

**MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
Room 210 Senate Building, State Capitol Complex
February 8, 2013**

Members Present: Sen. Stephen H. Urquhart, Senate Chair
Rep. Keith Grover, House Chair
Rep. Spencer Cox, House Vice Chair
Sen. J. Stuart Adams
Sen. Patricia W. Jones
Sen. Aaron Osmond
Sen. Howard A. Stephenson
Sen. Jerry W. Stevenson
Sen. John L. Valentine
Rep. Derek E. Brown
Rep. Jack R. Draxler
Rep. Rebecca P. Edwards
Rep. Don L. Ipson
Rep. Dana L. Layton
Rep. Kay L. McIff
Rep. Maria H. Poulson
Rep. Dean Sanpei
Rep. Mark A. Wheatley

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

A copy of related materials and an audio recording of the meeting can be found at <http://le.utah.gov/asp/interim/Commit.asp?Year=2013&Com=APPHEd>
A list of visitors and a copy of handouts are filed with the committee minutes.

1. **Call to Order.** Co-Chair Grover called the meeting to order at 8:07 a.m.
2. **Utah Valley University Budget Brief, Spencer Pratt**

Mr. Pratt reported that Utah Valley University (UVU) is one of the fastest growing USHE institutions. The Budget Brief is under Tab 10 of the Budget Binder. Last year, the student FTE count was 21,594. There are two line items, Education and General which covers 99.9 percent and Educationally Disadvantaged. Mr. Pratt stated that Page 2 shows that the portion of the \$20 million for the 66 percent goal for UVU would be \$2.8 million and the portion of Mission-Based Funding and Equity is almost \$1.7 million. The performance measures listed on Pages 2 and 3 show that generally, for the past five years the retention rates have been going up. The graduation rate at UVU for 2011 was 29 percent. The courses taught by regular faculty are about 45 percent. The recommended budget is \$160.9 million. The budgeted employee FTE is 2,096 and they currently have 156 vehicles.

Co-Chair Grover asked Mr. Pratt to explain what makes up a Dedicated Credit. Mr. Pratt answered that in Higher Education a Dedicated Credit is tuition money. The Dedicated Credits for UVU in 2014 are estimated at \$100 million which compares to the General Fund of \$57 million. In other state government agencies, Dedicated Credits are fees for services.

3. **Presentation: Utah Valley University, President Matthew Holland**

Pres. Holland discussed the regional relationships that UVU has established with Mountainland Applied Technology College and area High Schools. He mentioned the UVU/MATC K-16 Alliance. He discussed their goals to improve transitions between K-12 and Higher Education and to reduce the number of students who require remedial math at UVU. He reported on the dual role at UVU to be a vibrant university and an accessible community college which includes a strong Career and Technical Education component. He stated that they remain open admission, but they have earlier and more firm admission deadlines, an earlier purge of non-paying students, and a new freshman convocation. He discussed the structured enrollment program. The early signals are that this program is having a positive effect. He showed that in Fall 2012 headcount enrollments were flat all over the state, but student completion rate was up dramatically, more students completed.

Rep. Ipson commended the President for this courageous move and its success.

Pres. Holland stated that they are committed to sticking with this program even with the impact of the L.D.S. missionary age change. He reported that 20 percent of all FTE coursework is through some technology-based courses, with a goal to move to 25 percent. In Fall 2012, 40 percent of all students took at least one course delivered via technology-based instruction. They have an initiative to have 80 hybrid courses, which would free up 40 classroom spaces. Pres. Holland discussed the issue of controlling costs. He stated that the cost per student is now \$59 less than three years ago. In order to survive the recent years of tremendous growth with lower funding they have controlled costs and pushed more costs to students.

President Holland discussed their major Legislative priorities: 1) Compensation – It has become increasingly hard to keep the best teachers; and has caused serious morale issues. 2) Equity Funding is a chief issue and concern. UVU is at the bottom of the system of tax funds per FTE. 3) Distinctive mission-based funding; and 4) STEM Initiative tied to the 66% goal. He discussed the tremendous needs because of their increased enrollment. Pres. Holland reported that many UVU students, faculty and staff are L.D.S. and are excited about the change in the missionary age for the L.D.S. Church. They anticipate they will face up to a \$10 million shortfall due to changes in the Pell Grant and from the decreased enrollment from students leaving for missions. Some of the strategies they have incorporated to offset this are deferred admissions and leave of absence, ambitious marketing and recruitment; increasing entry and exit points, block classes; perhaps a tuition increase; fundraising and grant development, a hiring freeze, and other cost-reducing measures. Pres. Holland reported that in Spring 2012 they had 4,000 graduates and they currently have 30,000 students.

Rep. Edwards stated she was especially excited about the block scheduling and more entry and exit points. She asked if the 20 percent on-line courses were taught on-line 100 percent, or if they were hybrids. She also asked if the FTE mentioned in the comparison between state funding and tuition is FTE students.

