

October 5, 2009

MEMORANDUM

TO: State Board of Regents
FROM: William A. Sederburg
SUBJECT: USHE Legislative Messaging and Priorities for 2010

The 2010 Session of the Utah State Legislature will be historic for the Utah System of Higher Education. As budget cuts continue to be implemented and more may be proposed, there is danger of diminishing both the quality of and access to higher education in the State of Utah.

In preparation for the Legislative Session, we have prepared the attached document detailing proposed messaging and legislative priorities for the Utah System of Higher Education. These include the budget recommendation of the Board of Regents and Capital Facilities priorities approved by the Board of Regents on August 28, 2009, and several items that will require legislative action in the form of bills. All are described in the attached document.

In addition, the Commissioner's office and the USHE presidents and their staffs will be closely monitoring legislation that could impact the Utah System of Higher Education, now and throughout the Legislative Session. As in the past, Associate Commissioner Buhler will prepare a weekly report on the status of higher education priorities and other issues of interest for distribution to Regents, Presidents, and Trustees.

Recommendation

The Commissioner recommends that the Board consider the attached document, and:

1. Endorse the proposed priorities as the priorities of the Utah System of Higher Education for the 2010 Session of the Utah State Legislature.
2. Regents, Commissioner and staff, Presidents and institutional representatives utilize the messaging included in the attached document in their personal communications with legislators.
3. Authorize the Commissioner, in consultation with the presidents, to monitor, support, or oppose on a case-by-case basis, other legislation that will be introduced during the 2010 Legislative Session.
4. The Board be given regular reports during the Legislative Session regarding items of interest to the Utah System of Higher Education.

William A. Sederburg, Commissioner

WAS/DB
Attachment

Message

Colleges and Universities are at a critical tipping point.

- 2009 Legislature enacted a 17% cut to base budgets--\$130 million, phased-in over two years. Full impact of the cut will be felt July 1, 2010.
- 2 consecutive years of record enrollment growth is stressing capacity on campuses —8% in 2009 followed by an additional 8% in 2010 (24,828 new students). 2009 also saw an increase in budget-related full-time-equivalents of 10%.

Cuts have already had real consequences.

- 940 full-time positions have been eliminated—24% involuntarily.
- While care has been given to lessen impact to students and programs, impacts are beginning to be felt—
 - More adjuncts (many funded on one-time money that will not be available when cuts fully implemented).
 - Fewer class sections (limiting access for students. In effect, this becomes a “soft enrollment cap.”)
 - Fewer advisors (can lead to students making costly choices that prolong time to graduation).

Going forward, as the cuts are fully implemented we will see:

- More layoffs (mostly involuntary).
- Fewer class sections.
- Larger class sizes.
- Elimination of programs.

Higher Education plays a critical role in strengthening the economy

- Higher education provides a valuable opportunity for those impacted by today's tough economic climate
- Utahns graduating with a 4-year degree in 2009 will add over \$500 million in earnings and taxes contributed to the State's economy.
- As of June 2009, those with a bachelor's degree or higher are much less likely to be unemployed—those without a college education account for nearly 75 percent of unemployment claims compared to only 12 percent of those with at least a bachelor's degree.

Conclusion

Before 2008, Utah already graduated more students with a bachelor's degree per dollar spent than any other state. While state policymakers face tough choices, the combination of deep budget cuts and steep enrollment growth will have long-term negative impacts on future economic growth in Utah.

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Operating Budget Request

The Board of Regents are requesting money to add back a portion of the amount cut by the 2009 Legislative Session, targeted to the higher education's highest priorities and in alignment with strategic objectives. In summary, the request calls for:

- **Compensation**—base compensation in parity with state and public education employees, merit based.
- **Continuing Operating Costs:** **\$32,997,200**
 - Includes \$30 million for Mission Based Funding and O&M for qualified non-state funded facilities.
- **Strategic Plan** **\$15,505,000**
 - Participation including \$5 million for need-based financial aid and scholarship support.
 - Completion for guidance counselors and student success initiatives.
 - Economic Development including cluster acceleration partnerships, STEM education and the Engineering Initiative.
- **Institutional and USHE Priorities** **\$12,976,700**
 - Includes \$8 million for institutional priorities, \$4.3 million for IT infrastructure, and funding for the Academic Library Consortium and Board of Regents programming.
- **One-Time Increases** **\$4,218,000**
 - Includes \$3 million for IT Infrastructure and funding for cluster acceleration partnership, Academic Library Consortium, Space Utilization, and Board of Regents programming.
- **Supplemental Increases** **\$3,809,000**
 - Includes full funding for current fiscal year for New Century and Regents' Scholarships and O&M for qualified non-state funded facilities.

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Capital Development

Below is the approved list of USHE building projects as ranked by the Utah State Board of Regents. These projects are driven by two primary factors: enrollment increases (+8% headcount for fall 2009), and aging buildings (47% of the state's higher education facilities are over 30 years old).

USHE is requesting bonding for higher education facilities. Approval for higher education facilities would help institutions better meet the demand for skilled workers in these high-tech industries, while at the same time help improve the economy by moving forward with large and very much needed construction projects.

Regent Priority	Building Board	Institution and Project	State Funds
1		DSC - Holland Centennial Commons Building	\$ 35,000,000
2		UVU - Science/Health Sciences Building Addition	\$ 49,945,489
3		SLCC - Instructional & Administrative Complex	\$ 30,000,000
4		UU - Infrastructure Phase I	\$ 15,000,000
5		CEU - Arts & Education Building Reconstruction	\$ 22,000,000
6		USU - Business Building Addition & Remodel	\$ 60,000,000
7		Snow - Science Building Reconstruction	\$ 25,000,000
8		USU - Fine Arts Complex Addition & Renovation	\$ 17,000,000
9		SUU - Business Building Addition & Remodel	\$ 12,250,000
10		UU - L.S. Skaggs Pharmacy Research Building	\$ 20,000,000
Regents' Branch Campus Priority		WSU - Professional Programs Classroom Building & Central Plant	\$ 34,499,000

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Key Legislation as of October 1, 2009

- **College of Eastern Utah/Utah State University Affiliation (Rep. Painter and Sen. Hinkins)**
 - Legislation is required to implement the recommendation of the Board of Regents in July to create an affiliation between the College of Eastern Utah and Utah State University, with CEU as a Comprehensive Branch Campus.
 - The Memorandum of Understanding now in progress between CEU and USU will inform the drafting of the legislation.

- **Scholarship Amendments (Sen. Valentine and Rep. Hughes)**
 - Amendments are needed to make the New Century Scholarship financially sustainable, as well as to improve the program.
 - Amendments are now being negotiated with the sponsors and other key legislators.
 - Some amendments to the Regents' Scholarship program will also be included.

- **UESP Amendments (Sen. Niederhauser)**
 - Technical amendments to the Utah Educational Savings plan statute.