



UTAH SYSTEM OF HIGHER EDUCATION

HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
STAFF: SPENCER PRATT

BUDGET BRIEF

SUMMARY

The Utah System of Higher Education (USHE) is comprised of eight traditional institutions of higher learning, the State Board of Regents, and the Utah College of Applied Technology. The eight institutions are governed by the Utah State Board of Regents, with the assistance of the local Boards of Trustees. With the passage of H.B. 15 during the 2009 General Session, the Utah College of Applied Technology is now governed by its own Board of Trustees.

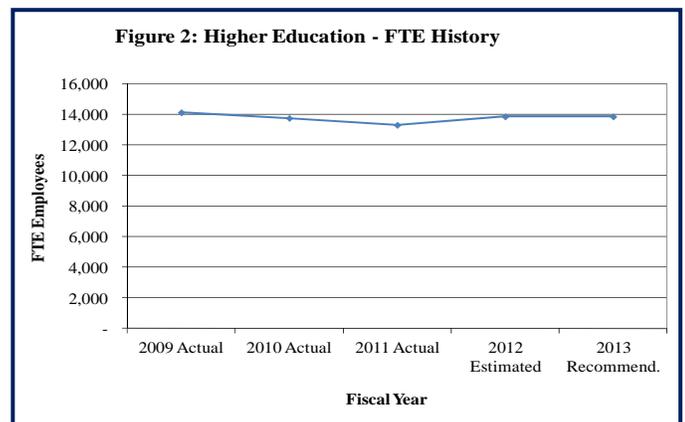
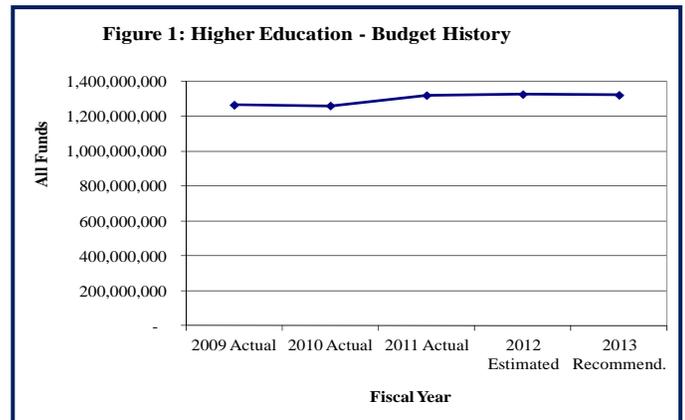
The mission of the Utah System of Higher Education is to provide educational opportunities to the citizens of the State through traditional classroom settings, distance learning, and career and technical education. The FY 2011 enrollment at the eight traditional USHE institutions was 121,013 full-time equivalent (FTE) students. At the Utah College of Applied Technology, enrollment is counted in membership hours. In FY 2011, UCAT students generated 6,241,856 membership hours.

The Utah System of Higher Education includes 10 entities. These include the following:

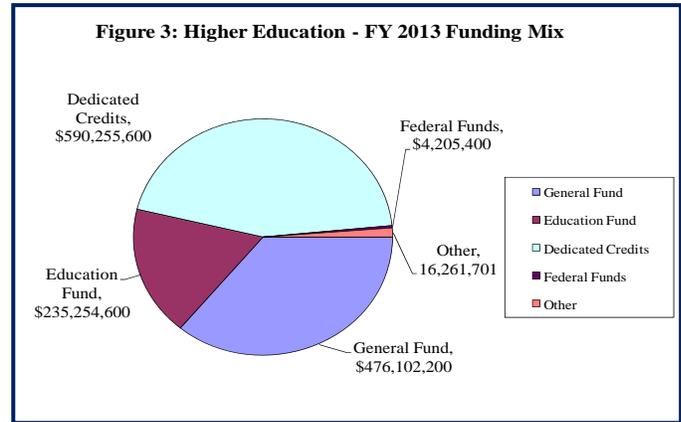
- University of Utah
- Utah State University
- Weber State University
- Southern Utah University
- Utah Valley University
- Snow College
- Dixie State College
- Salt Lake Community College
- Utah State Board of Regents
- Utah College of Applied Technology

