

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Commerce and Revenue

Utah College of Applied Technology

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1.0 Summary: Utah College of Applied Technology

In the Special Legislative Session on June 20, 2001, the Legislature passed House Bill 1003, "Applied Technology Governance." With the passage of this bill, the Utah College of Applied Technology (UCAT) was established September 1, 2001 and become the tenth higher education institution. UCAT is comprised of ten regional technology colleges (ATCs) located throughout the state.

In creating UCAT, the Legislature moved five Applied Technology Centers and three Applied Technology Center Service Regions (ATCSR) from the governance of the State Board of Education to the Utah System of Higher Education. The former Wasatch Front Applied Technology Center underwent a name change to the Salt Lake-Tooele Applied Technology College. The Southwest ATCSR was divided into two colleges, the Southwest and Dixie Applied Technology Colleges. The tenth technical college, the Central Applied Technology College is located in Richfield in the same facility as Snow College South. All assets associated with each Applied Technology Center and Applied Technology Center Service Region were transferred to the respective colleges with the Southwest's funding being allocated between the Southwest and Dixie Technology Colleges. The Central Applied Technology College received their funding from the Snow College South-Secondary line item.

The mission of UCAT is to provide applied technology education (ATE) for both adult and high school students to meet the social and economic needs of the state efficiently and effectively, through collaborative partnerships between the educational systems, and business and industry. UCAT is to offer quality educational programs and innovative delivery systems to ensure a skilled and educated workforce. ATE programs by the delivering institutions offer open-entry/open-exit, high quality, competency based training for secondary and adult students including certificates of completion, associate of applied technology degrees, and competency based high school diplomas. UCAT provides training of over 6.3 million membership hours.

In its first year of operation, UCAT accomplished many things. The State Board of Regents approved three Associate of Applied Technology Degrees (AAT): Computer Aided Drafting and Design; Information Technology; and Medical Assisting. In addition, UCAT is moving forward in the accreditation process with the Northwest Association of Colleges and Schools and the Council on Occupational Education. Accreditation will allow the students enrolled in UCAT to participate in financial aid and provide for smoother articulation with other institutions of the Utah System of Higher Education. Public education and UCAT jointly prepared a matrix of applied technology courses and program offerings with a common numbering system. This matrix will assist the regions in determining the most efficient method of providing applied technology education and eliminate duplication of programs.

The ten technical colleges located throughout the State are unique and distinctly different. Below is a brief paragraph for each campus:

Bridgerland – Bridgerland has three campuses located in Logan, Brigham City and Rich County generating about 1.3 million membership hours. As of FY 2002, the enrollments consist of 64 percent adults and 36 percent secondary students from four school districts. They offer a full array of courses in business, information technology, health sciences, public safety, and technical trades such as diesel mechanics, architectural drafting cabinetmaking, carpentry, computer graphics design, and professional truck driving. Bridgerland offers all three of the associated of applied technology degrees that were approved last fall.

Central – Central shares a facility with the Snow College Campus located in Richfield. They generate approximately 240,500 membership hours, which is comprised of 32 percent adults and 68 percent secondary students from eight school districts. They provide training in business, information technology, health sciences and technical trades. Not only does Central Applied Technology College share space with Snow College - Richfield, they also share the administrative functions such as student services, instructional services and financial aid. Central also provides two of the three, associate of applied technology degrees.

Davis – Davis is located in Kaysville with about 1.4 million membership hours being generated, with 57 percent adults and 43 percent secondary students from two school districts. They offer a wide range of courses in business, information technology, health sciences, and technical trades including National training partnerships with MACK and Volvo heavy truck divisions. Davis works cooperatively with Weber State University to offer associate degrees in Nursing and Diesel Technology. In addition, Davis provides space for 10 full time faculty from Davis School District providing English as a Second Language and Adult Education programs. They also offer all three of the associated of applied technology degrees that were approved last fall.

Dixie – With the creation of UCAT, Dixie was split off from the Southwest Applied Technology Service Region to form the Dixie Campus. They lease space from Dixie State College (DSC) in St. George. Secondary students represent 97 percent of the 82,200 membership hours. DSC provides fiscal and support services for the Dixie ATC such as budget and accounting functions, payroll, human resource management, career center advising, motor pool, and library and bookstore access. In addition, Dixie ATC has a close partnership with DSC to utilize the Dental Hygiene Clinic for Dental Assisting, and to allow articulation into the Dental Hygiene Program. Another creative partnership is between the Southwest Applied Technology College and Dixie to share facilities, faculty and equipment for various applied technology programs such as professional truck driving. This allows each campus to efficiently provide programs at both campuses without duplicating the resources. Dixie ATC provides programs in business, information technology, health sciences, and building trades. Since the Dixie ATC was a newly formed entity with the UCAT legislation, they had to create all administrative and support service systems as well as appoint Regional Board and Advisory Committee Members in the first year. It is anticipated that the adult students served will increase in the next fiscal year because of new programs implemented this year such as healthcare programs in partnership with the new hospital in St. George and building trades programs in cooperation with the Southern Utah Home Builders Association.

Mountainland – Mountainland is located in Orem with several campuses and educational centers located throughout the region to cover the seven school districts they serve. Enrollments for FY 2002, was 465,100 membership hours with 86 percent being high school students. Over the last six years, Mountainland has experienced the largest increase in membership hours, averaging 15.31 percent compared to the system-wide

average of 8.16 percent See Appendix A Table 4). UVSC serves as the fiscal agent and also leases the main campus in Orem to Mountainland. They also share the dental lab located at Mountainland with UVSC for dental assisting (MATC) and dental hygiene (UVSC) students, eliminating the need for space and equipment for both programs. They successfully entered into a partnership with the Alpine School District to relocate the Automotive Technology curriculum including the equipment and faculty from American Fork High School to Mountainland in order to serve high school students from several high schools rather than one. In August of 2003, they will co-share space with UVSC at the new Wasatch Campus, located in Heber Valley. Wasatch High School will transfer their automotive department to that facility so they can serve students from Wasatch, North and South Summit, and Park City. They offer courses in health care sciences, business, information technology, and the technical trades.

