

SPECIAL MEETING OF THE STATE BOARD OF REGENTS
REGENTS' OFFICES, SALT LAKE CITY, UTAH
NOVEMBER 13, 2009

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SPECIAL STATE BOARD OF REGENTS MEETING
REGENTS' OFFICES, SALT LAKE CITY, UTAH
NOVEMBER 13, 2009

Minutes

Regents Present

Jed H. Pitcher, Chair
Bonnie Jean Beesley, Vice Chair
Brent L. Brown
Rosanita Cespedes
France A. Davis
Katharine B. Garff
David J. Jordan
Nolan E. Karras
Jeffrey Kinsel
Robert S. Marquardt
Anthony W. Morgan
Marlon O. Snow
Teresa Theurer

Regents Excused

Jerry C. Atkin
Greg W. Haws
Meghan Holbrook
Carol Murphy
William H. Prows
John H. Zenger

Office of the Commissioner

William A. Sederburg, Commissioner of Higher Education
Joyce Cottrell, Executive Secretary
David L. Buhler, Associate Commissioner for Public Affairs
David A. Feitz, Executive Director, UHEAA
Spencer Jenkins, Assistant Commissioner for Public Affairs
Cameron K. Martin, Associate Commissioner for Economic Development
Paul C. Morris, Assistant Commissioner for Budget and Planning
Gregory Stauffer, Associate Commissioner for Finance and Facilities
Lucille T. Stoddard, Associate Commissioner for Academic Affairs
Joseph Watkins, Director, Utah Student Association
Gary S. Wixom, Assistant Commissioner for Academic Affairs

INSTITUTIONAL REPRESENTATIVES

University of Utah

Kimberly Wirthlin, Vice President for Government Relations
Sarah Crookston, Assistant to the Vice President for Government Relations
Sarah Day, Student
Taylor Clough, Student Body President

Utah State University

Stan L. Albrecht, President
Michael J. Kennedy, Special Assistant to the President for Federal and State Relations

Weber State University

F. Ann Millner, President
Brad Mortensen, Vice President for Institutional Advancement

Southern Utah University

Dorian Page, Vice President for Finance and Facilities
Wesley R. Curtis, Vice President for Government Relations and Regional Service
Cody Alderson, Student Body President

Snow College

Rick Wheeler, Academic Vice President

Dixie State College

Donna Dillingham-Evans, Academic Vice President
Dewey Denning, Student Body President
Jacki Kimball, Student
Cody Olsen, Student
Spencer Potter, Student
Bryan Poulsen, Student

College of Eastern Utah

Mike King, Interim President

Utah Valley University

Matthew S. Holland, President
Val Peterson, Vice President for Administration and Legislative Affairs
Erin Fleming, Student
Trevor Tooke, Student Body President

Salt Lake Community College

Cynthia A. Bioteau, President
Mason Bishop, Vice President for Institutional Advancement
Nick Ferre, Student
Peter Moosman, Student

Representatives of the Media

Kim Burgess, *Logan Herald Journal*
Tiffany DeMasters, *Daily Spectrum*
Michael Havey, KUER-FM Radio
Brittany Johnson, KBYU-TV
Wendy Leonard, *Deseret News*
Jessica Miller, *Ogden Standard-Examiner*
Brian Mullahy, KUTV-2

Chris Mumford, *Utah Daily Chronicle*
Richard Piatt, KSL-TV
Max Roth, *Fox 13 News*
Lisa Schencker, *Salt Lake Tribune*
Jon Schwarzmam, *UVU Review*
Barbara Smith, KTVX-4
Thien Sok, *Daily Utah Chronicle*

Other Guests

Mark H. Bouchard, Salt Lake Chamber of Commerce
Shane Chapman, Westminster College
Carson Howell, Governor's Office of Planning and Budget
Spencer Pratt, Office of the Legislative Fiscal Analyst
Vicki Varela, Vicki Varela Strategic Communications/Salt Lake Chamber

Chair Pitcher welcomed everyone and called the meeting to order at 1:00 p.m. He excused Regents Haws, Holbrook, Atkin, Murphy, Prows and Zenger.