ISSUES AND RECOMMENDATIONS

Base Budget: The FY 2013 Utah System of Higher Education base budget is \$1,321,626,000, with \$473,922,700 from the General Fund; \$235,263,100 from the Education Fund; \$4,205,400 from Federal Funds; \$589,147,200 from Dedicated Credits; \$7,235,200 from USHE Transfers; \$1,108,500 from Land Grant Management Funds; \$1,745,800 from the Mineral Lease Account; \$4,284,500 from the Restricted Cigarette Tax Account; \$4,000,000 from the Restricted Tobacco Settlement Account; \$298,800 from the Restricted Land Exchange Distribution Account; \$150,000 from the Workplace Safety Account; \$34,500 from Transfers from the Commission on Criminal and Juvenile Justice;



\$47,251,900 from Beginning Nonlapsing balances; and (\$47,021,600) from Closing Nonlapsing balances.



The Fiscal Analyst further recommends that the Higher Education Appropriations Subcommittee forward to the Executive Appropriations Committee for its consideration, the following items affecting the Utah System of Higher Education:

O & M Nursing Building	\$138,700
O & M Transfer from DFCM	
USHE	\$1,522,000
UCAT	\$649,000
O & M Reductions	
USHE	(\$2,417,700) (one-time)
UCAT	(\$426,800) (one-time)
Regents' Scholarship	\$1,700,000
Success Stipend	\$1,500,000 (one-time)
Prison Recidivism	\$21,200
Svcs. For Hearing Impaired Students	(\$1,200)
Technology Initiative	\$1,900,000 (one-time)
UCAT Scholarship Initiative	\$250,000

The Governor's FY 2013 budget recommends \$17,971,000 ongoing and \$5,400,000 one-time for various initiatives in the System of Higher Education. These items include:

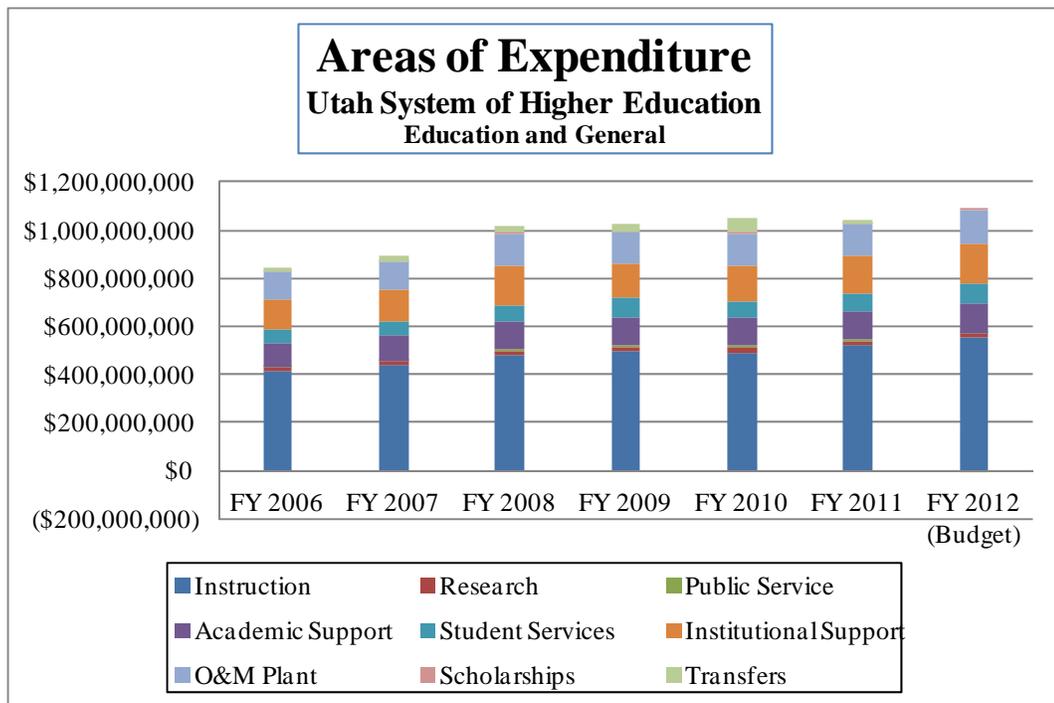
O & M for FY 2011 GS Buildings	
USHE	\$1,522,000
UCAT	\$649,000
School of Medicine Funding	\$6,500,000
Performance-Based Funding	
USHE	\$5,050,000
UCAT	\$1,250,000
Enrollment Growth	\$3,000,000
Huntsman Cancer Institute	\$1,300,000 (one-time)
Online Early College	\$2,500,000 (one-time)
Utah Jobs	\$1,000,000 (one-time)
Utah Futures.org	\$500,000 (one-time)
Women's College Task Force	\$100,000 (one-time)

