

UTAH COLLEGE OF APPLIED TECHNOLOGY

AGENDA ITEM

UCAT BOARD OF TRUSTEES

23 March 2017

ITEM: III.V

TOPIC: 2017 Legislative Session Review

BACKGROUND

The General Session of the Utah State Legislature concluded on March 9, 2017. A review of the impact of legislative action on UCAT and the eight colleges will be led by Commissioner Woolstenhulme.

- **Funding (Summary Attached):**
 - H.B. 1, the base budget bill, moves ongoing system equipment money from system administration to the various colleges.
 - S.B. 2 funds ongoing increases of **\$3,000,000** in FY 2018 for market demanded programs and **\$1,000,000** for equipment; and one-time funding of **\$1,000,000** for equipment.
 - H.B. 8 funds a 2% compensation increase and an 8% increase in health insurance benefits rates.
 - S.B. 3 funds **\$4,475,100** for the UBATC Welding Technology Building and provides **\$1,500,000** ongoing for statewide Strategic Workforce Investment initiatives which include two applied technology colleges.

- **Base Budget Performance Measures (Summary Attached):**
 - H.B. 1 includes intent language that the Utah College of Applied Technology report to the Higher Education Appropriations Subcommittee by October 2018 on performance measures related to base budget line items, including the following for each college:
 - Membership hours of technical education provided;
 - Certificates awarded to students for completion of accredited programs;
 - Certificate-seeking adult students placed in related employment, continued education, or military;
 - Continuing Occupational Education students enrolled; and
 - Secondary students enrolled.

- **DXATC Lease-Purchase Authorization (S.B. 9, Line 575):**
 - The Legislature intends that: (1) the Dixie Applied Technology College, subject to the requirements in Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management, enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$9,505,300, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve requirements, for the planning, design, and construction of the Industrial Building for the Dixie Applied Technology College permanent main campus building with up to 64,000 square feet; and (2) the college may request state funds for operation and maintenance costs, but not for capital improvements for the leased building during the term of the lease-purchase agreement.

- **Senate Bill 238 (Complete Summary Provided in Agenda Item V):**
 - Renames the Utah College of Applied Technology the Utah System of Technical Colleges;



changes the name of each member college of the Utah System of Technical Colleges from an applied technology college to a technical college; removes the nonvoting members from the State Board of Regents; requires coordination between state entities involved in education; amends a list of institutions of higher education that are bodies corporate to remove the Utah College of Applied Technology, and to add each technical college; removes the nonvoting members from the Utah System of Technical College Board of Trustees; and prohibits an individual from serving simultaneously on the Utah System of Technical Colleges Board of Trustees and a technical college board of directors.

- **Legislation:**

- Senate Bill 117, "Higher Education Performance Funding", establishes a restricted fund and requires the Board to develop a performance model with metrics. A summary of the bill is attached.
- In addition to S.B. 117 and S.B. 238, a summary of selected bills that have some relevance to UCAT and the colleges is provided for Board members to review.

RECOMMENDATION

Information/discussion only.

Attachments: Legislative Budget Summary – FY 2018
Base Budget Performance Measures
Senate Bill 117 – Summary of Provisions
2017 Legislative Session – Summary of Bills Relevant to UCAT