Pres. Holland explained that the 20 percent are called technology-enhanced which would include on-line, hybrid, television, live interactive, etc. He stated that the FTE she was referring to is FTE students.

Sen. Stephenson said that it was his understanding that UVU had many out-of-state students who for some reason couldn't gain admission to BYU and whose parents see UVU as an opportunity for their children to come to Utah and have a BYU-type experience. He asked if these students receive a tuition discount.

Pres. Holland stated that of all USHE institutions, UVU has the highest percentage of students who come from Utah. They do have some out-of-state students, but it is not nearly as high as people think. He

indicated that out-of-state students pay just over \$12,000 for the first year and \$4,600 in subsequent years.

Sen. Stephenson asked if UVU could enroll more out-of-state students. He asked if the \$12,000 could be lowered and have students pay a medium rate for all four years.

Pres. Holland answered that they would have to bring in many more students to make up the higher-rate revenue. They would prefer to continue doing what they have done with a relatively high out-of-state tuition for the first year. They could use Sen. Urquhart's current tuition-waiver bill to recruit students who otherwise wouldn't have come to UVU.

Sen. Stephenson asked to have cost comparisons with various major components of the higher education institutions.

Pres. Holland mentioned that last year the Commissioner produced a study by an outside independent agency to do an equity audit. They brought that to the Committee last year, they could bring that back to the Committee.

Rep. Layton commended the President for his leadership and the great initiatives for providing a great education with phenomenal growth rate. She asked if UVU is the fourth largest open enrollment institution in the country. She asked how retaining the dual mission of open enrollment and a vibrant university affects the graduation and completion statistics.

Pres. Holland replied that UVU is the fourth largest open enrollment four-year university in the country. He stated that if they just wanted to focus on completion, they could make changes in their admissions policies that would make graduation rates would go up. Some institutions should do that, but not every institution should do what UVU is doing. He responded that every state should have some access to more non-traditional students. It is a great return on investment to have this dual mission. It does mean success at UVU might be measured in a little different way.

Rep. Layton stated that she wanted Committee members to realize that as numbers are examined, there is more background information that needs to be considered. She echoed the support of Rep. Edwards regarding increased entry points. She thought that this would help especially give women more flexibility. She asked Pres. Holland to comment about the "WeeCare Center."

Pres. Holland stated that one of the major challenges for women is that they are often married with children. Through a private fund raising source, they built a child-care center primarily for low income students who are able to leave a child there for an hour or two. He reported that this should be a significant step forward for female completion rates.

Rep. Layton commented that this would remove a major hurdle for women. She discussed that the equity funding piece of the budget request is very important because, as a representative from Utah County, she knows that students who go to UVU pay a higher tuition rate than other students in the state.

Sen. Jones asked Pres. Holland to summarize why there is a disparity in tuition rates, and asked him to compare tuition with other institutions in the state.

Pres. Holland answered that there are several factors that have contributed to the equity funding issue. The first year that UVU became a university, they were given \$10 million towards that status. However, every year after that initial year has resulted in major budget cuts at a time when UVU enrollments were

growing exponentially. As far as tuition costs, UVU is higher than SLCC. He stated that UVU's tuition is comparable to Weber State and BYU.

Sen. Jones discussed the importance of the Utah Educational Savings Program. Parents need to plan ahead and utilize this program rather than relying on state funds.

Sen. Valentine commented on the fact that UVU has numerous course offerings late Friday evenings and Saturday mornings. While giving a lecture to MBA classes on Saturday at UVU, he noticed that every classroom in the Business Building was full.

Rep. McIff reported on his privilege of spending the day with Pres. Holland and the staff and faculty at UVU. The faculty and staff hold Pres. Holland in high regard. He commended Pres. Holland on his tremendous leadership and reflected on the history of UVU. He stated that in the Spring 2007 tuition on average in the state was nearing 30 percent of state funding. At that time, the goal was to move it back to 25 percent. It has increased every year since and is now nearing 50 percent. He reported that the generous philanthropy has been a tremendous benefit to the institutions. He commented that Sen. Stephenson's suggestion of having a reduced out-of-state tuition for more years would be something for UVU to consider. He asked if the in-state tuition after one year was automatic.

Pres. Holland said that students have to establish residency for one year; once it is established, they receive the lower rate. He said that in light of Sen. Stephenson's concerns, they will examine this current policy.

4. Mountainland Applied Technology College (MATC) Budget Brief, Angela Oh

Ms. Oh referred Committee members to the budget brief under tab 15 and Page 21 of the budget binder. The FY 2014 Base Budget is \$5.9 million including 80 FTE. Figure 3 depicts the funding mix with the General Education Fund at 89 percent and Dedicated Credits at 11 percent. She stated that Page 22 shows that in FY 2012 MATC awarded 1,500 certificates, as well as other performance measures. Ms. Oh said that should additional funding be available, the Analyst would recommend an increase of \$1.2 million to increase campus capacity.

