

December 1, 2010

MEMORANDUM

TO: State Board of Regents

FROM: William A. Sederburg

SUBJECT: USHE Legislative Priorities for 2011

The 2011 Session of the Utah State Legislature will commence on Monday, January 24, and end at midnight on Thursday, March 10. It appears the economy is beginning to improve and state revenues have stabilized and are starting to grow slightly. Needless to say, legislators face many more needs to be funded than whatever new revenues will materialize.

In preparation for the legislative Session, Associate Commissioner David Buhler has prepared the attached document detailing legislative priorities for the Utah System of Higher Education. These include the budget recommendation of the Board of Regents approved by the Board of Regents on August 27, 2010, Capital Facilities priorities approved by the Board on September 20, 2010, and several items that will require legislative action in the form of bills. All are described in the attached document, and the priorities are consistent with the HigherEdUtah 2020 strategic plan.

In addition, the Commissioner's office, 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 of the Utah System of Higher Education for the 2011 Session of the Utah State Legislature.
2. That the Regents, Commissioner and staff, Presidents and institutional representatives unite behind the system priorities in their advocacy with the Legislature.
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 2011 legislative session.
4. That the Commissioner's Office provide the Board with regular reports during the legislative session regarding items of interest to the Utah System of Higher Education.

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William A. Sederburg  
Commissioner of Higher Education

### Overview

Utah's public colleges and universities have done an incredible job in accommodating 15,371 new students (FTE) since Fall 2008, while maintaining quality at the same time that state support was reduced by 12.2 percent, or \$93.5 million. More than 150,000 Utahns are enrolled today in USHE institutions as a way to improve their economic prospects and quality of life. We know from numerous national studies that if Utah is to be a leader rather than a laggard in the nation's economic success, support for higher education is crucial for meeting the state's workforce needs.

The Utah State Board of Regents recognizes that the State Legislature and the Governor continue to face tremendous challenges in meeting the myriad of state needs in a time of fiscal uncertainty. And yet, Higher Education is an investment in Utah's future prosperity and economic vitality. The Board of Regents, as recommended by the Commissioner of Higher Education after consultation with USHE Presidents, has prioritized investments in Higher Education that are most critical for continued and future success.

These priorities are categorized as follows: Operation Budget Request, Capital Facilities Request, and System Legislative Priorities.

### Operating Budget Request (Priority Order)

- **Compensation**—for merit increases, as an equal percentage as approved for K-12 public education and state employees. **TBD**
- **Enrollment Growth** (47% of Unfunded Growth): **\$11,500,000**
- **Regents' Priorities**  
(Participation, Completion, Economic Development) **\$11,500,000**
- **Operational Imperatives (O&M):** **\$3,780,300**
- **USHE Programs**  
(Scholarships, Financial Aid, Libraries, HETI): **\$13,064,700**
- **One-Time Increases** (HETI and Libraries): **\$1,551,700**
- **Supplemental Increases** (O&M) **\$3,809,000**

**Capital Development**

Below is the approved list of capital projects as ranked by the Utah State Board of Regents, and one ranked land-bank request. The amount shown here is the request for state funding. Regents have also approved a number of non-state funded projects; additional land-bank requests that have not been prioritized are not included on this list.

Priority	Project	State Funds
1	UofU- Utilities Distribution Infrastructure Replacement	\$50 million
2	USU- Fine Arts Complex Addition & Renovation	\$20.3 million
3	USU-CEU- Fine Arts Complex Addition & Renovation	\$22 million
4	WSU- Classroom Bldg. & Central Plant (Davis)	\$30.9 million
5	USU- Business Building Addition and Remodel	\$40 million
6	SUU- New Business Building	\$12 million
6	Snow- Science Building Remodel & Addition	\$11.8 million
<b>Prioritized Land Bank Request</b>		
1	SLCC- Herriman Branch Campus Site	\$19.75 million

**Key Legislation**

The Commissioner’s Office is working with the following sponsors, who have agreed to introduce legislation to advance the Regents’ priorities:

- **Higher Education Success Stipend Program**, to be sponsored by Senator Wayne Niederhauser.
  - Changes the name of Utah’s financial aid program from “Utah Centennial Opportunity Program for Education” (UCOPE) to “Success Stipends.”
  - Clarifies that assistance is provided after student, family, federal assistance, and scholarships are used.
  - Adds accountability measures.
  - Makes technical and “clean-up” changes.
  
- **Higher Education Mission-Based Funding**, to be sponsored by Senator Steve Urquhart.
  - Implements the recommendations of the USHE Mission-Based Funding Task Force.

- Provides that the Board of Regents identify priorities for Mission-Based Funding as part of its budget recommendation, including enrollment growth and up to three strategic priorities.
  - Provides that Presidents may establish institutional initiatives aligned with the Board's strategic priorities.
  - Requires reporting to the Higher Education Appropriations Subcommittee on the use of funds provided for Mission-Based Funding.
- **Utah Educational Savings Plan Amendments**, to be sponsored by Senator Wayne Niederhauser.
    - Makes administrative changes to UESP statute to help keep Utah's 529 savings plan nationally competitive.