



March 19, 2020

2020 Legislative Session Report

The Commissioner's staff submits the following summary of legislative outcomes from the 2020 General Session for Board review. The report highlights funding for operating and capital facility budgets and key legislation impacting the Utah System of Higher Education.

Operating Budget

Beginning July 1, 2020, the Legislature approved an ongoing \$95.3 million increase (8.6%) for the System. Board of Regents' budget priority items that received funding include:

- \$31.6 million to support a 2.5% salary and wage increase and an 4.53% increase for health insurance;
- \$29.5 million for performance funding
- \$1 million for the College Access Advisors
- \$1 million for technical education priorities
- \$5 million for growth funding for student enrollment
- \$0.6 million for USHE non-state funded operations and maintenance
- \$2.5 million (one-time) for systemwide shared services consulting

Capital Facilities

The Legislature funded four of the Board of Regents' capital development priorities including all three of the top projects submitted to the Legislature as allowed by statute. The Legislature also funded the Board's land bank priority for Dixie State University as well as the revenue bond and non-state funded project authorizations approved by the Board in November 2019. Finally, the Legislature appropriated 1.3% (\$150 million) to the Capital Improvement Fund, 0.2% higher than statutorily required.

State Funded Capital Projects

- SUU – Academic Classroom Building (\$43,013,700)
- UU – Applied Sciences Building (\$60,000,000)
- USU – Heravi Global Teaching and Learning Center (\$14,500,000)
- SLCC – Herriman Campus (\$30,800,600)
- DSU – Land Bank (\$15,075,000)

Legislation Summary

There were several pieces of legislation directly impacting Utah's public colleges and universities, chief of which was SB111 – reconstitutes the governance of higher education in Utah while combining the UTECH and USHE systems of colleges and universities. Altogether, over 50 pieces of legislation were identified as impacting higher education. The following is a short summary of bills with greatest impact:

***HB 45, Veterans Education Amendments** by Rep. Paul Ray eliminates inequities institutions face in awarding in-state tuition to only those discharged under Chapters 30 and 33 of the GI bill and eliminated the five-year limit since discharge for in-state tuition eligibility of immediate family members who use GI bill benefits. The bill also allows veterans using the Veterans Tuition Gap Program administered by the Board of Regents to receive funds for fees and books, along with tuition. This item is designed to help spend surplus funds appropriated for the program. The bill received unanimous support in both the Senate and House and awaits the Governor's signature.

***HB 103, Utah Promise Scholarship Program Amendments** by Rep. Derrin Owen makes technical changes to the Utah Promise Scholarship based on feedback from financial aid directors. This corrects an unintended error in ensuring all other state aid be exhausted before tapping funds appropriated to this program, including waivers. The change puts needed flexibility in the use of waivers, with some controls, before state dollars are tapped under this scholarship. The bill has passed both House and Senate unanimously and awaits the Governor's signature.

HB 132 (1st Sub.), Higher Education Student Speech Rights by Rep. Kim Coleman establishes a specific threshold that determines when student-on-student speech becomes harassment. After several years of opposing this legislation, USHE was able to work with the sponsor on substitute language that satisfies USHE institutions' biggest concerns. The bill failed in the Senate.

***HB 256, Student Aid Amendments** by Rep. Karen Kwan requires student applicants to complete the Free Application for Federal Student Aid (FAFSA) to be eligible for certain financial aid for higher education. This modifies the application process, clarifies the qualifications for student financial aid, provided by scholarship or through the state, as well as determines where the financial aid may be applied with schools recognized by USBE, USHE, and UTECH.

***HB 336, Concurrent Enrollment Certificate Pilot Program** by Rep. Val Peterson creates the PRIME pilot program to expand access to concurrent enrollment and technical education in K-12. The legislation creates a three-tiered program that includes the LAUNCH certificate, DISCOVER breadth certificate, and TRANSFORM general education/technical certificate.

HB 409, Concurrent Enrollment Amendments by Rep. Eric Hutchings requires the USHE Board of Regents to annually approve a prioritized list of upper division Concurrent Enrollment courses and amends the formula for increasing funding for Concurrent Enrollment.

***SB 80 (1st Sub.), Campus Safety Amendments** by Sen. Jani Iwamoto requires the USHE Board of Regents to study and make recommendations for providing public safety services on college and university campuses. This includes determining the relationship between public and campus law enforcement, the process of reporting, disciplinary actions and the potential for additional training. The study will take place during the interim and will require the USHE Board of Regents to present a final report of the study with recommendations to the Education Interim Committee and the Law Enforcement and Criminal Justice Interim Committee. The bill received unanimous support in both the Senate and House and awaits the Governor's signature.

