

Effective 5/12/2015

53B-7-101 Combined requests for appropriations -- Board review of operating budgets -- Submission of budgets -- Recommendations -- Hearing request -- Appropriation formulas -- Allocations -- Dedicated credits -- Financial affairs.

(1) As used in this section:

- (a)
 - (i) "Higher education institution" or "institution" means an institution of higher education listed in Section 53B-1-102.
 - (ii) "Higher education institution" or "institution" does not include the Utah College of Applied Technology.
- (b) "Research university" means the University of Utah or Utah State University.

(2)

- (a) The board shall recommend a combined appropriation for the operating budgets of higher education institutions for inclusion in a state appropriations act.
- (b) The board's combined budget recommendation shall include:
 - (i) employee compensation;
 - (ii) mandatory costs, including building operations and maintenance, fuel, and power;
 - (iii) mission based funding described in Subsection (3);
 - (iv) performance funding described in Subsection (4);
 - (v) statewide and institutional priorities, including scholarships, financial aid, and technology infrastructure; and
 - (vi) unfunded historic growth.
- (c) The board's recommendations shall be available for presentation to the governor and to the Legislature at least 30 days prior to the convening of the Legislature, and shall include schedules showing the recommended amounts for each institution, including separately funded programs or divisions.
- (d) The recommended appropriations shall be determined by the board only after it has reviewed the proposed institutional operating budgets, and has consulted with the various institutions and board staff in order to make appropriate adjustments.

(3)

- (a) The board shall establish mission based funding.
- (b) Mission based funding shall include:
 - (i) enrollment growth; and
 - (ii) up to three strategic priorities.
- (c) The strategic priorities described in Subsection (3)(b)(ii) shall be:
 - (i) approved by the board; and
 - (ii) designed to improve the availability, effectiveness, or quality of higher education in the state.
- (d) Concurrent with recommending mission based funding, the board shall also recommend to the Legislature ways to address funding any inequities for institutions as compared to institutions with similar missions.

(4)

- (a) The board shall establish performance funding.
- (b) Performance funding shall include metrics approved by the board, including:
 - (i) degrees and certificates granted;
 - (ii) services provided to traditionally underserved populations;
 - (iii) responsiveness to workforce needs;
 - (iv) institutional efficiency; and
 - (v) for a research university, graduate research metrics.

- (c) The board shall:
 - (i) award performance funding appropriated by the Legislature to institutions based on the institution's success in meeting the metrics described in Subsection (4)(b); and
 - (ii) reallocate funding that is not awarded to an institution under Subsection (4)(c)(i) for distribution to other institutions that meet the metrics described in Subsection (4)(b).
- (5)
 - (a) Institutional operating budgets shall be submitted to the board at least 90 days prior to the convening of the Legislature in accordance with procedures established by the board.
 - (b) Funding requests pertaining to capital facilities and land purchases shall be submitted in accordance with procedures prescribed by the State Building Board.
- (6)
 - (a) The budget recommendations of the board shall be accompanied by full explanations and supporting data.
 - (b) The appropriations recommended by the board shall be made with the dual objective of:
 - (i) justifying for higher educational institutions appropriations consistent with their needs, and consistent with the financial ability of the state; and
 - (ii) determining an equitable distribution of funds among the respective institutions in accordance with the aims and objectives of the statewide master plan for higher education.
- (7)
 - (a) The board shall request a hearing with the governor on the recommended appropriations.
 - (b) After the governor delivers his budget message to the Legislature, the board shall request hearings on the recommended appropriations with the appropriate committees of the Legislature.
 - (c) If either the total amount of the state appropriations or its allocation among the institutions as proposed by the Legislature or its committees is substantially different from the recommendations of the board, the board may request further hearings with the Legislature or its appropriate committees to reconsider both the total amount and the allocation.
- (8) The board may devise, establish, periodically review, and revise formulas for its use and for the use of the governor and the committees of the Legislature in making appropriation recommendations.
- (9)
 - (a) The board shall recommend to each session of the Legislature the minimum tuitions, resident and nonresident, for each institution which it considers necessary to implement the budget recommendations.
 - (b) The board may fix the tuition, fees, and charges for each institution at levels it finds necessary to meet budget requirements.
- (10)
 - (a) Money allocated to each institution by legislative appropriation may be budgeted in accordance with institutional work programs approved by the board, provided that the expenditures funded by appropriations for each institution are kept within the appropriations for the applicable period.
 - (b) A president of an institution shall:
 - (i) establish initiatives for the president's institution each year that are:
 - (A) aligned with the strategic priorities described in Subsection (3); and
 - (B) consistent with the institution's mission and role; and
 - (ii) allocate the institution's mission based funding to the initiatives.

- (11) The dedicated credits, including revenues derived from tuitions, fees, federal grants, and proceeds from sales received by the institutions are appropriated to the respective institutions and used in accordance with institutional work programs.
- (12) Each institution may do its own purchasing, issue its own payrolls, and handle its own financial affairs under the general supervision of the board.
- (13)
 - (a) If the Legislature appropriates money in accordance with this section, it shall be distributed to the board and higher education institutions to fund the items described in Subsection (2)(b).
 - (b) During each general session of the Legislature following a fiscal year in which the Legislature provides an appropriation for mission based funding or performance funding, the board and institutions shall report to the Legislature's Higher Education Appropriations Subcommittee on the use of the previous year's mission based funding and performance funding, including performance outcomes relating to the strategic initiatives approved by the board.

Amended by Chapter 361, 2015 General Session