ACCOUNTABILITY DETAIL

Each institution in the USHE except the Utah College of Applied Technology has a separate line item entitled Education and General (E&G) for appropriated funds with the following functions:

1. **Instruction** – All expenditures associated with instruction including academic, vocational and remedial education.
2. **Research** – All expenditures related to research and development.
3. **Public Service** – Funding for non-instructional services including the Cooperative Extension at Utah State University.
4. **Academic Support** – Support services to meet the primary mission of the institution such as libraries, museums, computer support and academic deans.
5. **Student Services** – Admissions and registration, counseling, financial aid, and career development, as well as the social aspect of college life such as student organizations and athletics.
6. **Institutional Support** – Expenditures associated with executive level activities such as the management of the institution, planning and programming, legal services, fiscal operations, administrative data processing, space management, and human resource management.
7. **Operation and Maintenance (O & M) of Facilities** – Operating expenses associated with the operation and maintenance of the physical plant including utilities and insurance.
8. **Scholarships and Fellowships** – Expenditures for scholarships and fellowships from restricted and unrestricted funds in the form of grants to students.

The following figure shows the distribution of the Education and General expenditures for FY 2006 through FY 2011 and FY 2012 (Budget).



Additional performance indicators are shown in each institution’s budget brief.

BUDGET DETAIL

Base Budget: The total FY 2012 appropriated budget for the Utah System of Higher Education was \$1,231,696,000, with \$480,471,700 from the General Fund (including a one-time appropriation of \$6,540,500) and \$235,254,600 from the Education Fund.

The FY 2012 ongoing appropriation is used as the beginning point for the FY 2013 base budget. Changes in the level of dedicated credits for unallocated 1st tier and 2nd tier tuition in the amount of \$88,986,100 and changes in nonlapsing balances in the amount of \$418,700 are added to the FY 2012 ongoing appropriations. To this, \$7,065,700 from USHE Transfers is added, to arrive at the adjusted base of \$1,321,626,000.

Intent Language: Last year, the Legislature approved intent language for all of the higher education institutions to review the return on the taxpayers' investment and to propose ways to maximize the return by providing students with the skills necessary to enter the workforce. A preliminary report of this intent language was presented to the Higher Education Appropriations Subcommittee when it met on August 17, 2011.

LEGISLATIVE ACTION

The Analyst recommends that the Subcommittee adopt a FY 2013 base budget for the Utah System of Higher Education in the amount of \$1,321,626,000. The allocation approved by the Executive Appropriations Committee is \$473,922,700 (General Fund) and \$235,263,100 (Education Fund).

The Fiscal Analyst further recommends the following items:

O & M Nursing Building	\$138,700
O & M Transfer from DFCM	
USHE	\$1,522,000
UCAT	\$649,000
O & M Reductions	
USHE	(\$2,417,700) (one-time)
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Technology Initiative	\$1,900,000 (one-time)
UCAT Scholarship Initiative	\$250,000

The Analyst also recommends that the Subcommittee develop a prioritization list of items for additional funding for FY 2013 and FY 2012 (Supplemental).