Ogden-Weber – Ogden-Weber located in Ogden serves the largest number of students in UCAT generating about 1.6 million membership hours. Of the students enrolled at Ogden-Weber, 75 percent are adults. They offer a variety of courses in business, information technology, health sciences, and technical trades including one of the largest apprenticeship programs in UCAT. Weber State University and Ogden-Weber have a memorandum of agreement that Licensed Practical Nursing students from Ogden-Weber can articulate in WSU's Registered Nursing Program. Ogden-Weber also offers all three of the associated of applied technology degrees that were approved last fall.

Salt Lake-Tooele – Salt Lake-Tooele has four sites with three in the Salt Lake Valley and one in Tooele. They generate about 174,000 membership hours with 87 percent being high school students from five school districts. Until this year, Salt Lake-Tooele did not have a permanent home, but has since entered into lease agreements with Granite School District, two privately owned businesses and the Department of Workforce Services (DWS). The shared space with the Department of Workforce Services is an innovative way to connect two entities with interrelated missions. The Department of Workforce Mission states, "DWS is Utah's Job Connection. It is a consolidation of all employment related functions into a comprehensive service delivery system. Now job seeker and employer customers can access the services they need without the confusion and burden of working with multiple agencies." With the partnership with Salt Lake-Tooele Applied Technology College, the job seekers can be tested, assessed and trained for employment. In addition, one of the spaces leased from a private entity is with the West Valley Truck Center allowing Salt Lake-Tooele to train students in diesel mechanics without the expense of building a facility and procuring expensive equipment.

Southeast – Southeast trains the equivalent of around 140,200 membership hours with 50 percent being adults and 50 percent being secondary students with centers located in Price, Moab, Blanding and Castle Dale. While Southeast is one of the smallest technical colleges it has the challenge of serving the largest geographic area (17,000 square miles) of rural Utah. In order to be successful, Southeast has entered into partnerships with the Department of Workforce Services, The Department of Vocational Rehabilitation, the Ute Indian Tribe, the College of Eastern Utah and the four school districts it serves. For example, CEU acts as their fiscal agent providing support services for budget and accounting functions. Southeast offers training in computer and information technology, certified nursing aide, building trades, truck driving and heavy-duty equipment operation. In addition, the second largest program offered by Southeast is the ASE automotive technician offered in Emery High School with a total student body of 600 students, 180 of which are enrolled in the program.

Southwest – Southwest is located in Cedar City with membership hours of about 309,700. Of the students trained, 63 percent are adults and 37 percent are secondary from four school districts. Southwest shares a facility with the Southwest Education Academy, which is a center for at risk students. This partnership allows an adult or high school student access to both vocational and developmental courses to upgrade their skills. Iron County School District is the fiscal agent for this campus. They provide programs in business, information technology, health sciences, technical trades, and swine management. A creative partnership between the Dixie Applied Technology College and Southwest was established to share facilities, faculty and equipment such as professional truck driving. This allows each campus to efficiently provide programs at both campuses without duplicating the resources.

Uintah Basin – Uintah Basin is located in Roosevelt with plans to establish another campus in Vernal in partnership with USU. Uintah Basin currently generating approximately 570,400 membership hours with 51 percent being adults and 49 percent being secondary students from three school districts. They serve about 25 percent of their total population of secondary and adult work force population, which is the largest percentage served per population for UCAT (See Appendix A Table 3). They offer programs in business, information technology, technical trades, and allied health. One of the programs at Uintah Basin is the CDL Truck Driver Training where they utilize a driving simulator in conjunction with the two on road trucks. This high-tech simulator is one of about two in the Western States, which eliminates the need for Uintah Basin to purchase an additional vehicle. Another unique information technology program is the ORACLE Academy conducted in partnership with Uintah River Technologies, a company owned by the Ute Indian Tribe. In addition, they have partnership with WSU to offer associate degrees in nursing. Uintah Basin also was approved last fall to offer three associate of applied technology degrees.

Financial Information

In FY 2003, the Legislature appropriated \$41,267,500 to operate the Utah College of Applied Technology (UCAT) for fiscal year 2003. Of this amount, \$37,909,500 was appropriated from State tax revenues. This represents a \$3,908,600 (or 10.31 percent) decrease from the FY 2002 appropriation of \$41,818,100 from State tax dollars.

During the 2002 General Session, the Utah College of Applied Technology experienced budget reductions in State funds of \$2,455,000. However, because of Utah's continued economic downturn the Legislature further reduced the budget for UCAT by \$214,100 in the Fifth Special Session. In the Sixth Special Session, UCAT received additional cuts of \$728,500. To offset the reductions, the Legislature provided a one-time restoration of \$303,500 for a net budget reduction of \$425,000. Tied to the one-time budget restoration, the Legislature passed House Bill 6006, "Budget Reallocation Authority," allowing the flexibility to reallocate the funding between line items within UCAT. The total budget cuts for FY 2003 are \$3,094,100.

In addition, \$4,000,000 of one-time funding was appropriated to the State Board of Regents- Administration line item. Legislative Intent Language was included in House Bill 6001 allowing the State Board of Regents to distribute \$4,000,000 of the one-time restoration to institutions of Higher Education including the Utah College of Applied Technology and the Utah Education Network based on the following criteria:

1. The mission of the institution;
2. The impact of budget cuts on students; and,
3. The need identified by the institutions.

The following table shows the budget reductions for FY 2003 for UCAT and the base reduction for FY 2004:

FY 2003 Budget Reductions for UCAT	
FY 2002 Ongoing Budget Reduction	(\$2,055,000)
FY 2003 Budget Reductions	
2002 General Session	(\$400,000)
5th Special Session	(214,100)
6th Special Session	(728,500)
One-time Add Back 6th Special Session	303,500
Total FY 2003 Budget Reduction	(\$1,039,100)
Total Budget Reductions Carried Forward in FY 2004	(\$3,397,600)

Any changes in the reallocation of funding will be included in a supplemental appropriation.

The FY 2004 base budget for the Utah College of Applied Technology is \$43,510,700. This is a decrease of \$640,900 (less: FY 2003 one-time add-back of \$303,500 and adjustments in non-lapsing balances of \$337,400) below the FY 2003 estimated budget of \$44,151,600. The 2004, base budget includes \$37,606,000 from State resources.