Overview

Chair Pitcher thanked Regent Karras for bringing the need for a special meeting to discuss the current budget situation to the Regents' attention in October. Commissioner Sederburg announced the intent of the meeting was to help explain to the citizens of Utah the circumstances and the choices facing higher education as a result of the budget cuts last year and what might be expected next year.

Panel of Presidents

A panel of presidents began the meeting. President Albrecht spoke on behalf of the two research universities. Utah State University took \$14.5 million from the ongoing budget during the past year, in addition to \$4.5 million from one-time funds. All employees took a five-day mandatory furlough earlier this year. University administrators do not plan to mandate a furlough in 2010, but it may be necessary again in 2011. To date, 162 positions have been lost. USU is currently in the middle of the budget hearings. Vice Presidents and Deans have been meeting with the Budget Reduction Committee. Virtually all of the budget reductions next year will be made by cutting personnel. At the same time, USHE schools face significant student growth.

There is a dramatic increase in the gap between public and private institutions in the competition for faculty and for research grants. President Albrecht pointed out the mean endowment per student for public universities was \$12,744, but for private universities it was \$237,206. Salaries are approximately 20 percent lower for teaching faculty. The university relies heavily on state support to cover the costs of its primary teaching mission. State funding is not used for graduate research equipment or supplemental salaries for top research faculty. USHE schools are seeking increasing funding through other revenue streams. If the state

investment in higher education continues to decline, our universities cannot remain consistent as major research universities. President Albrecht said the presidents recognized that this was a hard time for everyone – as individuals, as well as for the state and national economy. However, when Utah's universities lose researchers, they also lose the research dollars they generate.

President Holland spoke on behalf of the regional universities and state colleges. He noted Utah Valley University's mission is to be a teaching institution. The current economy presents a significant inability to complete the mission of completion and access. That, in turn, affects the institution's abilities for economic development. To further compound the situation, there is a significant increase in enrollment in public education that will impact higher education in the future. UVU eliminated 65 salaried positions, 27 faculty, 34 staff, and four executives. Decreased funding to this extent jeopardizes the school's mission. This fall, several new students did not continue after they enrolled because they were unable to find the classes or programs they needed. President Holland noted that UVU receives 45 percent of its funding from the state. Another "casualty" of the current economic situation is the reversal of recent progress toward the university goals of decreasing the student-to-faculty ratios. UVU's enrollment is currently 4000 students greater than a year ago. Students are registering earlier so they can get the classes they need. Institutions are becoming more efficient with fewer funds and an increased number of students, but that process is becoming increasingly difficult while maintaining quality.

President Bioteau spoke for the two-year community colleges. The community college is an integral part of higher education, just as are the research universities and teaching colleges and universities. The community college mission is based on open access. A core touchstone is affordable, accessible education and high standards of quality. Dr. Bioteau noted 47 percent of all undergraduates in the United States are being educated in the community colleges. Salt Lake Community College currently educates 34,000 students, which is an increase of 4000 over last fall. The ARRA "back fill" was used to create 700 new sections and to hire 214 new adjunct faculty. No one who wanted an education at SLCC was turned away. Classes are now offered from 6:00 a.m. to 10:00 p.m., six days a week. The college offers 27 percent more online courses. President Bioteau said if the school has to go forward without replacing the "back fill" money, school administrators will need to terminate those 214 faculty as well as several others. This will erode the college's core and its values. Three to five additional programs may have to be closed. The school may also need to close two or three of its 14 sites and campuses.

President Bioteau said higher education had become as "lean" as possible. Last year, faculty and staff were terminated and programs were closed. CEU had to eliminate five AAS degrees and three one-year certificate programs. They may have to lay off additional employees. Snow has 24 percent more new students this fall than last year. A community college also works with employers to train people to meet those needs. Eroding funding will inevitably result in enrollment gaps.

