Report on the 2010 Legislative Session

Like most legislative sessions, this one contained a few surprises. Fortunately, the surprises were positive for higher education. The session began with the likelihood that higher education would be cut an additional 5 percent on top of the massive cuts taken in 2009-10. There was some hope of a one-time backfill to lessen the impact of the ongoing and additional cut. Near the end of the session, however, things changed for the better. The additional 5 percent cut was abandoned and the hoped for one-time backfill became an ongoing add-back which permanently reduced the base-budget cut.

OVERALL FUNDING CHANGE

The 17 percent legislatively imposed 2009-10 cut was reduced to approximately 13 percent going forward to 2010-11. Internally, the 17 percent cut was administered as a 19 percent cut for those units and functions that could be cut. Those units and functions will benefit from the ongoing add-back. The 19 percent cut will become approximately 15 percent in 2010-11 before additional support is forthcoming from increased tuition revenue. The impact of these changes will vary somewhat across campus. In the main, however, the combined effect of the legislative add-back and increased tuition revenue will mean that we will be able to replace much of the one-time federal stimulus funding that helped us cope with this year’s budget cut. Put another way, for most units, 2010-11 budgets will differ only slightly from 2009-10 budgets.

COMPENSATION

No funding was provided for increases in compensation. While the cost of health insurance premiums is going up next year, these costs will be addressed by plan changes and the use of reserves. Apart from the possible effect of a plan change, employees will not see their premiums increase next year.

OPERATION AND MAINTENANCE (O&M)

The University received the O&M needed to operate the new Utah Museum of Natural History (UNMH) facility for five months during fiscal 2011. It is likely that the Legislature will provide funding for the remaining seven months in fiscal 2012. Other requests for O&M support for new buildings were not funded.

RANGE CREEK

The UNMH received $25,000 in base funding for security needs in Range Creek.
**RETIirement**

The Legislature enacted a number of changes to the state's defined-benefit retirement plan. As a result, starting July 1, 2010, the University may be contributing an additional 2.1 percentage points on behalf of employees covered by that plan, depending on final action by the Utah Retirement Systems board. Employees who are currently in the defined-contribution plan and who have been in the defined-benefit plan at some point in the past (but not at the University of Utah) will have a window within which to switch to the defined-benefit plan if they so choose (Human Resources is assembling the details).

**Student financial aid**

The Legislature provided $3.8 million in one-time funds for next year's New Century Scholarship. This will fund these scholarships at approximately 70 percent of the tuition cost incurred by students if they attend Utah colleges and universities. They also passed a bill that reduces future eligibility for the program.

**USTAR**

The Legislature cut the Utah Science, Technology, and Research Initiative (USTAR) funding, both one-time and base. For the University, the one-time cut will be about $1.2 million, and the base reduction will be about $300,000.

**Capital Funding**

Funding was provided for new buildings at Utah Valley University, Dixie State College, and Salt Lake Community College. The governor changed his mind about funding these programs after his base budget was agreed to and legislators were willing to postpone local road projects (particularly in Utah County). The University had requested support for fixes to our aging infrastructure, but none was forthcoming. We did get approval to combine capital improvements funds beyond the $2.5 million cap to address high temperature water breaks and replacement requirements.

**Tuition and Fees**

At their April 1st meeting, the regents are expected to approve a 1.5 percent increase in tier-one tuition for all Utah System of Higher Education (USHE) institutions. Combined with a requested 8.0 percent tier-two increase and fee increases averaging 7.3 percent, the cost of attending the University will increase by 9.2 percent in 2010-11, if approved by the regents. Revenue from the tier-one increase will be used primarily to cover increases in the state retirement plan. Revenue from the tier-two increase will be used to address a variety of needs created by the budget reductions in academic, service, and administrative areas.

**Non-state capital building projects approved**

The following building projects do not require state funding, but were approved:

1. University Guest House
2. Ambulatory Care Complex
3. Eyring Chemistry Addition
4. Dental School Building
• **HB 114(S1), Disclosure of Donations**, by Rep. Carl Wimmer, requires higher education institutions to annually disclose to the Utah State Board of Regents donations or gifts of $50,000 or more from foreign persons. Passed.

• **HB 194, Grants for Math Teacher Training**, by Rep. Brad Last, provides the State Office of Education $250,000 to use for grants to provide math teaching training to individuals who are not currently teachers but who have already earned a Bachelor’s degree. Failed.

• **HB 428, Nonresident Tuition Amendments**, by Rep. Richard Greenwood, is similar to bills introduced in previous years to repeal the law that allows Utah high school graduates who cannot prove legal immigration status to be eligible for resident tuition. Failed.

• **H.C.R. 18, Workforce Needs Concurrent Resolution**, by Rep. Brad Dee, urges the Board of Regents to study the workforce needs associated with the future expansion and support of Hill Air Force Base, urges the Board of Regents to review, in collaboration with the Aerospace Cluster Acceleration Project, the economic and workforce in Weber and Davis Counties; urges the Board of Regents to consider academic programs in Electronic Engineering at Weber. Passed

• **SB52(S2), State Board of Regents Amendments**, by Sen. Dennis Stowell, requires changes in the composition of the Board of Regents to provide greater rural representation by having two Regents from counties that are not Metropolitan Statistic Areas. This bill was amended by Rep. Garn to include approving an Electronics Engineering degree at Weber State University. Passed.

• **HJR 24, Resolution on Equal Treatment by Government**, by Rep. Curtis Oda, is a proposed constitutional amendment promoted by national activist Ward Connerly who has advanced similar measures in other states to prevent certain types of Affirmative Action. Failed.


• **SB 69(S1), College of Eastern Utah Affiliation with Utah State University**, by Sen. David Hinkins, establishes Utah State University-College of Eastern Utah as a comprehensive regional college of Utah State University. It goes into effect July 1. Passed.

• **SB 132, Higher Education Scholarship Amendments**, by Senator John Valentine, tightens eligibility for the New Century Scholarship program and makes technical changes to it and to the Regents’ Scholarship. Passed.

For more information about specific bills, legislative membership, or committees, see the Utah State Legislature Web site at [www.le.state.ut.us](http://www.le.state.ut.us).