The following table summarizes the FY 2004 base budget for the Utah College of Applied Technology along with the plan of financing:

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	37,606,000		37,606,000
Federal Funds	175,000		175,000
Dedicated Credits	4,577,700		4,577,700
Transfers	657,700		657,700
Total	\$43,510,700	\$0	\$43,510,700
Programs			
Administration	5,858,900		5,858,900
Bridgerland ATC	7,771,900		7,771,900
Central ATC	2,523,100		2,523,100
Davis ATC	7,794,600		7,794,600
Dixie ATC	714,300		714,300
Mountainlands ATC	2,002,100		2,002,100
Ogden/Weber ATC	8,676,600		8,676,600
Salt Lake/Tooele ATC	1,858,200		1,858,200
Southeast ATC	878,900		878,900
Southwest ATC	1,591,400		1,591,400
Uintah Basin ATC	3,840,700		3,840,700
Total	\$43,510,700	\$0	\$43,510,700

2.0 Issues: Utah College of Applied Technology

2.10 Utah College of Applied Technology Base Adjustments

2.11 Internal Service Fund Adjustments - \$71,900

The Analyst recommends a change in the base for Internal Service Fund adjustments of \$71,900. This figure includes an increase for Risk Management of \$71,200 and for Fleet Management of \$700 for FY 2004 subject to funding.

2.12 Transfer of Development Funding to Base Budgets - \$1,546,900

The Analyst recommends that the Development Funding of \$1,546,900 appropriated to the UCAT Administration line item be reallocated to the base budgets of each technical college to offset budget reductions.

2.20 Compensation

Money for employee salary and benefit increases is not reflected in these figures. If funds are set aside for the compensation package by the Executive Appropriations Committee (EAC), the Analyst will allocate the funding to each institution.

2.21 Health and Dental Insurance

The Executive Appropriations Committee also determines the allocation for health and dental premium rate increases. In FY 2004, the projected rate increases based on PEHP rates for UCAT will be \$300,400. Health and dental insurance rates have increase dramatically over the last several years, particularly relating to prescription cost. **If funding is set aside by EAC for health and dental rate increases, the Analyst will distribute the funding to each campus.**

2.22 Retirement Rate Adjustment - \$511,400

The Analyst recommends an adjustment of \$511,400 for retirement rate contributions based on actuarial analysis of changes in the retirement rates subject to availability of funding. Based on the change in the retirement rate for contributory and non-contributory, the base increase for FY 2003 is \$511,400 for retirement rate benefits.

2.30 Utah College of Applied Technology Incremental Programmatic Funding Recommendations

2.31 Funding for Administrative Costs at UCAT - Administration- \$200,000

The Analyst recommends ongoing funding of \$200,000 for administrative costs including personnel for the UCAT Central Office subject to availability of funding.

2.32 Enrollment Growth - \$4,346,400

The Analyst recommends, if additional funding becomes available, an appropriation of \$4,346,400 State funds in FY 2004 for enrollment growth. The enrollment growth is based on 1,020,129 Membership Hours, which represents a 20.07 percent increase system-wide. Enrollment for UCAT system-wide is still growing and long-term projections indicate that growth will continue into the foreseeable future

2.33 Administrative Costs for Dixie Applied Technology College - \$100,000

The Analyst recommends, if additional funding becomes available, an appropriation of \$100,000 in State funds for the administrative costs at Dixie Applied Technology College. With the creation of the Utah College of Applied Technology, the Southwest Applied Technology Center Service Region was split into two regional technology campuses, the Southwest and Dixie Applied Technology Colleges (DIXATC). Although, the funding was split between the two regions, Dixie needs some additional administrative money to cover operating costs. In the 2002 General Session, the Legislature transferred \$75,000 from the UCAT – Administration line item to assist DIXATC with operating expenses. The remaining amount needed to cover the operating costs is \$100,000.

2.34 Americans with Disabilities (ADA) - \$67,800

The Analyst recommends funding of \$67,800 in State funds for ADA if additional funding becomes available. The Americans with Disabilities Act is designed to remove obstructions that prevent disabled persons from full participation in activities that are available to the general public. As student enrollments increase, the number of disabled students participating in college life also increases.

2.35 Operation and Maintenance of Facilities - \$72,000

The Analyst recommends \$72,000 in State funds for operation and maintenance of facilities if additional funding becomes available. It has been the practice of the Legislature to view Operation and Maintenance (O&M) of facilities as an obligation of the State when the Legislature has approved both the construction of the facility and the payment of the O&M from State tax funds.

2.36 Lease Funding for Salt Lake-Tooele Applied Technology College - \$510,000

If additional funding becomes available, the Analyst recommends \$510,000 in State funds for lease agreements. The Salt Lake-Tooele Applied Technology College (SLTATC) does not own any property. Thus, funding for leases is of highest priority for the college. For most instructional courses, the college utilizes classroom space made available by the five local school districts and industry.

2.40 System-wide Initiatives

2.41 Custom Fit - \$500,000

The Analyst recommends, if additional funding is available, an appropriation of \$500,000 in State funds for FY 2004 for Custom Fit. Through the Custom Fit Training Programs, training is developed for Utah employers tailored to specifically meet their needs. The Program is also designed to attract new businesses, and aid in the retention and expansion of existing businesses. Custom Fit offers a diversity of services for business and industry, which in turn stimulates the economy.

2.42 Utah Academic Library Consortium - \$50,000

The Analyst recommends, if additional funding is available, an appropriation of \$50,000 in State funds to the UALC. UCAT is in the process of working on accreditation so they can offer Associate of Applied Technology Degrees. A critical component for accreditation is the need for access to libraries for UCAT institutions. The UALC currently evaluates the library needs of the USHE institutions. Additional funding would allow the UCAT institutions to become a member of the UALC.

2.50 One-time Funding Recommendations

2.51 Management Information System (MIS) - \$800,000

The Utah System of Higher Education is in the process of implementing a new Management Information System. The new Banner system will be up and running July 1, 2002. The University of Utah converted several years ago to People Soft and Salt Lake Community College already underwent the conversion to Banner last fiscal year. UCAT can utilize that system for most functions except student data. However, it appears there is no consistency between the technical colleges relating to data collection and reporting. **The Analyst recommends funding this project with the ongoing equipment funding in the UCAT Administration Equipment base over a three-year period. This suggests that the MIS system is a higher priority than the replacement of instructional equipment.**

3.0 Utah College of Applied Technology Recommendations for FY 2004

In FY 2003, the Legislature appropriated \$41,267,500 to operate the Utah College of Applied Technology (UCAT) for fiscal year 2003. Of this amount, \$37,909,500 was appropriated from State tax revenues. This represents a \$3,908,600 (or 10.31 percent) decrease from the FY 2002 appropriation of \$41,818,100 from State tax dollars.

