
FY 2009 Issue Brief – HED – UCAT Compensation

NUMBER UCAT-07

SUMMARY

The Analyst's FY 2008 recommendations do not include any change to the compensation figures. During the session, the Executive Appropriations Committee may determine a compensation increase and then direct the Legislative Fiscal Analyst to incorporate that increase into the various agencies' budgets. Funding of any increase is normally based upon the agency's or institution's current revenue stream. Compensation increases for UCAT have been funded completely with state funds.

OBJECTIVE

Should the funding for compensation increases for UCAT be changed so that dedicated credits (tuition) helps cover the costs of compensation increases?

DISCUSSION AND ANALYSIS

When compensation increases have been approved by the Legislature for the Utah System of Higher Education, the cost of that increase is split between state funds (75%) and dedicated credits or tuition (25%). Compensation increases for the Utah College of Applied Technology have been completely funded by state funds. For FY 2008, the compensation package for UCAT amounted to \$2,216,300, funded completely with state funds. If the Legislature were to adopt a similar policy for UCAT as the rest of the USHE, tuition would need to cover 25%, with state funds picking up the remaining 75%. Based on the FY 2008 compensation package approved by the 2007 Legislature, 25% of the total cost would be \$554,000. This would result in a reduction in the amount of state funds by that amount, while tuition rates would need to be increased enough to cover that amount. Post-secondary tuition would need to be increased by approximately \$.17 per hour to generate the \$554,000. (Secondary students do not pay tuition). An increase of \$.17 per hour over the current tuition rate of \$1.25 per hour would represent an increase of 13 percent.

RECOMMENDATION

The Analyst recommends that the Legislature discuss treating UCAT similar to other USHE institutions in relation to the funding of compensation increases.