BUDGET DETAIL TABLE

Higher Education						
Sources of Finance	FY 2011 Actual	FY 2012 Appropriated	Changes	FY 2012 Revised	Changes	FY 2013* Recommended
General Fund	498,076,800	473,931,200	0	473,931,200	4,251,200	478,182,400
General Fund, One-time	(32,733,700)	6,540,500	0	6,540,500	(7,485,000)	(944,500)
Uniform School Fund	0	0	0	0	0	0
Education Fund	224,183,700	235,254,600	0	235,254,600	28,500	235,283,100
Education Fund, One-time	(5,815,200)	0	0	0	1,500,000	1,500,000
Federal Funds	5,822,800	4,205,400	0	4,205,400	0	4,205,400
American Recovery and Reinvestment Act	37,725,100	0	0	0	0	0
Dedicated Credits Revenue	576,635,000	500,161,100	88,986,000	589,147,100	100	589,147,200
Dedicated Credits - Land Grant	1,297,400	1,108,500	0	1,108,500	0	1,108,500
Federal Mineral Lease	2,930,300	1,745,800	0	1,745,800	0	1,745,800
GFR - Cigarette Tax	3,287,800	4,284,500	0	4,284,500	0	4,284,500
GFR - Land Exchange Distribution Account	262,300	298,800	0	298,800	0	298,800
GFR - Tobacco Settlement	4,000,000	4,000,000	0	4,000,000	0	4,000,000
GFR - Workplace Safety	150,000	150,000	0	150,000	0	150,000
Transfers - Commission on Criminal and Ju	34,500	34,500	0	34,500	0	34,500
Transfers - HED	7,259,100	169,500	7,089,500	7,259,000	(23,800)	7,235,200
Beginning Nonlapsing	44,588,400	46,995,400	260,100	47,255,500	(3,600)	47,251,900
Closing Nonlapsing	(47,277,000)	(47,183,800)	(1,598,800)	(48,782,600)	1,761,000	(47,021,600)
Total	\$1,320,427,300	\$1,231,696,000	\$94,736,800	\$1,326,432,800	\$28,400	\$1,326,461,200
Agency						
University of Utah	445,471,000	414,724,800	35,843,000	450,567,800	(1,110,600)	449,457,200
Utah State University	267,241,300	251,067,400	18,112,300	269,179,700	(58,400)	269,121,300
Weber State University	123,228,600	115,063,100	8,329,300	123,392,400	0	123,392,400
Southern Utah University	60,727,600	57,916,200	5,721,900	63,638,100	(499,900)	63,138,200
Utah Valley University	147,627,300	139,564,600	14,200,300	153,764,900	828,200	154,593,100
Snow College	27,156,500	26,330,600	909,800	27,240,400	0	27,240,400
Dixie State College	41,945,600	32,680,000	2,727,100	35,407,100	712,000	36,119,100
Salt Lake Community College	123,690,400	110,345,900	8,252,600	118,598,500	126,800	118,725,300
State Board of Regents	28,469,600	29,736,100	258,500	29,994,600	(443,500)	29,551,100
Utah College of Applied Technology	54,869,400	54,267,300	382,000	54,649,300	473,800	55,123,100
Total	\$1,320,427,300	\$1,231,696,000	\$94,736,800	\$1,326,432,800	\$28,400	\$1,326,461,200
Categories of Expenditure						
Personnel Services	983,868,100	963,152,400	67,732,500	1,030,884,900	1,400	1,030,886,300
In-state Travel	11,404,400	5,303,600	(11,400)	5,292,200	0	5,292,200
Current Expense	216,649,900	217,295,600	38,147,500	255,443,100	(1,432,000)	254,011,100
Capital Outlay	14,006,900	7,746,700	(204,000)	7,542,700	3,699,800	11,242,500
Other Charges/Pass Thru	94,498,000	38,197,700	(10,927,800)	27,269,900	(2,240,800)	25,029,100
Total	\$1,320,427,300	\$1,231,696,000	\$94,736,800	\$1,326,432,800	\$28,400	\$1,326,461,200
Other Data						
Budgeted FTE	13,321.0	13,321.0	551.6	13,872.6	0.0	13,872.6
Actual FTE	13,567.7	0.0	0.0	0.0	0.0	0.0
Vehicles	1,995	2,071	(75)	1,996	0	1,996

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.