During the 2002 General Session, the Utah College of Applied Technology experienced budget reductions in State funds of \$2,455,000. However, because of Utah's continued economic situation the Legislature further reduced the budget for UCAT by \$214,100 in the Fifth Special Session. In the Sixth Special Session, UCAT received additional cuts of \$728,500. To offset the reductions, the Legislature provided a one-time restoration of \$303,500 for a net budget reduction of \$425,000. Tied to the one-time budget restoration, the Legislature passed House Bill 6006, "Budget Reallocation Authority," allowing the flexibility to reallocate the funding between line items within UCAT. The total budget cuts for FY 2003 are \$3,094,100.

In addition, \$4,000,000 of one-time funding was appropriated to the State Board of Regents- Administration line item. Legislative Intent Language was included in House Bill 6001 allowing the State Board of Regents to distribute \$4,000,000 of the one-time restoration to institutions of Higher Education including the Utah College of Applied Technology and the Utah Education Network based on the following criteria:

1. The mission of the institution;
2. The impact of budget cuts on students; and,
3. The need identified by the institutions.

Any changes in the reallocation of funding will be included in a supplemental appropriation.

The FY 2004 base budget for the Utah College of Applied Technology is \$43,510,700. This is a decrease of \$640,900 (less: FY 2003 one-time add-back of \$303,500 and adjustments in non-lapsing balances of \$337,400) below the FY 2003 estimated budget of \$44,151,600. The 2004, base budget includes \$37,606,000 from State resources.

3.10 Utah College of Applied Technology Base Adjustments

3.11 Internal Service Fund Adjustments - \$71,900

The internal service fund adjustments for FY 2004, of \$71,900 include \$71,200 for Risk Management and \$700 for Fleet Management. These adjustments in property and liability insurance premiums and motor pool service rates are pass through from the Department of Administrative Services to each state entity. **Because of the current economic situation, the Analyst recommends the internal service fund costs be absorbed in the existing budgets of each technical college.** The following table illustrates the FY 2004 allocation to the UCAT:

FY 2004 Internal Service Fund Adjustments			
	Risk Management	Motor Pool	Total
Bridgerland	\$15,700		\$15,700
Central	2,300		2,300
Davis	14,500		14,500
Dixie	1,800		1,800
Mountainland	3,500		3,500
Ogden-Weber	18,300	2,600	20,900
Salt Lake-Tooele	3,600		3,600
Southeast	1,600		1,600
Southwest	2,200	300	2,500
Uintah Basin	7,700	(2,200)	5,500
	<u>\$71,200</u>	<u>\$700</u>	<u>\$71,900</u>

3.12 Transfer of Development Funding to Base Budgets - \$1,546,900

About a decade ago, the Legislature appropriated Development Funding to the Applied Technology Centers. The criteria was initially set aside for distribution of the monies each year based on enrollments, enrollment growth, competency and placement. **The Analyst recommends that the Development Funding in the amount of \$1,546,900 be allocated to the base budgets of each technical college to offset budget reductions.** The following table shows the distribution of the Development funds:

Allocation of Development Funding	
UCAT-Development	(1,546,900)
Bridgerland	266,900
Central	56,400
Davis	268,200
Dixie	68,900
Mountainland	150,900
Ogden-Weber	353,400
Salt Lake-Tooele	104,800
Southeast	68,800
Southwest	68,900
Uintah Basin	139,700
Total	0

3.20 Compensation

A compensation recommendation for FY 2004 is not included in the Analyst’s budget figures for the Utah College of Applied Technology. The Executive Appropriation Committee will determine the compensation package if additional funds are set aside. A one percent compensation increase costs \$264,700. When the Executive Appropriation Committee makes the final decision regarding compensation, the Legislative Fiscal Analyst will allocate funds to the appropriate colleges.

3.21 Health and Dental Insurance - \$300,400

The Analyst recommends an appropriation of \$300,400 in State funding for FY 2004 for health and dental rate increases. Health and dental insurance rates have increased dramatically over the last several years, particularly relating to prescription costs. The recommendation for FY 2004 health and dental premium rate increases is not included in the Analyst’s budget figures for the Utah College of Applied Technology. The final compensation package will be determined later in the session by the Executive Appropriation Committee if additional funds become available. Although exact health insurance rates for each UCAT institutions are not known at this time, the Analyst used the PEHP proposed rate adjustments as a guide for estimating a health insurance cost increase for the budget. The proposed rate change includes an 8.05 percent increase for health insurance premiums and an 8.50 percent increase for dental insurance premiums at a total cost in State funding of \$300,400. If Executive Appropriation approves health and dental increases, the Analyst will distribute the funds to the colleges. The following table shows the distribution of the health and dental rate increases:

UCAT Health and Dental Premium Increases			
	Health	Dental	Total
UCAT - Administration	\$1,400	\$200	\$1,600
Bridgerland	69,000	6,700	75,700
Central	29,000	0	29,000
Davis	49,500	5,300	54,800
Dixie	800	100	900
Mountainland	16,000	1,500	17,500
Ogden-Weber	49,900	7,400	57,300
Salt Lake-Tooele	8,600	100	8,700
Southeast	8,700	700	9,400
Southwest	7,800	600	8,400
Uintah Basin	32,800	4,300	37,100
Total	\$273,500	\$26,900	\$300,400

3.22 Retirement Rate Adjustments - \$511,400

The Analyst recommends an adjustment of \$511,400 for retirement rate contributions based on actuarial analysis of changes in the retirement rate adjustments to maintain the retirement programs on a financially and actuarially sound basis. The recommended retirement rate for FY 2004 is 13.21 percent for contributory and 13.20 percent for non-contributory. Based on the change in the retirement rate for contributory of 1.34 percent and 2.84 percent for non-contributory over the FY 2003 rate, the base increase is \$511,400 for retirement rate benefits. If Executive Appropriation approves the retirement rate increase, the Analyst will distribute the funds to the colleges as indicated in the following table:

UCAT Retirement Rate Increase	
Bridgerland	\$111,900
Central	17,400
Davis	119,600
Dixie	2,700
Mountainland	4,600
Ogden-Weber	134,500
Salt Lake-Tooele	24,800
Southeast	5,800
Southwest	18,000
Uintah Basin	72,100
	\$511,400

3.30 Utah College of Applied Technology Incremental Programmatic Funding Recommendations

3.31 Funding of Administrative Costs for the UCAT – Administration - \$200,000

The Board of Regents has been providing support staff for UCAT for financial and budgetary support. The Regents already have a limited staff, and with the addition of UCAT, the workload has become impossible for the staff to complete all the work in a timely manner. For example, by December the analyst is asked to compute retirement, health, and dental rate increases, and the mandated requests for leadership. The S-10 (compensation) report was still not available and the budget request was not received until January 7. As of mid-January, many reports to complete the budget process are still not available such as the A-1s (actuals for FY 2002 and estimated budgets for FY 2003), and the R-1s (tuition report). The need for additional employees in the area of finance and budget is critical for UCAT.

The Analyst recommends two scenarios to enable UCAT to hire two additional staff members and use the remaining monies for contracting audits of UCAT operations such as membership hours. The first recommendation of the Analyst is that each technical college pays administrative overhead costs to the UCAT Administration to help cover the operating expenses. The recommendation is that the allocation be made from the Development Funding before distribution to the technical colleges. The following table illustrates the allocation:

Distribution of Development Funding and Administrative Overhead			
	Distribution of Administrative		Net
	Development	Overhead	Development
	Funds	Allocation	Funds
			Distribution
UCAT - Administration		\$200,000	\$200,000
UCAT-Development	(1,546,900)		(1,546,900)
Bridgerland	266,900	(34,500)	232,400
Central	56,400	(7,300)	49,100
Davis	268,200	(34,700)	233,500
Dixie	68,900	(8,900)	60,000
Mountainland	150,900	(19,500)	131,400
Ogden-Weber	353,400	(45,700)	307,700
Salt Lake-Tooele	104,800	(13,500)	91,300
Southeast	68,800	(8,900)	59,900
Southwest	68,900	(8,900)	60,000
Uintah Basin	139,700	(18,100)	121,600
Total	\$0	\$0	\$0

The alternate recommendation is that the budget and accounting functions such as payroll, purchasing, and accounts payable be centralized at the UCAT office. Currently, only five technical campuses have accounting and budgeting staff (Bridgerland, Davis, Ogden-Weber, Salt Lake-Tooele and Uintah Basin) and the remaining five campuses have either another higher education institution or a school district act as their fiscal agent. This would require the five technical colleges to downsize their staff to a business manager and an accounting tech, and transfer \$40,000 each to the UCAT – Administration line item to hire personnel.

The Analyst's prefers option two because UCAT is one college with ten branch campuses and centralization of accounting and budgeting functions is appropriate. In addition, the five technical colleges have four to six months to collapse their budget and accounting functions, and hire an accounting tech and a financial manager. Uintah Basin recently had their accountant resign, which puts them in a good position to move forward with this recommendation. The accountants from Ogden-Weber, Salt Lake-Tooele and Davis could easily transfer to the main office leaving only one accountant that would have to be let go. A transfer of \$40,000 from each campus is conservative; implementation of this recommendation will create additional savings to the five campuses.

The Analyst further recommends the following intent language be included to ensure timeliness of receipt of reports by the Legislative Fiscal Analyst Office for budget preparation:

It is the intent of the Legislature that UCAT complete and submit all financial reports (i.e. A-1's, R-1's, S-10's, etc.) to the Office of the Legislative Fiscal Analyst by November 1 of each fiscal year. It is further the intent of the Legislature that the approved consolidated budget request from the UCAT Board of Trustees be submitted to the Office of the Legislative Fiscal Analyst by November 1 of each fiscal year.

3.32 Enrollment Growth - \$4,346,400

Previously, under the State Board of Education, the enrollment growth funding for the Applied Technology Centers (ATCs) and Applied Technology Center Service Regions (ATCSRs) was calculated by increasing the base funding of each entity by a system-wide average enrollment growth factor. This approach treated each entity as "one size fits all" and did not fund institutions based on actual enrollment growth. The prior approach for funding enrollment growth also did not account for varying costs of instruction. Certain programs are equipment intensive, while others require an instructor with specialized credentials. There is also the challenge of certain curriculum limiting access due to faculty/student ratio requirements or availability of space because of equipment constraints.

Because of the concerns associated with the enrollment funding mechanism formerly used, the 2002 General Session, the Legislature approved intent language as follows:

It is the intent of the Legislature that the Utah College of Applied Technology Board of Trustees perform an interim study of the enrollment growth formula in conjunction with the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget to determine an equitable and appropriate funding formula for enrollment growth.

During fiscal year 2002, the Legislative Fiscal Analyst, the Governor's Analyst and business members from all of the colleges worked on the funding formula and came up with a proposed change in the enrollment funding mechanism for the UCAT technical college based on a combination of fixed and variable funding. The UCAT Board of Trustees along with the President's Council approved the new funding formula.

The only constant in UCAT Enrollments is that the enrollments are constantly changing because of the open entry/open exit curriculums. Therefore, to account for the fluctuations in enrollments, the new funding model is based on a three-year average of actual enrollments. The funded target is also a three-year average. The calculated enrollment growth of 1,020,129 membership hours or a 20.07 percent increase is multiplied by the direct cost of instruction of \$4.91. Tuition collected for adult students in the enrollment growth will partially offset the state funds. The other two components of the new funding formula are base support for existing students, which is essentially an inflationary rate increase for compensation and core funding for system-wide needs. This approach will fund each institution at a level consistent with enrollment growth. **The Analyst recommends, if additional funding becomes available, \$4,346,400 in State funds for the enrollment growth component only.**

The following table indicates the distribution of enrollment funding for FY 2004:

UCAT Enrollment Growth Funding Distribution								
	Enrollment Growth Calculation for FY 2004			Cost Factor of \$4.91			Less Tuition Increase to \$1.00	Total State Funding
	Adult	Secondary	Total	Adult	Secondary	Total	Adult	
Bridgerland	101,298	9,067	110,365	\$497,400	\$44,500	\$541,900	(\$101,300)	\$440,600
Central	6,877	14,644	21,521	\$33,800	\$71,900	105,700	(\$6,900)	\$98,800
Davis	218,741	12,561	231,302	\$1,074,000	\$61,700	1,135,700	(\$218,700)	\$917,000
Dixie	4,255	22,072	26,327	\$20,900	\$108,400	129,300	(\$4,300)	\$125,000
Mountainland	25,092	118,238	143,329	\$123,200	\$580,500	703,700	(\$25,100)	\$678,600
Ogden-Weber	170,623	47,549	218,172	\$837,800	\$233,500	1,071,300	(\$170,600)	\$900,700
Salt Lake-Tooele	6,586	30,536	37,122	\$32,300	\$149,900	182,200	(\$6,600)	\$175,600
Southeast	11,842	1,622	13,463	\$58,100	\$8,000	66,100	(\$11,800)	\$54,300
Southwest	92,165	34,354	126,519	\$452,500	\$168,700	621,200	(\$92,200)	\$529,000
Utah Basin	25,009	66,999	92,008	\$122,800	\$329,000	451,800	(\$25,000)	\$426,800
Total	662,487	357,642	1,020,129	\$3,252,800	\$1,756,100	\$5,008,900	(\$662,500)	\$4,346,400

Appendix A has four tables and three charts. Table 1 shows the average membership hours used to calculate the enrollment growth for the above table. Chart 1 shows a bar graph of the FY 2002 secondary and adult membership hours for each technical college. Chart 2 shows a pie chart of the total enrollments in membership hours for FY 2002 by institution. Table 3 shows the history of enrollments for UCAT over the past six years. Table 3 is an analysis of the percent of students enrolled in each UCAT institution versus the total secondary and adult labor force. Chart 3 is a bar graph illustration the potential enrollment population for each region. Table 4 is an analysis of the enrollment growth over the past six years.

3.33 Administrative Costs for Dixie Applied Technology College - \$100,000

With the creation of UCAT, the Southwest Applied Technology Center Service Region was split to form two regional colleges, the Southwest (SWATC) and Dixie Applied Technology Colleges (DXATC). The funding for the two technical colleges was split based on the programs occurring in the regions. Dixie received about 38 percent of the funding while the Southwest received 62 percent of the funding. The Administrative costs transferred amounted to \$125,000 to cover lease expenditures. In addition, in the 2002 General Session, the Legislature transferred \$75,000 to DXATC from the

UCAT – Administration line item to assist Dixie with operation expenses. Dixie requires additional administrative funding to cover operating expenditures. **The Analyst recommends if additional funding becomes available, an appropriation of \$100,000 for the Administrative cost for FY 2004 for Dixie Applied Technology College.**

3.34 Americans with Disabilities - \$67,800

The Americans with Disabilities Act is designed to remove obstructions that prevent disabled persons from fully participating in activities that are available to the general public. As student enrollment grows and access increases, the number of disabled students participating in college life on Utah campuses also increases. Therefore, additional programmatic needs are required for disabled students on two campuses. This recommendation is to enhance funding for interpretive programs for the deaf, provide enlarged print services and readers for the blind, and purchase specialized equipment for these students located at Bridgerland, Davis and Ogden-Weber Applied Technology Colleges. The funding will be distributed as follows:

- Bridgerland - \$15,500
- Davis - \$32,300
- Ogden-Weber - \$20,000

The Analyst recommends an appropriation of \$67,800 if additional funding becomes available. The recommended amount is a good faith effort on the part of the Legislature to address this critical funding need.

3.35 Operation and Maintenance of Facilities - \$72,000

It has been the practice of the Legislature to view Operation and Maintenance (O&M) of facilities as an obligation of the State when the Legislature has approved both the construction of the facility and the payment of the O&M from State tax funds.

Bridgerland Applied Technology College Brigham City Complex – \$21,000

The Brigham City Complex is located on Highway 89 at the mouth of Sardine Canyon. Box Elder County purchased the facility from Fred Meyer's and currently leases the space to Bridgerland Applied Technology College, Utah State University Brigham City Continuing Education Center, the Drivers License Division, as well as other state and local government agencies. The total facility has 115,000 square feet with 11 acres of land; however, BATC only occupies a little over 26 percent of the total space. In the 2001 General Session, the Legislature appropriated funding for the purchase of the Brigham City Complex. Bridgerland is requesting operation and maintenance expenditures associated with the facility based on a rate of \$6 per square foot quoted by DFCM, which would be \$181,000 for 30,111 square feet. In the 1995 General Session, the Legislature appropriated \$160,000 to fund the operation and maintenance for the Brigham City Campus. The remaining balance of \$21,000 (\$181,000 less \$160,000) is needed to fund the O&M. **The Analyst recommends if additional funding becomes available, \$21,000 in State funds for the O&M for this facility for FY 2004.**

Ogden-Weber Applied Technology College Ogden Business Depot - \$51,000

A warehouse at the Ogden Business Depot was deeded from the federal government to the OWATC at no cost. Capital Improvement funds were approved to upgrade and remodel the facility for training purposes and \$129,000 of operation and maintenance funding was provided. During the remodel, a fire totally destroyed the building. Insurance proceeds and the remaining improvement funds were used to rebuild a 48,000 square feet facility, 10,000 square feet of classroom and office space, 20,000 square feet of lab space, and 18,000 square feet for future capacity which opened October 14, 2002. The remodel created a need for an increase in the operation and maintenance costs from \$129,000 to \$180,000 for a net increase of \$51,000. In addition, Ogden-Weber ATC is requesting an additional \$50,000 to cover the costs of O&M due to the budget reductions sustained during FY 2003; however, the Analyst does not recommend the additional amount.

The Analyst recommends if additional funding becomes available, \$51,000 in State funds for the O&M for this facility for FY 2004.