Chair Pitcher asked how Utah ranked with other states, comparatively, on budget cuts. President Albrecht said according to the National Governors' Association and NASBO, funding decreased by 9 percent on average last year. In western states, the results were much worse. Idaho took a 5.1 percent cut, Wyoming's

budget was flat, Texas's higher ed budget actually increased by 10.8 percent, and North Dakota's increased by 24 percent.

President Millner reported 1800 sections were closed this fall at Weber State University. Students could not get into key courses they needed and this has meant the loss of students. Next year it will be worse because we cannot depend on the federal stimulus money.

Regent Theurer asked if the higher education funding in other states prior to the current economic crisis was higher than Utah's. President Millner said Dr. Dennis Jones had shared information last year from NCHEMS that showed in terms of the number of degrees our students achieve, based on FTE funding, higher education in Utah was already the most efficient. Commissioner Sederburg noted that Utah had never heavily funded education – either public education or higher education. He expected Utah would be in the bottom one-third of the country for funding problems. President Bioteau pointed out that SLCC students presently pay 133 percent more tuition than their peers in adjoining states.

Regent Davis asked where the students were going who could not get into the classes at USHE institutions. President Millner said students were taking a fewer number of classes (going to school part-time, rather than full-time) and taking longer to graduate. President Holland said a sizeable number of those students were doing something other than going to school.

Regent Jordan asked if Utah's students were bearing a greater share of the burden of their education than other states. Some of the presidents noted that most Utah schools have a plateau structure, so students can take from 12 to 18 credit hours for the same tuition rate. However, students taking a fewer number of credits pay a higher tuition rate.

Regent Karras pointed out the significant increase in student loans. Executive Director Feitz confirmed that the student loan volume at UHEAA had skyrocketed for the past couple of years. For example, at SLCC alone, 55 percent more students are borrowing to pay for their education than last year. If Utah continues to increase tuition, the students will have to take on increasingly higher debt burdens.

Regent Garff expressed concern that professors, especially research professors, would likely be leaving Utah because we cannot continue to afford to pay them competitively. The Regents want to ensure that the best professors stay with our institutions and that they are paid what they deserve to be paid. She asked if anyone had a solution for keeping the best professors at our schools. President Albrecht confirmed that many good institutions are able to afford the "super stars," some of whom are found in USHE institutions. USTAR has helped the University of Utah and Utah State University to remain competitive. He said it was difficult to set aside retention funding when budgets were being cut. President Holland said this was also an issue for other schools. When our schools are not competitive, we cannot recruit high-quality faculty and/or we cannot retain them. President Millner agreed: With the budget cuts in the current year, combined with the enrollment growth, the state is investing 25 percent less per student on our campuses. That leaves the institutions with very limited ability to respond to quality issues.

Chair Pitcher thanked the presidents for their comments.

Panel of Students

Regent Kinsel introduced the student speakers. He said he had met with the executive board of the Utah Student Association and with the student body officers. Spencer Potter, the Fine Arts Senator from Dixie State College, shared his personal experiences as well as the experiences of students he represented. The budget cuts have meant both a decrease in needed equipment and in the quality of education. Many upper-division classes with smaller class sizes have been dropped. Also, the ability to diversify undergraduate education has been frustrating because of the difficulty in scheduling classes. Classroom resources are not current. Demonstration materials for arts classes are not always easy to find. Team-building activities and student retention activities have been cut. In addition, student scholarship offerings have been reduced. Student success depends on students finding an academic home. In addition, the success of our institutions has direct ties to community success and economic success.

Erin Fleming, a UVU student, spoke next. She said she was a communications major with an emphasis in speech communication. Under that program, she is supposed to graduate in three semesters but she cannot because of the inability to take the necessary classes. Some departments/emphases are comprised of only one full-time faculty member. UVU is piloting a developmental math course with a potential of 100 students. Class sizes are being increased, causing the students to lose the opportunity for interpersonal communication with the faculty. UVU has wonderful programs, she concluded, but those programs need funding to be successful. Sarah Day, a University of Utah student, said she was majoring in environmental studies and political science. Courses in some programs are limited, so students have to choose to change majors or to take longer to graduate.

