Blue Bunny Ice Cream
Rob Brems, President Utah College of Applied Technology

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

1. Call to Order—Committee Co-Chair Urquhart called the meeting to order at 8:10 a.m.
2. Approval of minutes 1/11/11

MOTION: Rep. Webb moved to approve the minutes of the January 11, 2011 meeting. The motion carried unanimously.

3. UEN Introduction. Mr. Petersen discussed the mission of UEN and discussed two handouts that were provided. UEN is an educational consortium of higher education, public education and the state libraries. UEN reports to the Legislature and the Governor. He explained the core

responsibility of UEN. The UEN connects every school and college to a statewide area network. He mentioned the public-private partnership between UEN and Utah telecommunications providers. He discussed the benefits of this partnership. Mr. Petersen reported that the federal E-Rate program reimbursements cover about two-thirds of the total cost. He showed an example at the county level of the basic network connectivity. He explained the budget, including the fact that 67% of their costs are fixed by these telecommunication circuits.

Sen. Stevenson asked about the cost and function of the UEN board. Mr. Petersen said that board members receive no reimbursement and that the board is very functional.

Mr. Petersen explained the Learning Management System provided by UEN. He discussed the impacts of budget cuts from previous years. He then discussed the impacts of the Fiscal Analyst's suggested cuts. UEN would have to determine which schools will no longer be connected or what specific services would be cut.

Rep. Draxler asked about if the federal match in funding is tied to each dollar that is appropriated. Mr. Petersen reported that the federal funding is directly tied to state funding.

Rep. Sagers asked if this funding will be affected by the federal deficit or if the funds could be reallocated at the federal level. Mr. Petersen said that the federal funding is specifically tied to a tax-funding source. There is no deficit in that fund because it has a specific source of revenue. Mr. Petersen said that the current legislation for the federal E-rate program could be rescinded, but doesn't anticipate this occurring.

Sen. Reid asked about the relationship to the Division of Technology Services and if there are duplicate services. Mr. Petersen said that they work closely with DTS. There are no duplicate services; DTS provides the local area network, UEN provides the internet connectivity.

Rep. Morley acknowledged the vital role that UEN plays in the system. He asked if it would be possible to renegotiate the telcom contracts if the length of the contracts were extended. Mr. Petersen has notified some of the telcom providers of this proposal. They are currently looking into this possibility and it could be discussed sometime in the future. Rep. Morley mentioned that he would be willing to help with these discussions.

Rep. McIff asked what leverage the state contracts bring to the negotiation table, and what would happen if contracts had to be cut. Mr. Petersen is not prepared to speak for the telcoms should the current contract be canceled.

4. Utah Applied Technology College Budget Discussion. Mr. Pratt discussed the organization of the FY 2012 Budget Analysis Binders. The budget briefs start on Tab 5 of the binder and all follow the same format, which contain a summary, issues and recommendations, accountability detail, budget detail, intent language and legislative action. The UCAT Budget Brief is under Tab #16.

Mr. Pratt stated that the Issue Briefs are all under Tab 3. The UCAT Issue Briefs start on page 63. On Page 65, the Analyst recommends the Subcommittee's consideration of \$353,330 for the O & M for two non-state funded UCAT facilities. These facilities have not previously received any funding for O & M.

Sen. Valentine asked if there was O & M in the previous UVU budget for the Geneva Building which was transferred from UVU to UCAT. Mr. Pratt will look into this matter.

Mr. Pratt explained that Page 67 contains historical information on UCAT enrollment and membership hours and Page 68 shows whether the membership hours were generated by high school students or adult students. On the next the membership hours are delineated by campus.

UCAT is requesting \$1 million to fund enrollment growth as shown on Page 73. The final Issue Brief begins on Page 75, regarding the Custom-Fit training program. The Legislature provides funding for short-term company specific training. The next 25-30 pages show companies that have participated in this custom-fit training. Page 104 shows \$3.4 million total appropriation; \$1.9 million company contribution; 271,010 hours of training; and 1,282 total companies involved.

Co-Chair Urquhart mentioned that the 7% cut to UCAT will be discussed later.

Sen. Reid asked why the high school students hours have declined. This will be answered in subsequent presentations.

a. Response from UCAT Presidents:

Bridgerland ATC. Mr. Maughan discussed the areas that BATC serves. He discussed the benefits of custom-fit training. He mentioned partnerships with Inovar and Proctor and Gamble, which is in West Box Elder County. He quoted a statement from the President of Proctor and Gamble which indicated that Utah was selected because of the training available through this custom-fit program. Bridgerland ATC has served 107 companies. Mr. Maughan discussed the demand for the nursing and machine technology programs. He discussed student success stories of Cody John, Cassandra Rogowski, Dan Gittins, and Isabell Navarro.

Mr. Isom discussed the great benefit of the partnership between the custom-fit training program and the Qwest call center in the North Logan area. The custom-fit program has trained over 560 employees.

b. Davis ATC. Mr. Bouwhuis thanked the Committee for the new Haven J. & Bonnie Ray Barlow building which was completed a few years ago. The building filled up immediately. He discussed the history of the DATC including work with ATK, Contour Composites, Hill Airforce Base, Edge, Rockwell, etc. He discussed the composites development program. He showed the job growth from these companies. He spoke of the manufacturing triangle including Hill Air Force Base, Janicki, East Gate, Falcon Hill, the Freeport Center and ATK. Mr. Bouwhuis discussed other employer partnerships, the donations from companies for training programs, and the return on investment.