3.36 Lease Funding for Salt Lake-Tooele Applied Technology College - \$510,000

The Salt Lake-Tooele Applied Technology College (SLTATC) does not own any property. Thus, funding for leases is of highest priority for the college. For instructional courses, the college utilizes classroom space made available by the five local school districts and industry. SLTATC currently has leases for space in four buildings (#1) Salt Lake Campus (located in the vacated Libbie Edward Elementary School), (#2) West Valley Training Center (located at the Bering Trucking Company with access to Diesels for training purposes), (#3) West Valley Campus (located in shared space with the Department of Workforce Services as a pilot program coordinate unemployment services with testing and training), and (#4) Tooele Campus (located at a facility on Main Street). This request for \$510,000 is to cover existing lease costs that are currently being funded with program revenue. This specific request does not include any funding for additional facilities that we need to lease in meeting our instructional space requirements. The lease contracts are as follows:

- Libbie Edwards Elementary - \$92,000
- Bering Trucking Company - \$228,000
- Department of Workforce Services – \$120,000
- Tooele Facility - \$70,000

UCAT legislation clearly encourages cooperative use of instructional space with higher and public education and public and private agencies. They may not ask for new facilities until all available facilities are fully utilized as outline in Section 53B-2a-112 of the Utah Code:

- (4) Before a regional applied technology college develops its own new instructional facilities; it shall give priority to:*
- (c) developing cooperative agreements with local school districts, other higher education institutions, businesses, industries, and community and private agencies to maximize the availability of applied technology instructional facilities for both secondary and adult students.*

The SLTATC is in compliance with the statute in using available facilities rather than requesting new space for instructional programs. **The Analyst recommends if additional funding becomes available an appropriation of State funds for \$510,000 for lease expenses.**

3.40 System-wide Initiatives

3.41 Custom Fit - \$500,000

Through the Custom Fit Training Programs, training is developed for Utah employers tailored to specifically meet their needs. The Program is also designed to attract new businesses, and aid in the retention and expansion of existing businesses. Custom Fit offers a diversity of services for business and industry, which in turn stimulates the economy. Currently, several of the Utah System of Higher Education and all of the technical colleges receive custom fit dollars except the Salt Lake-Tooele Applied Technology College (SLTATC). If additional funding is received, SLTATC should be included in the allocation of custom fit funding. **The Analyst recommends the following intent language should be included:**

It is the intent of the Legislature, if additional funding is received in FY 2004 for Custom Fit, that the UCAT Board of Trustees allocates an appropriate amount of Custom Fit monies to the Salt Lake-Tooele Applied Technology College.

Custom Fit training is critical to the economic welfare of the State of Utah; therefore the Analyst recommends an appropriation of \$500,000 if additional funding becomes available.

3.42 Utah Academic Library Consortium - \$50,000

UCAT is in the process of working on accreditation so they can offer Associate of Applied Technology Degrees. An essential component for accreditation is access to libraries. Several years ago, the Utah System of Higher Education formed the Utah Academic Library Consortium (UALC) to meet the library needs of the institutions of higher education. The UALC evaluates the library needs of the USHE institutions as well as effectively negotiates library procurements and contractual agreements economically due to economies of scale. The UALC can offer economical and efficient ways for cooperation and collaboration between UCAT and USHE institutional libraries. Additional funding would allow the UCAT institutions to become a member of the UALC. Base of library funding is required to support these new collections. **The Analyst recommends if additional funding becomes available, an appropriation of \$50,000 for FY 2004 for the library needs.**

3.50 One-time Funding Recommendations

3.51 Management Information System (MIS) - \$800,000

UCAT is requesting \$2 million for a management information system. Currently, the Utah System of Higher Education (USHE) is in the process of implementing a new MIS system (Banner). The new Banner system will be up and running by July 1, 2003. The University of Utah converted before Y2K to People Soft and Salt Lake Community College has already converted to Banner for some modules and is in the process of completing the conversion. Incidentally, the colleges and universities funded their management information system within existing budgets. UCAT can utilize the Banner system for most of the functions except student data. The student data component is not compatible between systems because the USHE system is not equipped to deal with open entry/open exit needs of UCAT. Currently, UCAT has ongoing equipment funding of \$844,300 in the UCAT – Administration line item. This request, suggest that the MIS system is more critical at this time than instructional equipment. **Since the MIS system is one-time in nature, the Analyst recommends that the MIS system be funded using the ongoing equipment funding over a three year period of \$800,000 until it reaches \$2,000,000.**

3.60 Tuition Revenue

Currently, the adults enrolled in Applied Technology Education programs at the ATC's pay tuition of 95 cents per membership hour. (Secondary students are exempt from tuition based on statute.) After visiting with each regional college, certain programs with excessive costs associated with instruction are charged a higher tuition to offset the costs. This is not standardized across the system and varies from region to region.

UCAT has proposed a tuition increase of five cents (from 95 cents to a \$1.00) per membership hour for FY 2004. This will generate a total of \$3.5 million in dedicated credits. Tuition is an additional source of revenue to offset operating costs. Tuition revenue may be used to offset operating needs such as ADA, Dixie Administrative Costs, the library and the MIS System.

The Legislation that established UCAT stated that education for secondary students would be at no cost and "low cost" for adults. Therefore, before considering tuition rate increases, an evaluation of what the market will bear needs to be determined. For example, in the Uintah Basin region, the oil industry is the predominate industry which is depressed at this time. Many of the students attending that campus are unemployed and would be priced out of college if there were a significant tuition increase. Perhaps, an across the board increase for all ten campuses would not advisable, but a differential tuition based on each Regions ability to generate additional revenue based on the ability of students to pay.

In the previous Session, the Legislature approved the following intent language relating to tuition revenue:

It is the intent of the Legislature that a study be performed in the interim with members of the UCAT Board of Trustees, the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget to evaluate the tuition revenue. It is also the intent of the Legislature that uniform tuition rates be established for programs based on cost of instruction, and on market demand, as well as student's potential earning power upon completion of the program. Based on the outcome of the study, it is the intent of the Legislature that a tuition rate increase be implemented the fall of 2002.

It is the intent of the Legislature that each college is to use tuition revenue generated by the tuition rate increases to cover institutional priorities.

With the first year of inception and all the demands placed on UCAT with budget cuts, accreditation, and the development of a new funding formula, the Board of Trustees were unable to address the intent language relating to tuition. With the States inability to provide additional resources and the proposed tuition increase, this study of tuition is critical. **The Analyst therefore, recommends that this intent language be included in FY 2004.**

3.70 Cost of Applied Technology Education

With the creation of UCAT and because eight of the nine USHE institutions provide vocational education, there has been a lot of discussion about the cost of applied technology education. **The objective of this analysis is to determine whether it is more cost effective for UCAT or USHE institutions to offer entry-level vocational programs.**

This is a complex issue because in the past there has **not** been a standard to compare higher education with UCAT because of the method of accounting for student enrollments (full time equivalent (FTE) versus membership hour). However with UCAT offering associate of applied technology degrees, a conversion factor for membership hours to credit equivalents was adopted in order to articulate with USHE institutions. The conversion factor for membership hours to a full time equivalent (FTE) student is 900 hours per academic year. This is consistent with the U.S. Department of Education's definition for federal financial aid. This allows for an appropriate comparison of costs per FTE.