FY 2018 UCAT Appropriations

		Admin	Custom Fit	BATC	DATC	DXATC	MATC	OWATC	SWATC	TATC	UBATC	Totals
HB 1 - Higher Ed Base Budget	General Line Item (2% cut)	1,861,100	3,880,000	11,945,900	13,682,000	6,238,600	10,209,000	13,539,600	4,465,700	3,310,800	6,990,300	76,123,000
	Equipment Line Item (2% cut)	14,500	-	186,600	219,100	85,200	147,800	204,200	76,300	78,700	125,500	1,137,900
	Dedicated Credits	-	-	1,330,900	1,891,000	252,000	1,037,400	1,695,500	184,300	203,000	487,000	7,081,100
	One-time O&M Holdback	-	-	-	-	(374,400)	-	(14,000)	-	-	-	(388,400)
SB 2 - New FY Appropriations	2% Restoration	38,000	79,200	239,900	275,000	96,900	208,300	268,800	91,100	67,600	142,700	1,507,500
	2% Equipment Restoration	3,200	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	23,200
	One-time Equipment	-	-	165,400	193,800	76,700	131,500	180,800	68,900	71,000	111,900	1,000,000
	Ongoing Equipment	-	-	165,400	193,800	76,700	131,500	180,800	68,900	71,000	111,900	1,000,000
	Market Demand	-	-	383,300	507,700	422,600	523,100	531,900	187,500	183,800	260,100	3,000,000
SB 3 - Appropriations Adjustments*	Ongoing (State Workforce Initiative)	-	-	-	-	-	-	220,400	-	250,000	-	470,400
	One-time (State Workforce Initiative)	-	-	-	-	-	-	340,600	-	-	-	340,600
HB 8 - Comp	Tax Funding	35,200	-	336,300	344,100	110,000	233,600	288,400	84,400	82,400	155,000	1,669,400
SB 8 - ISF Rate Changes	Tax Funding	16,200	-	69,400	(12,900)	3,400	4,700	(5,200)	1,400	(8,800)	10,600	78,800
	Dedicated Credits	-	-	4,400	(1,600)	100	500	(600)	100	(500)	700	3,100
FY 2018 Line Item Totals	FY 2018 General Line Item (tax approps)	1,950,500	3,959,200	12,974,800	14,795,900	6,497,100	11,178,700	15,170,500	4,830,100	3,885,800	7,558,700	82,801,300
	FY 2018 Equipment (tax approps)	17,700	-	519,900	609,200	241,100	413,300	568,300	216,600	223,200	351,800	3,161,100
	FY 2018 Dedicated Credits	-	-	1,335,300	1,889,400	252,100	1,037,900	1,694,900	184,400	202,500	487,700	7,084,200
	FY 2018 Total Approps	1,968,200	3,959,200	14,830,000	17,294,500	6,990,300	12,629,900	17,433,700	5,231,100	4,311,500	8,398,200	93,046,600

* SB 3 also funded \$4,475,100 for UBATC's Welding Technology Building. Associated O&M of \$97,300 was also funded and held back pending project completion

		Admin	Custom Fit	BATC	DATC	DXATC	MATC	OWATC	SWATC	TATC	UBATC	Totals
HB 1	FY 2017 1X Supplemental (SWIA)	-	-	190,000	450,000	125,000	-	30,000	-	-	-	795,000

Utah College of Applied Technology
House Bill 1 Intent Language
March 23, 2017

The FY 2018 base budget bills passed during the 2017 legislative session include intent language for all state agencies to report on mission-based performance targets for each budget line item. The Utah College of Applied Technology line item targets are summarized below.

(link to H.B. 1: <http://le.utah.gov/~2017/bills/static/HB0001.html> – see Items 59-67)

Intent language wording:

The Legislature intends that the Utah College of Applied Technology report on the following performance measures for the _____ line item, the mission of which is, " _____ ": (1) _____ [performance measure] (target = _____); (2) _____ [performance measure] (target = _____); (3) _____ [performance measure] (target = _____), by October 15, 2018 to the Higher Education Appropriations Subcommittee.

Line Item 59 – Utah College of Applied Technology – Administration

Mission: To support career and technical education throughout the State of Utah.

- (1) Alignment of UCAT Policy with that of the Council on Occupational Education (target = completion and continued enforcement);
- (2) Annual analysis of alignment of UCAT offerings with Department of Workforce Services’ job projections (target = 100% alignment);
- (3) Companies served by Custom Fit training (target = 2% increase from FY 2016);
- (4) Trainees served by Custom Fit training (target = 8% increase from FY 2016); and
- (5) Hours of instruction provided by Custom Fit (target = 6% increase from FY 2016)

Line Items 60-67 – Utah College of Applied Technology – Applied Technology Colleges

Mission: To meet the needs of Utah's employers for technically-skilled workers and to promote local and statewide economic development by providing market-driven technical education to secondary and adult students.