Regent Kinsel summarized the students' discussion. Although students may not know exactly how their institutions have been affected by the budget cuts, they are directly impacted. This is a great concern for the coming year.

Regent Morgan asked if it would be better for the institutions to put in place "hard enrollment caps" and to admit fewer students consistent with funding levels, or to provide sufficient classes so students can pursue their educational goals. Regent Kinsel said education should be accessible and affordable and that there would likely be a backlash from the students if hard enrollment caps were imposed. At SLCC, an enrollment cap would cut the core of its community college mission. Last fall, one-third of the students reported they were out of work. They need courses immediately to get back into the workforce. Enrollment caps are also a barrier to a state's economy. Regent Morgan reported California had imposed a 20 percent cut in enrollments. President Bioteau noted many of the schools had eliminated entire programs. Commissioner Sederburg said the CSU system had just announced they would be denying admission to 47,000 students throughout the system.

President Holland said trustees and administrators at UVU continue to be committed to the school's mission of providing open access. Capping enrollment would most significantly impact those populations who

most need access. Vice President Dorian Page said student employment at SUU had been seriously cut, so access to campus jobs had been reduced considerably. President Millner pointed out that many of Utah's universities still had a community college role. This is a very important part of their mission, and access is vital to that mission. Regent Brown stated that education was the future of economic development. If the Regents were to cap enrollments, the economic growth of many industries would be severely limited. Regent Garff suggested all of the institutions look at their programs with an eye to eliminating duplication of services.

Chair Pitcher thanked the students for their participation.

Salt Lake Chamber Education Task Force Report

Commissioner Sederburg introduced Mr. Mark Bouchard, Senior Managing Director of CB Richard Ellis and chair of the Salt Lake Chamber Education Task Force. As background, the Commissioner told the Regents that a few months ago, Natalie Gochnour had approached him about the Chamber and the Regents working together to promote higher education.

Mr. Bouchard said the Salt Lake Chamber appreciated the opportunity to share their thoughts regarding higher education. A press conference was held earlier in the week to lay out the Chamber's six-point plan and to propose that the Chamber would not support anything from legislators short of stabilization of funding in higher education and public education. The business community wants no cuts made to either public or higher education. The task force's charge had a two-fold approach: The technical program is to work with the Legislature and the Governor on the alternatives being proposed to offset the funding of education. The Chamber would support some increased taxes, Mr. Bouchard stated.

The strategic program is to find ways to increase funding for education. He noted a civilization cannot increase demand and decrease funding without decreasing quality. Our greatest natural resource is our youth, who will be the leaders of coming generations. This issue must be addressed head-on and collectively. Utah is doing itself an injustice by comparing itself to other states. A state cannot be the most efficient by decreasing funding for education. Business leaders in the Chamber have had experience working with the Legislature. The task force also includes representatives from public education and higher education. The task force's goal is to increase funding for the education system, and to trust those empowered in education to be stewards of those funds. Mr. Bouchard concluded by saying the Chamber looked forward to working with educators and Regents as an ongoing effort.

Regent Karras remarked the government tended to look at one-year snapshots, not long-term projections. During good times the revenue base has been cut so that during difficult times, higher education is unable to fix those problems. He said he had recently learned that Medicaid would be increasingly underfunded. We need to look at funding for education as a long-term problem requiring a long-term solution. He applauded the Chamber's long-term goal.

Regent Marquardt, too, commended the Chamber for its advocacy. The single best thing we can do to help the state's economy is to have a robust educational system and to increase the number of citizens receiving postsecondary education. Not funding education will hurt the economy far worse than increasing taxes. Mr. Bouchard commented that the lack of strategic thinking was as harmful for higher education as it is for business. This fall, Utah welcomed 12,500 new college students, in addition to turning away individuals who may now never go to college. He suggested a Rainy Day Fund for Education. Because of its large families, Utah grows at a rate twice that of the national average. We must plan to fund that growth. Nothing in this state is more important than the education of our children, he stated. That needs to be the community's mission statement.

Chair Pitcher thanked Mr. Bouchard for his remarks and for the Chamber's support.