***SB 96, Emerging Technology Talent Initiative** by Sen. Ann Millner creates an initiative that awards proposals submitted to an advisory board under the direction of the USHE Board of Regents that expands programs in deep technology (e.g. artificial intelligence, quantum computing, robotics, advanced materials, robotics, secure computing).

***SB 111 (1st Sub.), Higher Education Amendments** by Sen. Ann Millner is legislation that significantly revamps the governance structure of higher education in Utah. The bill's primary components include:

- Merges the two current systems of higher education into a single system
- Establishes a single governing board, its initial composition and process for appointing future members
- Defines the new board's duties (selection of institutions presidents, requirements related to an institution's authority to establish new programs, etc.)
- Mandates certain transition-related actions of the USHE Board of Regents and the Utah System of Technical Colleges Board of Trustees
- Extends the term of the Higher Education Strategic Planning Commission by one year

A [press conference](#) of the bill's introduction was held on February 11. Here is a [summary of the legislation](#). The bill passed the both chambers and awaits the Governor's signature for enrolling. Transition plans are in the works and immediate action is expected by both governing boards soon after the legislative session.

SB 117, Higher Education Financial Aid Amendments by Sen. Daniel Hemmert allows the Regents' Scholarship to be used at private, nonprofit colleges or universities within the state (BYU, LDS Business College, Western Governors University, Westminster College). The bill appropriates an additional \$5 million towards the Regents' Scholarship as well as places limits on the amount of scholarship funding available to non-public institutions.

** State Board of Regents took an official position in support*

Attachments

2020-21 Operating Budget Comparison (Tax Funds Only)

Board of Regents Request as compared to Governor Herbert and Executive Appropriations Committee

Utah System of Higher Education Budget Priorities	Board of Regents	Governor Herbert		Executive Appropriations Committee		
	Amount	Amount	Above/ (Below) SBR	Amount	Above/ (Below) Gov	Above/ (Below) SBR
On-going Adjustments						
Compensation ¹	31,601,700	32,225,700	624,000	31,601,200	(624,500)	(500)
2.5% Salary (75/25 ratio)	25,567,100	26,059,200	492,100	25,566,600	(492,600)	(500)
4.53% Health Premium (75/25 ratio)	6,034,600	6,166,500	131,900	6,034,600	(131,900)	-
Performance Funding Priorities	29,500,000	15,793,900	(13,706,100)	29,500,000	13,706,100	-
Utah College Access Advisors	3,000,000	-	(3,000,000)	1,000,000	1,000,000	(2,000,000)
Technical Education Priorities	1,754,200	1,500,000	(254,200)	1,000,000	(500,000)	(754,200)
Growth	3,916,000	2,937,000	(979,000)	5,000,000	2,063,000	1,084,000
Internal Service Funds (Liability, Fleet, Property, AG) ²	2,093,400	660,400	(1,433,000)	2,093,400	1,433,000	-
Non-State Funded Building Operation & Maintenance	528,200	101,400	(426,800)	787,000	685,600	258,800
Emerging Technology Talent Initiative	-	-	-	5,201,600	5,201,600	5,201,600
Higher Education Financial Aid Amendments	-	-	-	5,000,000	5,000,000	5,000,000
Fire and Rescue Training	-	-	-	4,500,000	4,500,000	4,500,000
Strategic Workforce Initiative	-	-	-	1,337,800	1,337,800	1,337,800
Behavioral Health Workforce Reinvestment	-	-	-	1,220,000	1,220,000	1,220,000
Utah Industry Resource Alliance	-	-	-	1,200,000	1,200,000	1,200,000
Student Athlete Graduation Improvement	-	-	-	950,000	950,000	950,000
Rural Online Initiative	-	-	-	880,000	880,000	880,000
State Funded Building Operation & Maintenance	-	-	-	827,300	827,300	827,300
Mental Health Workforce Amendments	-	-	-	807,700	807,700	807,700
Utah Area Health Education Centers	-	-	-	800,000	800,000	800,000
Mental Health Service Providers Training Investment	-	-	-	616,500	616,500	616,500
Systems Engineering Program	-	-	-	600,000	600,000	600,000
Statewide Public Safety Intelligence Tool	-	-	-	500,000	500,000	500,000
Rocky Mountain Center for Occupational and Environmental Health	-	-	-	214,800	214,800	214,800
Teacher Preparation Scholarships	-	-	-	200,000	200,000	200,000
Wildlife Management Research	-	-	-	200,000	200,000	200,000
Public Finance Support	-	-	-	125,000	125,000	125,000
Teacher Academy	-	-	-	75,000	75,000	75,000
Subtotal - USHE Priority On-going Adjustments	72,393,500	53,218,400	(19,175,100)	96,237,300	43,018,900	23,843,800
USHE Budget Priorities Percent Adjustment	6.5%	4.8%	-1.7%	8.7%	3.9%	2.1%
One-time Adjustments						
Higher Ed Peer to Peer Mental Health Invention	-	-	-	1,800,000	1,800,000	1,800,000
2020 Vice Presidential Debate	-	-	-	1,500,000	1,500,000	1,500,000
Mental Health Workforce Amendments	-	-	-	807,700	807,700	807,700
Brain Effects of Cannabinoids	-	-	-	500,000	500,000	500,000
Entrepreneurial Community Outreach	-	-	-	500,000	500,000	500,000
Utah Shakespeare Festival Equipment	-	-	-	300,000	300,000	300,000
Utah Veterinary Diagnostic Laboratory	-	-	-	300,000	300,000	300,000
Health Science Outreach	-	-	-	300,000	300,000	300,000
Rural Policy and Public Lands Institute	-	-	-	300,000	300,000	300,000
Center for the School of the Future	-	-	-	250,000	250,000	250,000
Strategic Workforce Initiative	-	-	-	149,900	149,900	149,900
Utah College Access Advisors	-	3,000,000	3,000,000	-	(3,000,000)	-
State Funded Building Operation & Maintenance	-	-	-	(4,265,500)	(4,265,500)	(4,265,500)
Subtotal - One-time Adjustment	-	3,000,000	3,000,000	2,442,100	(557,900)	2,442,100
USHE Budget Priorities Percent Adjustment	0.0%	0.3%	0.3%	0.2%	-0.1%	0.2%
Total Appropriation (On-going and one-time)	72,393,500	56,218,400	(\$16,175,100)	\$98,679,400	\$42,461,000	\$26,285,900
USHE Budget Priorities Percent Adjustment	6.5%	5.1%	-1.5%	8.9%	3.8%	2.4%