5. Presentation: Mountainland ATC, President Clay Christensen

Pres. Christensen introduced Mr. Russell Fotheringham, who is on the MATC Board of Directors, and is the Economic Development Manager for Utah County. Pres. Christensen appreciated the opportunity to work together with secondary schools and UVU. He mentioned the MATC/K16 alliance which was also discussed by Pres. Holland. He stated that they share several buildings and have several cooperative agreements. He discussed the R473 articulation agreement between UVU and MATC. When students complete 900 hours at MATC, they can earn 30 UVU credits towards an Associate of Applied Science Degree in Technology. There are approved programs developed at the present time. He discussed the fact that the MATC service region is a large geographic area including Utah, Summit and Wasatch Counties. It includes seven school districts and 35 secondary schools. He discussed the substantial population growth in the area. He reported that student headcount for FY 2012 was 6,270 students and 869,620 membership hours. They are proud of the fact that 43 percent of the membership hours are by secondary students. He discussed the Custom Fit partnership with 133 companies and almost 30,000 training hours generated.

Pres. Christensen reported on some of the highlights for FY 2012. MATC serves the largest employment base, population, and number of high schools by any other region served by UCAT. In FY 2012 MATC awarded 1,529 certificates. He mentioned the partnership with WSU in the nursing program. MATC has

a 90 percent completion rate, an 82 placement rate, and a 99 percent licensure rate. He discussed the apprenticeship training programs. MATC is requesting an additional \$1.2 million for campus capacity. This would include a new Machining/CNC program and expansion in the information technology program and the welding program. MATC has requested \$286,100 O & M funding for the Geneva building on the MATC Orem campus. He highlighted the need for more trained CNC machinists at Flowserve Corporation and at Klune industries.

Mr. Fotheringham reported on the critical need for a machinist training program and especially CNC operators and CMM operators. There are four major companies in Utah County who are faced with an aging workforce. These companies continued to grow even during the economic downturn. Mr. Fotheringham is very concerned about the shortage of skilled workers. He doesn't want any current companies to think of moving elsewhere; nor does he want future manufacturing companies who have looked at Utah to choose to locate elsewhere.

Co-chair Urquhart thanked Pres. Christensen and Pres. Holland for their presentations. He mentioned the tremendous population growth in this area. He commented that they are doing an excellent job and appreciated their coordination.

6. **Approval of Minutes**

MOTION: Rep. Ipson moved to approve the minutes of the meeting held January 30, 2013. The motion passed unanimously.

7. **Snow College Budget Brief, Spencer Pratt**

Mr. Pratt explained that the Snow College Budget Brief was under Tab 11 in the Budget Binder. In FY 2012 there were 3,260 FTE students. Snow College's budget has three line items: Education and General, which covers 95.4 percent, the Educationally Disadvantaged, and Career and Technical Education. Several years ago, Snow College absorbed the Central Utah ATC. The FY 2014 adjusted Base Budget for Snow College is \$28 million. Mr. Pratt reported that Pages 2 and 3 are performance measures for Snow College, the retention rate is between 50 and 60 percent; the graduation rate is 32 percent, and about 60 percent of courses are taught by full-time faculty.

8. **Presentation: Snow College, President Scott Wyatt Snow College**

Pres. Wyatt introduced Vice President Rick Wheeler. Pres. Wyatt indicated that Snow College serves a six-county region. He mentioned its role as a junior college, as a UCAT campus, and a partner with universities. He stated that every state institution hosts courses at Snow College. Snow College is celebrating its 125 year anniversary. He reported that Snow College is the 2nd highest ranked Community, Junior or Technical College in America for completion rates. He mentioned some of their other rankings with the Aspen Institute Community College Excellence Program and CNN Money. There is less expended capital at Snow College than another other institution. They have compared the direct instructional costs and they believe they are the least expensive per completer.

Co-Chair Urquhart asked if they counted students who attend one year and then go to another institution as completers.

Pres. Wyatt said that they would count that student as a completer. He reported on performance (retention, graduation and transfer rates) improvement, and equity. Pres. Wyatt explained that they are working to improve their completion rates in Math and English. They have been working with Complete College America Initiatives and have new programs to allow students to move through beginning math

classes at a much faster rate. They have developed policies that students must take math in the first semester. Snow College has changed the technical math courses so they are specific to program they are seeking. They are hybrid courses which blend self-paced and on-line learning with classroom instructor support. Pres. Wyatt stated they have developed co-requisite English where students take 1000 and 1010 at the same time.

Sen. Stephenson asked for more clarification on what developmental means.