Policy Statement

Commissioner Sederburg recalled that after the October Board meeting, the Commissioner's Office had been charged to draft a policy statement on the issue of funding. Associate Commissioner Buhler and other staff members worked closely with Presidents and Regents to develop the attached policy statement. Utah has traditionally strongly supported education had been outlined and the challenges facing this Board presented. The goal of the meeting was to leave with a strong position that funding for education cannot be cut any further. She referred to the chart showing how far the funding per student had eroded for the past few years. She stressed the serious consequences to further cuts in funding education. We must ensure continued growth and participation. The Regents' responsibility is to step forward and speak, representing Utah's citizens, to present the current reality. The Commissioner's recommendation was for no additional cuts and that all options for revenue be considered.

Regents' Roundtable

Chair Pitcher asked each Regent to express his/her thoughts about the policy statement. Regent Davis pointed out that higher education is a way of changing one's circumstances. As students enroll, they need to be committed to finish their education. One suggested solution has been to increase the sales tax on food. Regent Davis said he was deeply concerned because this would greatly impact those citizens who can least afford it. Education must become the state's top priority. Regent Karras suggested that the schools help prepare a long-term look at the structural imbalances. Regent Brown related that he had watched the automobile manufacturers choose to protect retirement packages and other benefits; as a result, they lost everything. Higher education is the research and development team to ensure the future of this state. When funding for higher education is cut, many other areas are also affected.

Regent Jordan said he supported the Commissioner's recommendations. He suggested that the Benefits of Education section should include bullet points that talk about what higher education does for the

community at large – grant monies brought in by university research, etc. – as well as other social benefits that result from education. He also suggested adding the point that the USHE institutions' cut has been considerably greater because of the enrollment growth absorbed while the schools were implementing a significant budget cut. To the Consequences section, he recommended adding a bullet that captured the students' message: that students cannot get into the classes they need, which delays their graduation. This consequence has a quantifiable cost. In addition, some students drop out of school because of the unavailability of needed classes and never make it back to school to complete their degrees. Regent Cespedes pointed out that all of the consequences noted greatly impact the disadvantaged. She noted that historically the population in correctional facilities has increased in direct proportion to the decrease in college completion.

Regent Snow encouraged all of the Regents to spend more time meeting with legislators during the 2010 General Session. Regent Theurer stated her concern about the length of time necessary for students to complete their education and reminded the others that the longer a person takes to get an education, the later that person enters the workforce and contributes to the state's economy. She expressed her support for using a great deal of the Rainy Day fund and for increasing taxes on tobacco, alcohol, and other things that are a personal choice. Regent Garff urged educators to start thinking in terms of K-16, especially when public education and higher education have separate budgets. All of education is affected by these budget cuts.

Institutional Comments

Chair Pitcher asked the presidents to comment. Vice President Wheeler said as a former legislator, he appreciated the discussion and the Regents' willingness to make a difficult decision. President King pointed out the budget cuts affected the smaller schools even more deeply than the larger schools. CEU has already cut 15 percent of its full-time faculty; funding cannot continue to be cut without affecting quality. The other presidents agreed and thanked the Regents and the Salt Lake Chamber and business community for their advocacy on behalf of education. Joseph Watkins, Executive Director of the Utah Student Association, expressed the students' appreciation and support for the policy statement.

Vice Chair Beesley spoke as a citizen appointed to represent the interests of the State of Utah, which she pointed out is the Regents' responsibility. She noted that the interstate highway system had bypassed many towns and communities who now struggle to survive. As the global economy continues to transition to a knowledge- and skills-based economy, communities who do not connect to the education highway may experience a similar struggle. As of 2008, 27 percent of the Utah population, ages 25 to 34, had achieved a two-year degree or higher. National and many international goals are set at 60 percent. Some nations are already at 55 percent achievement. The United States, at 40 percent, has already dropped to tenth place. Not only does Utah need to increase our achievement rate to 60 percent, but we need to increase the capacity of our higher education system to accommodate the population growth already in the public education system. Utah has the highest achievement gap in the nation between Caucasians and minorities; further budget reductions will affect the under-served population the most.

