



# HIGHER EDUCATION BASE BUDGET WEEK – BUDGET ADJUSTMENT OPTIONS

HIGHER EDUCATION  
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ISSUE BRIEF

## SUMMARY

For FY 2017, the Executive Appropriations Committee has not established a certain target percentage for Appropriations Subcommittees to reduce from base budgets. The instructions were, however, that any budget increase should be funded from within existing budget allocations.

## DISCUSSION AND ANALYSIS

Given the instructions, the Analyst had two options – identify no reductions and recommend no increases or identify areas for reductions in order to recommend increases for Higher Education programs.

The Analyst reviewed the USHE Tuition Waiver Issue Brief (<http://le.utah.gov/interim/2016/pdf/00000316.pdf>) and noted that the USHE institutions waived nearly \$105 million in tuition in FY 2015. This represents 13.1% of gross tuition assessed. However, at three institutions, the average is close to 20%. The Analyst suggests that by limiting the tuition waived, approximately \$22.9 million of tuition could be collected, freeing up that revenue for other purposes. In addition, the Analyst suggests that \$1.25 million currently appropriated to the Education Excellence line item in the State Board of Regents' budget could be reduced and used for other purposes. The Analyst has identified \$4.4 million in one-time savings (\$235,700 in FY 2016 and \$4,188,700 in FY 2017) from current Operations and Maintenance (O & M) appropriations for buildings not yet completed.

The items that the Analyst recommends for the USHE include the following:

- \$10 million for Performance Based Funding,
- \$9.2 million for Access and Affordability, and
- \$8 million for Regents' Scholarships (\$5 million ongoing, \$3 million one-time).

For UCAT, the Analyst is recommending that \$1 million in state funding be moved from Custom Fit and replaced by increasing the employer match. That funding could then be used for:

- \$1 million for UCAT Performance Based Funding.