



STATE BOARD OF REGENTS – ECONOMIC DEVELOPMENT

HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
STAFF: SPENCER PRATT

BUDGET BRIEF

SUMMARY

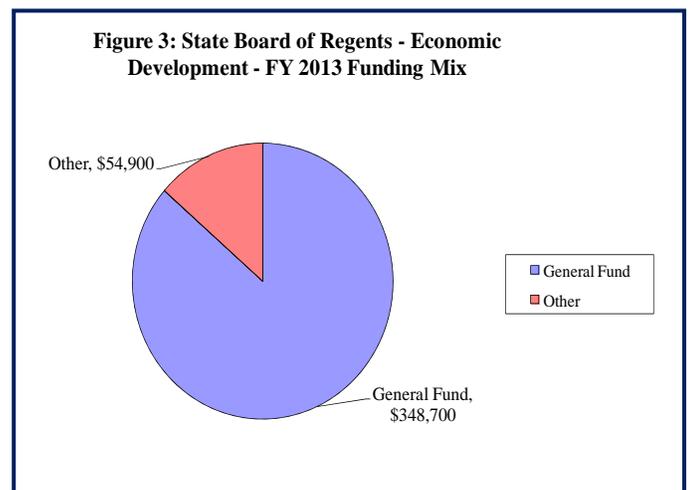
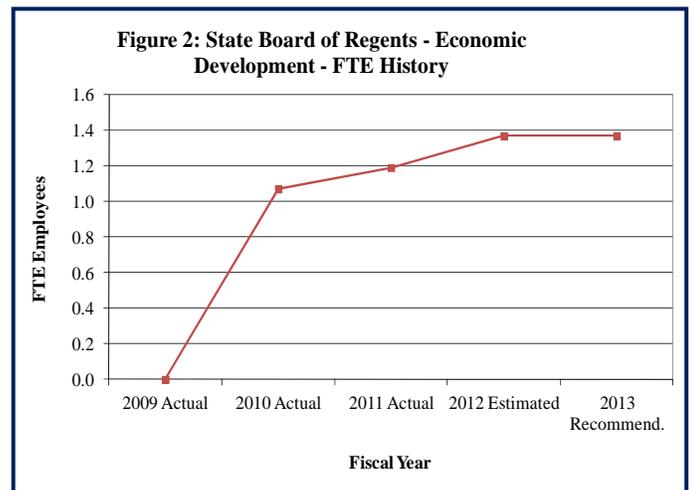
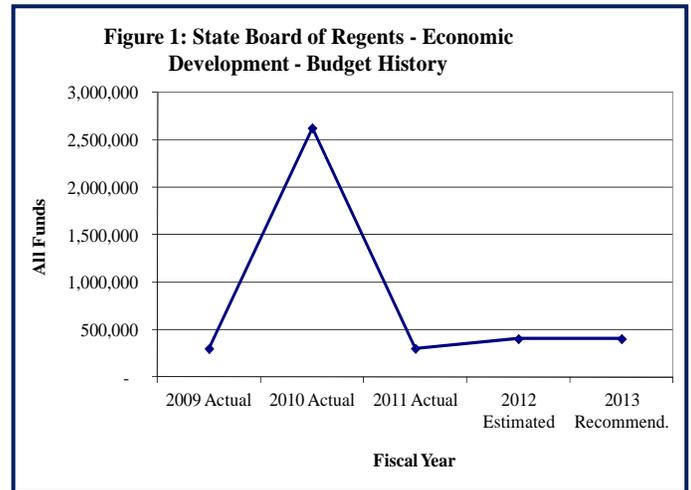
The Economic Development line item within the Utah State Board of Regents covers three programs designed to promote the Engineering Initiative and provide resources to institutions to help them market research activities.

The three programs in this line item include:

- Engineering Initiative – a proposal to increase the number of computer science and engineering graduates
- Engineering Loan Repayment – a loan forgiveness program for computer science and engineering students
- Economic Development Initiatives – a SBR effort to leverage USHE institutions’ resources to develop economic opportunities through regional and cluster acceleration efforts.

ISSUES AND RECOMMENDATIONS

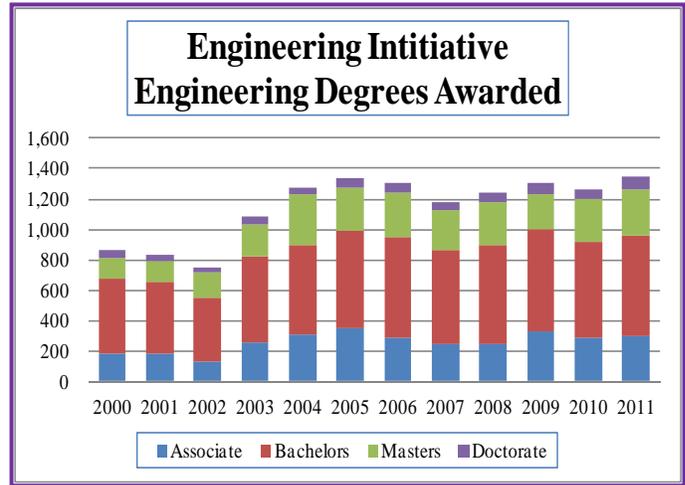
Base Budget: The FY 2013 Base Budget for the State Board of Regents’ Economic Development line item is \$403,600, with \$348,700 from the General Fund and \$54,900 from Beginning Nonlapsing Funds.