Mr. Tonge discussed being laid-off, a 2 1/2 year job search, and his subsequent enrollment at the DATC. He said that the DATC has changed his life, he started working as a composite technician at ATK yesterday, and will continue towards a degree at Weber State University.

Mr. Rose discussed the great partnership with the composites training program at DATC and ATK. This training and hands-on experience reduces ATK's costs in both the composites industry and the aerospace industry. Mr. Rose is appreciative of the support of

the DATC. It is very difficult for ATK to train enough people to meet the needs of these companies so this partnership is critical to their success.

- c. Dixie Applied Technology College. Mr. Van Ausdal discussed the manufacturing program. Students work full time and go to school. This is a partnership between DATC, Dixie State College and the local manufacturers. He discussed the five components of the Manufacturing Operations Capstone Certificate. A student who has earned this certificate with 900 hours will earn 30 credits towards an associate's degree at Dixie State College, and could then go on to a bachelor's degree. He discussed some of the companies involved with the Dixie ATC. He also discussed the partnerships with the Tooele ATC and the Southwest ATC in Cedar City.

Ms. Stephens discussed the 21 students who started in the first manufacturing cohort, 15 of these students graduated with a capstone certificate, and of those, 13 transferred to Dixie State and are pursuing associate's degrees. These students are incumbent workers who now have increased earning potential.

Mr. Farmer discussed the employer perspective of the partnership with the manufacturing program at the Dixie ATC. He said that student employees gain confidence while learning, they gain an understanding of the manufacturing process, and future leaders are developed. This program has exceeded their expectations.

Mr. Donovan discussed the student experience and the great benefits he has received from his participation in this program. He spent time in higher education, but then left and went to work. Because the course scheduling allowed him to work full-time and attend school, he enrolled at the DATC. He mentioned the value of the on-the-floor experience and his personal development. He is now concurrently enrolled at Dixie State. He has been promoted from supervisor to operations manager. He also mentioned that Blue Bunny recognizes the benefits of this partnership with the Dixie ATC.

Mr. Van Ausdal showed the impact of this program on students' lives. This program also entices new companies to the area. He stated that the high school decline has been across the system. There are three major reasons for this decline: 1) a decline in the St. George population base, the enrollment growth at area high schools has been flat; 2) increase in high school graduation requirements reduces the number of elective courses students are able to take, which directly impacts CTE courses; and 3) this is the fourth year of budget cuts. This includes cuts to high school students. Also, because of the economic situation, more adults have now discovered the DATC.

5. Discussion. Co-Chair Urquhart stated that the committee can learn from those areas that seem to be doing well such as the articulation between the DATC and Dixie State College. This articulation is also happening at other ATC's. The Uintah basin area has increased articulation with high schools in the area. The committee should find things that are working and expand on these.

Sen. Reid is concerned about the trend for decreased enrollment with high school students. He would like to encourage more high school students to enroll at ATCs. Mr. Brems mentioned that the trend is disturbing to UCAT as well and they are trying to find ways to work with the system. Sen. Reid asked if UCAT deals with workforce services. Mr. Brems answered that UCAT does have a great relationship with workforce services. He currently attends meetings with the Workforce

Services Council. Sen. Reid would like to have people going through workforce services be made more aware of the programs available at the ATCs.

Rep. Morley is very impressed by the 30 pages of custom-fit success stories. Industry is contributing and getting exactly what they need. He is also thrilled to see the increase in adult enrollment. Rep. Morley asked how many overlapping programs there are between higher education and ATCs. He wanted to know how many certificates are being offered at colleges and at the ATCs. Mr. Brems answered that they try to work very carefully with the colleges. For example at one time there were 25 certificate programs at UVU and over time most of those certificates have now moved to a UCAT institution. This will continue to happen, but they are trying to do this in an amiable way. There might be some overlap. In light of budget constraints, Rep. Morley would like to investigate transitioning more of these certificates from higher education to the UCAT system. It would be more cost effective and alleviate some of the current enrollment strain at higher education institutions. This can be discussed at a later time. Rep. Morley stated that he would like to be involved with UEN to renegotiate the telecom contracts.

Sen. Jenkins is very impressed with what is happening in the UCAT system. He would like to expand Rep. Morley's suggestion and made the request to have more information regarding the cross offerings between institutions. Perhaps a competitive process could be instituted as to which programs should be offered by which institution. He would also like more data regarding remedial courses that are offered at all of the higher education institutions including the community colleges. He also would like to look at all of the courses that are offered. He asked if the state should be paying for some of the "special interest" type classes and programs.

Co-Chair Urquhart encouraged each institution to look at the course offerings, look for duplication, and ask these types of questions.

6. Adjourn

MOTION: Rep. Daw moved to adjourn. The motion passed unanimously.

Committee Co-Chair Urquhart adjourned the meeting at 9:56 a.m.

Minutes were reported by Lorna Wells, Secretary.

Sen. Stephen Urquhart, Senate Chair

Rep. Michael Morley, House Chair