Pres. Wyatt said that he is using remedial and developmental as synonyms. They prefer to use developmental because the student graduated from high school prepared to go to college, but then went on a mission for two years or had children and came back

Pres. Wyatt mentioned that in the math area, students might understand 80 percent of the concepts, but need help with a portion of the course.

Sen. Stephenson would like staff to compare remedial math courses at other institutions.

Co-chair Urquhart stated that the national trend is headed this way.

Rep. Draxler mentioned that when they attended Complete College America conferences extensive research has been done that has shown that concurrent remediation is far more effective than pre-course remediation. He congratulated Pres. Wyatt on this effort.

Pres. Wyatt discussed workforce preparation and career placement. Snow has taken all of the CTE programs and aligned them more closely with the needs of the community. They have closed many programs and started others. Grants and donations have been prioritized on CTE programs. The largest grant was designed specifically for technology programs. All of the requests to meet the 66 percent goal are in the CTE programs. They have outreach programs in all of the major high schools in the six-county region. He discussed the non-credit workforce training programs. In Custom Fit training they have had 11,732 hours of workforce training for 84 companies. They had 7,059 hours of short-term intensive training. He discussed the small business development center. He discussed the fast-track new venture course to help individuals start a new business.

Pres. Wyatt elaborated on the partnership with the Julliard school in New York. They host the Benny Golson jazz festival in July in cooperation with Julliard. He discussed that the football team finished third in the nation with six all-American players. They are the least-funded two-year college football team; their head coach is a part-time employee. He stated that two-thirds of their certificates and degrees are earned by women.

Rep. Wheatley asked about the difference between short term intensive training and custom fit.

Pres. Wyatt asked Pres. Brems to discuss this. Pres. Brems mentioned that Custom Fit works with incumbent employees to perform better on the job. Short-Term Intensive Training prepares individuals for employment in specific areas.

Rep. Cox expressed appreciation to Pres. Wyatt for catching the vision of the role that the community college plays in the economy of their area. They had to make very difficult decisions. He encouraged Committee members to attend one of the Julliard events.

Rep. Draxler stated that the Dean of Engineering at USU has reported to him that students who transfer from Snow College to USU are at the top of their class, they are outstanding students.

Rep. McIff thanked Pres. Wyatt and Vice President Wheeler for their leadership and stated how important Snow College is to their region.

9. Issue Brief – UCAT Headcount, Angela Oh

Ms. Oh indicated that the Issue Brief is under Tab 3 of the Budget Binders. A history of UCAT headcount starts on Page 95 and shows UCAT headcount by campus in tabular and graph form.

Rep. Grover asked about the adult headcount drop in 2003.

Ms. Oh stated that there is no particular reason for that drop. Student headcount is the number of people. She indicated that membership hours shows a more exact picture.

10. Issue Brief – UCAT Membership Hours, Angela Oh

Ms. Oh indicated the Membership Hour Issue Brief starts on Page 101. Membership hours for the entire UCAT system and each campus are listed in tabular and graph forms. She stated that generally adult membership hours have increased and high school student membership hours have decreased.

11. Issue Brief – UCAT Certificates Awarded, Angela Oh

Ms. Oh explained that the Issue Brief depicts certificates awarded in the UCAT system for the past five years. She indicated that some programs have been added and others eliminated during that period. In FY 2012, a total of 5,800 certificates were awarded throughout the UCAT system.

12. Issue Brief - UCAT Custom Fit, Angela Oh

Ms. Oh stated that this Issue Brief starts on Page 117. It shows the number of companies that have participated in the UCAT Custom Fit program, how many employees benefited from the training, and how much those companies contributed to the cost of the training. Ms. Oh presented a spreadsheet that showed in FY 2012 there were 14,995 trainees, with hours ranging from 0-900. The number of hours for the vast majority of the training programs was between 0-25. The table showed that the Custom Fit program at SLCC for FY 2012 had 2,057 trainees.

Sen . Stephenson stated that perhaps the Custom Fit training couldn't be counted in the number of certificates granted, but that this should not minimize the importance of this training in reaching the 66 percent goal.

13. Committee Discussion

Co-chair Urquhart mentioned that the Committee had heard extremely exciting things involving reforming higher education to get better outputs. He asked as policy makers, how could the Committee help other institutions integrate some type of structured enrollment program because the impact on completion was so significant. He would like to discuss the math program advances. He reminded Committee members that the task before the Committee is to put together a budget for FY 2014. He encouraged them to have discussions with the chairs and each other.

14. Adjournment

MOTION: Rep. Cox moved to adjourn. The motion passed unanimously. Committee Co-Chair Grover adjourned the meeting at 9:45 a.m. p.m.

Minutes were reported by Lorna Wells, Secretary.

Sen. Stephen H. Urquhart, Senate Chair

Rep. Keith Grover, House Chair