Vice Chair Beesley noted it had been pointed out that the USHE is already the most efficient higher education system in the United States. Utah produces more bachelor's degrees per dollar than any other state yet receives the least amount of funding per degree. With recent cuts from the State Legislature and an absorption of a 17 percent growth in enrollment – and further cuts possible, the system is truly at a critical point. Regent Beesley reminded the group that the early settlers of Utah founded what is now the University of Utah while they were still living in wagon boxes and dugouts. We must recognize and honor that long heritage of sacrifice and prioritization by joining together with our elected officials, business and community leaders and citizens to align our priorities to get Utah citizens educated and trained.

Vice Chair Beesley moved approval of the proposed policy statement, with the amendments suggested by Regent Jordan. Regent Snow seconded the motion. Regent Davis asked that a caveat regarding a tax credit and/or other tools be added to ensure that the poor are not overburdened, if the Regents advocate that the sales tax on food be increased. Vice Chair Beesley accepted that recommendation. Vote was taken on the motion as amended and carried unanimously.

Commissioner Sederburg remarked that Representative Kay McIlff had developed a plan to earmark a great deal of the sales tax increase on food for Medicaid, which would be matched by federal dollars. He expressed his appreciation for the courage of the Salt Lake Chamber and for Regents Marquardt's leadership with the Friends of Utah Higher Education. He said the USHE presidents and higher education administration were very supportive of managing the downturn and keeping as many opportunities open for students as

possible. He commended the institutions for their minimal complaining and maximum effort. The Commissioner said Governor Herbert had asked him to reassure everyone that he was a very strong supporter of higher education and that they would be pleased by his recommendations. He also conveyed the Governor's appreciation for the work of the Regents and Presidents. Commissioner Sederburg thanked the Regents for their courage in advocating higher education.

Regent Snow said he had attended a meeting the previous evening with hundreds of youth and their parents. He noted that every USHE institution had been represented (but not the business community).

Chair Pitcher announced that the Board would be meeting on December 11 from 9-11 a.m. in the Regents' offices to take care of issues that cannot wait until the January meeting.

Adjournment

Regent Theurer moved the meeting be adjourned. The motion was seconded and adopted. The meeting adjourned at 3:05 p.m.

Joyce Cottrell CPS, Executive Secretary

Date Approved

A Critical Tipping-Point for Utah Higher Education

A Joint Statement by the Utah State Board of Regents
Utah Commissioner of Higher Education and
Presidents of Utah's Public Colleges and Universities
November 13, 2009

Introduction

With the 2010 session of the Utah State Legislature approaching, as citizens we face a critical moment in our state's history. Forty years ago the people of Utah, through their elected representatives in the State Legislature and the Governor, established the Utah State Board of Regents with responsibilities for Utah's nine public colleges and universities. Today, these institutions are providing education for 164,860 students, and employ 29,933 Utahns. In total the state's nine public colleges and universities grant over 35,000 degrees and certificates to students annually. The hopes and economic futures of Utah families depend on their ability to access a quality higher education. Today, the strength of the system Utah has built is at considerable risk of being irreparably harmed.

Together we take very seriously the responsibility entrusted to us. We view this as a stewardship to the people of our state and have an obligation to advise state policymakers and the public that the next year could prove critical to the future of Utah's public colleges and universities and those they serve. Indeed, we are at a critical "tipping point," not just for higher education, but for the state as a whole.

Utahns' commitment to higher education was evident from the earliest days after pioneer settlement, when in 1850—before many settlers even had houses—they established a university. Utah's history is filled with similar examples of commitment in communities up and down the state, where the people of Utah prized education enough to make remarkable sacrifices. As we face the future, we cannot and should not forget this history that brought us the opportunities we have today.

Benefits of Higher Education

Higher Education today brings tangible results for those who earn it.

- The lifetime earnings of a college graduate (on average) are double that of a high school graduate.
- According to the Department of Workforce Services, this year 75% of Utahns filing unemployment claims have a high school degree or less, and only 15% have a college degree.