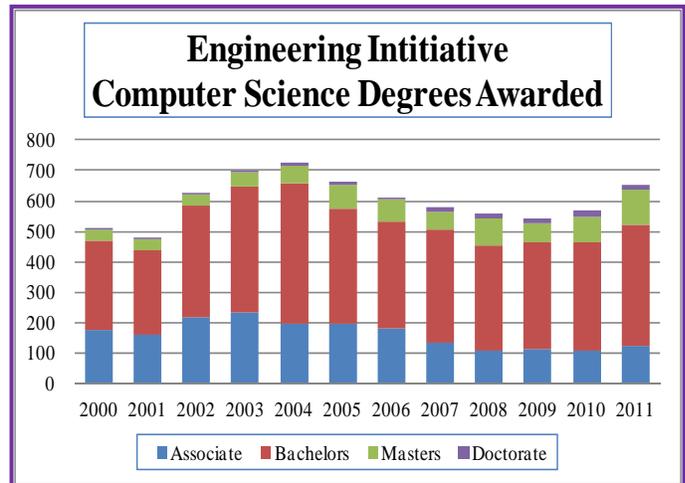
ACCOUNTABILITY DETAIL

The State Board of Regents' Technology line item performance indicators include the results of the Engineering Initiative. The Legislature began an effort in 2001 to double the number of graduates in engineering, computer science, and related technologies by 2006 and then to triple the number by 2009. Through 2008, the Legislature appropriated ongoing and one-time funding to the Engineering Initiative, and continued appropriating one-time funding in FY 2009 and FY 2010. (The spike in the Budget History graph on page one reflects a \$2.25 million one-time appropriation to the Initiative). No funding was appropriated for the Initiative in FY 2011 or FY 2012.

In 2011, the number of engineering degrees awarded hit a high of 1,344, with increased numbers in the four categories of degrees. The 2011 figure represents an increase of 56% over the number of graduates in 2000.



The number of computer science graduates increased through 2004, but decreased slightly each year until 2010, when the trend began upward again. The 652 graduates in 2011 represents an increase of 27 percent over the number in 2000.



BUDGET DETAIL

Base Budget: The total FY 2012 appropriated budget for the State Board of Regents Economic Development line item was \$348,700, all funded from the General Fund.

Using the FY 2012 ongoing appropriation as the beginning point for the FY 2013 base budget, with changes in the level of nonlapsing balances in the amount of \$54,900, the adjusted base becomes \$403,600.

Intent Language: The Legislature did not approve any intent language for the State Board of Regents for FY 2012.

LEGISLATIVE ACTION

The Analyst recommends that the Subcommittee adopt a base budget for the Economic Development line item in the amount of \$403,600.

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

BUDGET DETAIL TABLE

State Board of Regents - Economic Development						
Sources of Finance	FY 2011 Actual	FY 2012 Appropriated	Changes	FY 2012 Revised	Changes	FY 2013* Recommended
General Fund	356,500	348,700	0	348,700	0	348,700
Beginning Nonlapsing	0	0	54,900	54,900	0	54,900
Closing Nonlapsing	(54,900)	0	0	0	0	0
Total	\$301,600	\$348,700	\$54,900	\$403,600	\$0	\$403,600
Programs						
Economic Development Initiatives	262,400	310,300	54,900	365,200	0	365,200
Engineering Loan Repayment	39,200	38,400	0	38,400	0	38,400
Total	\$301,600	\$348,700	\$54,900	\$403,600	\$0	\$403,600
Categories of Expenditure						
Personnel Services	215,100	211,700	15,700	227,400	0	227,400
In-state Travel	24,300	20,300	0	20,300	0	20,300
Current Expense	23,000	78,300	39,200	117,500	0	117,500
Other Charges/Pass Thru	39,200	38,400	0	38,400	0	38,400
Total	\$301,600	\$348,700	\$54,900	\$403,600	\$0	\$403,600
Other Data						
Budgeted FTE	1.2	1.2	0.2	1.4	0.0	1.4
Actual FTE	1.2	0.0	0.0	0.0	0.0	0.0

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