Performance Measures and Targets (% increase from FY 2016)

BATC	DATC	DXATC	MATC	OWATC	SWATC	TATC	UBATC
------	------	-------	------	-------	-------	------	-------

(1) Membership hours of technical education provided

3%	2%	3%	7%	2%	3%	18%	8%
----	----	----	----	----	----	-----	----

(2) Certificates awarded to students for completion of accredited programs

3%	10%	3%	3%	2%	4%	13%	10%
----	-----	----	----	----	----	-----	-----

(3) Certificate-seeking adult students placed in related employment, continued education, or military service

3%	1%	3%	6%	2%	6%	20%	15%
----	----	----	----	----	----	-----	-----

(4) Continuing occupational education students enrolled (target = 3% increase from FY 2016)

3%	(maintain)	3%	(maintain)	5%	3%	18%	5%
----	------------	----	------------	----	----	-----	----

(5) Secondary students enrolled

3%	3%	(maintain)	2%	10%	3%	13%	5%
----	----	------------	----	-----	----	-----	----

Senate Bill 117 (2017 General Session)
Higher Education Performance Funding
Summary of Provisions March 10, 2017

This bill amends and enacts provisions related to performance funding for higher education institutions and technical colleges.

Provisions Related to Funding:

1. Establishes a restricted account in the state budgets.
2. Requires that, up to a limit, certain individual income tax revenue be deposited in the restricted account.
3. Restricts the use of money in the restricted account to performance funding for higher education institutions and technical colleges.
4. Requires the Department of Workforce Services to estimate the amount of growth, over a baseline amount, in individual income tax revenue generated by targeted jobs.
5. Directs the Legislature to determine appropriations from the restricted account for higher education institutions and technical colleges based on performance.
6. Requires the State Board of Regents and the Utah System of Technical College Board of Trustees to:
 - Develop models for measuring the performance of higher education institutions and technical colleges; and
 - Report annually to the Higher Education appropriations Subcommittee on the performance of higher education institutions and technical colleges.

Provisions related to Performance Factors for the Utah System of Technical Colleges:

1. The eligible new performance funding amount for technical colleges shall be based on the technical college's prior year share of :
 - i. membership hours for all technical colleges; and
 - ii. the total state-funded appropriated budget for all technical colleges.
2. A technical college earns the full new performance funding amount if the technical college has a positive change in the technical college's performance of at least 5% compared to the technical college's average performance over the previous five years.
3. The Utah System of Technical College Board of Trustees shall establish a model for determining technical college performance. The model shall include metrics, including:
 - i. completions, measured by certificates awarded;
 - ii. short-term occupational training, measured by completions of:
 - A. short-term occupational training that takes less than 60 hours to complete; and
 - B. short-term occupational training that takes at least 60 hours to complete.
 - iii. secondary completions, measured by:
 - A. completions of competencies sufficient to be recommended for high school credits;
 - B. certificates awarded to secondary students; and
 - C. retention of certificate-seeking high school graduates as certificate-seeking postsecondary students.

- iv. placements, measured by:
 - A. total placements in related employment, military service, or continuing education;
 - B. placements for underserved students; and
 - C. placements from high impact programs.
- v. institutional efficiency, measured by the number of technical college graduates per 900 membership hours.

Utah College of Applied Technology
Legislative Bills of Interest
March 23, 2017

Appropriations Bills

<u>Bill</u>	<u>Title</u>	<u>Sponsor</u>
H.B. 1	Higher Education Base Budget	Grover
H.B. 8	State Agency and Higher Education Compensation Appropriations	Last
S.B. 2	New Fiscal Year Supplemental Appropriations Act	Stevenson
S.B. 3	Appropriations Adjustments	Stevenson
S.B. 8	State Agency Fees and Internal Service Fund Rate Authorization and Appropriations	Van Tassell
S.B. 9	Revenue Bond and Capital Facilities Amendments	Harper

Notes on Appropriations Bills

- H.B. 1 Higher Education Base Budget – This bill sets the base budget for FY 2018. It also provides additional FY 2017 supplemental and FY 2018 on-going funds related to the Strategic Workforce Initiative. It moves on-going System equipment money from System Administration to the various Colleges.
- H.B. 8 State Agency and Higher Education Compensation Appropriations – This bill funds a **2% Labor Market Adjustment** and an 8% increase in health insurance benefits rates for Colleges. These increases are fully funded through an increase in State appropriations.
- S.B. 2 New Fiscal Year Supplemental Appropriations Act – This bill provides System-wide funds of \$3 million for Market Demand Programs, \$1 million for on-going equipment funds, and \$1 million for one-time equipment money.
- S.B. 3 Appropriations Adjustments – This bill funds \$4,475,100 for the Uintah Basin ATC Welding Technology Building. It also provides Strategic Workforce Initiative funds for various Colleges.
- S.B. 8 State Agency Fees and Internal Service Fund Rate Authorization and Appropriations – This bill reduces the appropriations for Risk Management coverage for certain UCAT colleges. According to Fiscal Analyst, Jill Curry, this is related to a corresponding decreases in the premiums charged by Risk Management.
- S.B. 9 Revenue Bond Capital Facilities Amendments – This bill authorizes the Dixie ATC to enter into a lease-purchase agreement to provide up to \$9,505,300 for the Industrial Building for Dixie Tech.