- Each year's crop of college graduates contributes approximately \$500 million annually to the state's economy in increased wages.
- There is near-perfect (1-to-1) correlation of a state's economic success and the portion of their population that is college-educated.
- Utah's Research Universities attract approximately \$500 million a year in outside research funding, responsible for 10,000 jobs, and create dozens of new companies a year employing many more.

In both urban and rural areas of the state, colleges and universities serve as tremendous economic engines. And in smaller communities they are also the cultural epicenters that contribute immeasurably to quality of life of Utah citizens.

Even with these benefits, Utah is beginning to fall behind, relative to the rest of the nation, in college attainment. Utah has dropped below the national average on adults ages 25-44 with an Associate Degree or higher. And as pointed out by the Utah Foundation just last month, Utah's ranking of adults with a bachelor's degree has fallen from 5th in the nation in 1940, to 16th in 2000, and to 18th in 2008, at a time when higher education is more important than ever. Now is not the time to make it more difficult for Utahns to attend and graduate from college.

Today's Challenge

We recognize that in today's challenging economic environment, Utah's elected leaders face the most serious budgetary shortfall in a generation. In just three years, state revenues have dropped by one billion dollars. These challenging times require elected officials to rise to the occasion and answer the call of history, as their decisions will resonate far beyond 2010 with long-term consequences for the rising generation.

Utahns are turning to higher education as a solution to their personal economic crises. This has resulted in an increased total enrollment of 17 percent since 2008—24,528 additional students. Some are recent high school graduates; many others of these new students are the unemployed or under-employed, seeking to better their lives through additional education and training. Today Utah's public colleges and universities are providing educational opportunities with \$1,350 less state support per student than in 2008.

As serious as today's economic challenges are, we are confident that better days are ahead. Indeed, signs are already pointing to the beginning of an economic recovery. And while it is not likely to be as quick or robust as we would like, better days will come. It is important that today's decisions do not result in harming Utah's long-term economic future by seriously damaging our capacity to educate those who seek to better their lives by enrolling in college. If Utah is to compete economically regionally

and internationally, we must keep our commitment to provide educational opportunities. And now is the ideal time for Utah to position itself for economic recovery by preserving a strong system of post-secondary education.

2009 Budget Cuts

In the 2009 Legislative Session, higher education budgets were cut 17 percent; however, thanks to the appropriation of federal stimulus funds by the Legislature, budgets were “back-filled” with one-time money, resulting in a net cut of 9 percent, or \$70.2 million for the current fiscal year. We were and are grateful for legislative and executive action that prevented deeper cuts. And, fortunately, the Legislature granted our college and universities flexibility to manage the cuts in ways that would be best for their respective institutions.

Presidents have made the necessary cuts, always taking care to minimize the impact on students, yet some impact is unavoidable. The cuts were difficult, but Presidents have acted responsibly to manage their institutions within the resources available. Not surprisingly, higher education is a talent-intensive enterprise, with 80% of higher education budgets spent on personnel. As a result, most of the cuts were in reducing the number of employees with the elimination of 940 positions system-wide. Most of these eliminations were voluntary, but 226 (or 25%) were involuntary.

In addition to eliminating employee positions, cuts have included:

- Using more part-time and adjunct faculty
- Eliminating some programs
- Administrative consolidations and efficiencies
- Reducing academic advising and counseling

Students are having more difficulty registering for classes, as the number of class sections has been reduced. Even if funding remains at the present level, in a real sense, as enrollments grow without new state funding, campuses absorb millions in costs, equating to a further budget cut.