¹ Board of Regents and EAC amount based on 2.5% salary and 4.35% health increase with turnover savings reduction, whereas the Governor does not include turnover savings reduction.

² Board of Regents and HB8 ISF bill tax vs tuition ratio is based on 75/25 ratio, whereas Governor's is based on 49/51 ratio.

Utah System of Higher Education
2020 General Session Legislative Action on Capital Facilities (2020-21)

State-Funded Capital Improvements	General Fund	Education Fund	Total
State-Funded Capital Improvements (H.B. 6 and S.B. 2)*†	\$ 72,638,100	\$ 77,401,000	\$ 150,039,100
Total - State-Funded Capital Improvements			\$ 150,039,100

*Capital Improvement Funds are appropriated to the State Building Board to allocate for requested projects. USHE typically receives 55-60 percent.

† Statute requires the legislature fund capital improvements at 1.1 percent of replacement value; the legislature appropriated 1.3 percent ongoing.

State-Funded Capital Projects				
Bill	Project	Cash	GO Bond	State O&M
H.B. 2	SUU - Academic Classroom Building	\$ 43,013,700	\$ -	\$ 495,200
H.B. 2	UofU - Applied Sciences Building *	60,000,000		646,500
H.B. 2	USU - Heravi Global Teaching and Learning Center	14,500,000		332,100
H.B. 2	SLCC - Herriman Campus *	30,800,600		-
S.B. 2	DSU - Land Bank	15,075,000		-
Total - State-Funded Capital Development Projects		\$ 163,389,300	\$ -	\$ 1,473,800

* Intent language defers the construction of these projects until FY 2022, but funds may be used in FY 2021 for programming and design.

Other Funds Projects				
Bill	Project	Funding Source	Amount	State O&M
H.B. 9	UU - Health Sciences Campus Office Building	Rev. Bond: Clinical Revenue	\$ 100,000,000	\$ -
H.B. 9	UU - Health Sciences Garage and Roadway Improvements	Rev. Bond: Clinical Revenue	80,000,000	-
H.B. 9	UU - 102 Tower Building Purchase	Rev. Bond: Rental Revenue	50,000,000	-
H.B. 9	DSU - Greater Zion Stadium Expansion	Rev. Bond: Tourism Marketing	10,000,000	-
H.B. 9/ 2	UU - Rio Tinto Kennecott Building Expansion	Donations & Institutional Funds	9,685,000	162,100
H.B. 9/ 2	USU - Blanding Professional Career and Technical Education Lab	Institutional Funds	1,600,000	194,600
H.B. 2	SUU - Child and Family Development Center	Institutional Funds		101,400
H.B. 2	SLCC - Westpointe Building	Institutional Funds	-	328,900
Total - Other Funds Projects			\$ 251,285,000	\$ 787,000