Approved Bills

<u>Bill</u>	<u>Title</u>	<u>Sponsor</u>
H.B. 28	Public Employees Long-Term Disability Act Amendments	Duckworth
H.B. 54	Campus Free Speech Amendments	Coleman
H.B. 55	Governmental Nonprofit Entity Compliance Amendments	Coleman
H.B. 100	Institutions of Higher Education Disclosure Requirements	Coleman
H.B. 165	Higher Education Retirement Amendments	Westwood
H.B. 240	Employability to Careers Program	Schultz
H.B. 251	Campus Advocate Confidentiality Amendments	Romero
H.B. 265	Safety Inspection Amendments	McCay
H.B. 268	Money Management Act Amendments	Knotwell
H.B. 287	Cosmetology Licensing Act Amendments	Dunnigan
H.B. 398	Procurement Code Amendments	Froerer
H.B. 431	Government Employees Reimbursement Amendments	Quinn
H.C.R. 13	Concurrent Resolution for Public Employees' Benefit and Insurance Program	Dunnigan
H.C.R. 16	Concurrent Resolution Declaring Mental Health Issues to be a Public Health Crisis at Utah Higher Education Institutions	Redd
S.B. 21	Retirement Systems Amendments	Hemmert
S.B. 48	Nurse Licensure Compact	Vickers
S.B. 97	Public Meeting Minutes Amendments	Van Tassell
S.B. 117	Higher Education Performance Funding	Millner
S.B. 125	Authorization to Modify Charter School Charter Agreements	Stephenson
S.B. 133	Procurement Process Amendments	Mayne
S.B. 145	Nail Salon Amendments	Weiler
S.B. 190	Education Computing Partnerships	Okerland
S.B.194	Utah Data Research Center Act	Anderegg
S.B. 238	Higher Education Governance Revisions	Millner
S.J.R. 1	Joint Rules Resolution on Funding Mix Determinations	Stevenson

Notes on Approved Bills

H.B. 54 Campus Free Speech Amendments – This bill designates outdoor areas of campuses as traditional public forums and creates requirements related to expressive activity.

H.B. 251 Campus Advocate Confidentiality Amendments – This bill prohibits the disclosure of confidential communications related to advocacy services.

H.B. 265 Safety Inspection Amendments – This bill repeals the requirement that certain vehicles obtain a safety inspection certificate. This will eliminate the need for training for safety inspectors which has previously been done by the Colleges.

H.B. 287 Cosmetology Licensing Act Amendments – This bill creates a license for a hair designer which is different than the existing Cosmetology license which will continue to be available.

- S.B. 117 Higher Education Performance Funding – This is Senator Millner’s bill that funds a Performance Based Funding program for the Utah System of Higher Education and the Utah College of Applied Technology.
- S.B. 145 Nail Salon Amendments – This bill requires a nail salon to be equipped with a source capture system for salons that remodel after July 1, 2017 or all salons beginning July1, 2020.
- S.B. 194 Utah Data Research Center Act - Senator Anderegg’s legislation re-names the Utah Data Alliance the Utah Data Research Center and makes it a new program within the Workforce Research and Analysis Division (WRA) within the Department of Workforce Services. It requires the State Board of Education, the State Board of Regents, the Utah College of Applied Technology, the Department of Workforce Services, and the Department of Health to contribute data. The Director of WRA serves as the day-to-day manager of the Center and reports to a Board that consists of the Commissioners of Technical and Higher Education, the Executive Directors of the Utah Department of Health and Workforce Services, and the State Superintendent of the State Board of Education.
- S.B. 238 Higher Education Governance Revisions – This is Senator Millner’s bill that was promoted as a clean-up bill after last year’s UCAT governance bill. This bill includes numerous changes to the Board of Regents and the authority of the Regents. It renames UCAT to the Utah System of Technical Colleges and changes the names of the UCAT Colleges to Technical Colleges. It makes each individual Technical College a body corporate. The bill also requires coordination between state entities involved in education.