Consequences of More Cuts

If the one-time stimulus money is not replaced and runs out this summer, or if additional budget cuts are made, serious consequences will be felt on every public college and university campus in our state. These consequences include:

- Elimination of adjunct and temporary faculty positions
- Elimination of class sections offered

- Less availability of classes makes it more difficult for students to attend and to graduate on time.
 - Delays can result in slowing students' full entry into the workforce, or even prevent them from graduating as they take on other family responsibilities
- Results in a "soft cap" on enrollments as students are not able to sign up for the classes they need
- Fewer academic advisors, which also makes it more difficult for students to plan their college coursework to graduate on time, often disadvantaging first-generation college students the most
- Elimination of some important academic programs
- Less financial aid and grants to help students afford college
- The risk of losing star researchers and the millions of dollars of research grants they attract, which in turn provides immediate and long-term jobs in the state's economy
- The elimination of several hundred more full-time employee positions, thus further compounding the state's unemployment rate
 - Layoffs also have a rippling negative effects on our economy, such as fewer sales (hurting retailers), and lower tax collections.
- Closing branch or satellite campuses, limiting student access.

We are deeply concerned that these consequences will jeopardize in a single year what has taken Utahns generations to create—quality and accessible higher education opportunities for our citizens.

Tipping Point

Utah is at a critical tipping point, some would say near a breaking point, for higher education. When the legislators convene in January, they, along with our Governor, will face some critical decisions. We know these policymakers will carefully consider the consequences of budget cuts in the lives of Utahns including those in education but also the poor, the sick, and the physically impaired. And when adding revenue is proposed, we realize they must also weigh the impact of their actions on individual Utahns, many of whom are also facing economic difficulty, and on the state's economy. Certainly it is appropriate that tax decisions made in years of record surpluses be reconsidered in today's circumstances.

We understand state policymakers must carefully consider a wide range of challenges while our responsibilities are more focused. And yet, because of the stewardship entrusted to us, we have an obligation to speak up and voice not only our concerns about higher education, but also to be constructive in offering suggestions for ways to address these concerns.

Recommendation

Therefore, we express our mutual and unified concern, and ask that in their deliberations the Governor and Legislature recognize the long-term value of higher education, consider all options, and not diminish our ability to meet the state's needs. Accordingly, we respectfully recommend the following:

1. Protect Utahns' higher education opportunities by replacing the one-time money appropriated in 2009 (a total of \$60 million or 8 percent of the current base budget) with either one-time or on-going appropriations
2. Resist any further cuts to higher education and K-12 public education beyond what has already been done

In today's environment, it may not be easy but these goals can be achieved. To achieve them, we suggest that the Governor and Legislature keep all options, including tax increases, "on the table," at least until the February revenue estimates are available. We support serious consideration of the following options:

- Use whatever portion of the rainy day funds necessary to prevent cuts beyond the present 9 percent
- Reduce the \$300 million in general state sales tax dedicated to highway construction by replacing it with gasoline tax revenues
- Restore the state sales tax on food while providing tax credits and other measures to prevent an undue burden on the poor and financial aid to assist low-income students and their families Increase the tax on alcohol and cigarettes to help pay for health care costs, including funding medical education

We applaud the efforts of the Salt Lake Chamber of Commerce in its advocacy of urging a humane and sensible approach to preserving quality education in Utah. We look forward to working with the business leaders involved in the Chamber of Commerce and with other business and community leaders who share our goals for protecting access to quality higher educational opportunities for Utahns.

The State Board of Regents, the Commissioner of Higher Education, and the Presidents of Utah's nine credit-granting colleges and universities pledge our support and assistance to the Governor and Legislature, as they work to meet the needs of the people of Utah. We ask they remain open to the suggestions made above.

Approved, November 13, 2009 by Utah State Board of Regents.

Jed H. Pitcher, Chair
Bonnie Jean Beesley, Vice Chair
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Brent L. Brown

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Greg W. Haws
Teresa Theurer

Anthony W. Morgan
Carol Murphy
William H. Prows
Marlon O. Snow
John H. Zenger

In concurrence, Commissioner of Higher Education William A. Sederburg, and
President Michael K. Young, University of Utah
President Stan L. Albrecht, Utah State University
President F. Ann Millner, Weber State University
President Michael T. Benson, Southern Utah University
President Matthew S. Holland, Utah Valley University
President Scott L. Wyatt, Snow College
President Stephen D. Nadauld, Dixie State College of Utah
President Michael King, College of Eastern Utah
President Cynthia A. Bioteau, Salt Lake Community College