In order to compare the same fiscal years based on the 2002-2003 Data Book published by the Utah System of Higher Education, the cost study section was used to compare the USHE institution and the State Auditor's report for FY 2001 was used for UCAT. Because of the availability of information, three schools were evaluated, Weber State University, Ogden-Weber and Davis Applied Technology Colleges. Also for a more accurate comparison, only the cost of instruction for adult students was evaluated at Davis and Ogden-Weber since Weber State only trains adults.

A preliminary evaluation of the cost of instruction for Ogden-Weber and Davis Applied Technology Colleges (for adults only) versus Weber State University indicates that it may be less expensive to offer entry-level courses at the two UCAT institutions (Appendix B Tables 5 and 6 show the detail of the analysis). The following table summarizes the Analyst's preliminary findings:

Comparison of Cost of Instruction for Adult Students				
	Direct Cost of Vocational Instruction for Total Funds	Full Cost of Vocational Instruction for Total Funds	Direct Cost of Vocational Instruction for State Funds	Full Cost of Vocational Instruction for State Funds
Weber State University	\$3,520	\$6,493	\$2,464	\$4,545
Davis Applied Technology College	\$2,910	\$5,552	\$1,973	\$3,764
Ogden-Weber Applied Technology College	\$2,751	\$5,627	\$2,020	\$4,131
Average Cost	\$2,831	\$5,590	\$1,997	\$3,948
Variance Between WSU and the Average	\$690	\$904	\$468	\$598

Although, it appears to be less expensive to train adult vocational students at UCAT institutions, this analysis was limited to the Ogden area. Therefore, an additional study needs to be performed system-wide to determine which institution can provide the vocational courses effectively and efficiently. There are many factors that need to be evaluated before a final recommendation can be made on where these programs should be offered. Other issues regarding tenured faculty at USHE institutions, availability of instructional space, equipment and faculty support need to be evaluated.

It is the recommendation of the Analyst, that the following intent language providing for a study of applied technology programs is performed.

It is the intent of the Legislature that an interim study be performed, by the State Board of Regents and the UCAT Board of Trustees in conjunction with the Legislative Fiscal Analyst Office and the Governor's Office of Planning and Budget to determine the most appropriate placement of applied technology, and reported to the Executive Appropriation Committee by September 30th of 2003. It is further the intent of the Legislature that the appropriate placement of developmental programs be included in the study.

3.80 Prior Year Intent Language

Funding Formula

It is the intent of the Legislature that the Utah College of Applied Technology Board of Trustees perform an interim study of the enrollment growth formula in conjunction with the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget to determine an equitable and appropriate funding formula for enrollment growth. It is further the intent of the Legislature that the results of the study be reported to the Commerce and Revenue Appropriation Subcommittee by October 31 of 2002.

Agency Response: The agency has not submitted a response.

The Analyst recommends that this intent language not be included in FY 2004 since the funding formula has been completed.

Tuition Revenue

It is the intent of the Legislature that a study be performed in the interim with members of the UCAT Board of Trustees, the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget to evaluate the UCAT tuition revenue. It is also the intent of the Legislature that uniform tuition rates be established for UCAT programs based on cost of instruction and on market demand. It is further the intent of the Legislature that the outcome of the study on UCAT tuition is reported to the Commerce and Revenue Appropriation Subcommittee by October 31 of 2002, and that the recommended tuition rate increase is implemented as soon as possible. It is also the intent of the Legislature that each college is to use tuition revenue generated by the tuition rate increases to cover institutional priorities.

Agency Response: The agency has not submitted a response.

With the first year of inception and all the demands placed on UCAT with budget cuts, accreditation, and the development of a new funding formula, the Board of Trustees was unable to address the intent language relating to tuition. The Analyst therefore, recommends that this intent language be included in FY 2004 with the date being changed to October 31, 2003.

Proportionate Allocation of Budget Reductions

It is the intent of the Legislature that the Utah College of Applied Technology's Regional Colleges with satellite campuses, proportionately allocate the budget reductions between the main campuses and the satellite campuses.

Agency Response: The agency has not submitted a response.

The Analyst recommends that this intent language be omitted in FY 2004 because of compliance.

Budget Requests

It is the intent of the Legislature that all budget requests for the Utah College of Applied Technology flow from the regional applied technology boards of each regional applied technology college to the Utah College of Applied Technology Board of Trustees to be prioritized and submitted to the Legislature.

Agency Response: The agency has not submitted a response.

The Analyst recommends that the prior year intent language for Budget Requests be changed to the following intent language for FY 2004 in order to expedite the receipt of budget reports and budget requests:

It is the intent of the Legislature that UCAT complete and submit all financial reports (i.e. A-1's, R-1's, S-10's, etc.) to the Office of the Legislative Fiscal Analyst by November 1 of each fiscal year. It is further the intent of the Legislature that the approved consolidated budget request from the UCAT Board of Trustees be submitted to the Office of the Legislative Fiscal Analyst by November 1 of each fiscal year.

4.0 UCAT Funding History

	2000	2001	2002	2003	2004
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	1,177,100	1,034,700	1,918,200	37,606,000	37,606,000
General Fund, One-time				10,700	
Uniform School Fund	30,230,647	26,605,200	25,667,500		
Uniform School Fund, One-time	(1,000)				
Income Tax		1,286,200	7,659,500		
Income Tax, One-time				292,800	
Federal Funds			338,100	175,000	175,000
Dedicated Credits	3,480,184	3,980,800	4,377,600	4,577,700	4,577,700
Transfers	(500,000)	614,500	2,722,200	657,700	657,700
Beginning Balance	2,054,540	1,067,600	873,000	1,326,000	494,300
Closing Balance	(1,111,208)	(906,200)	(2,219,500)	(494,300)	
Total	\$35,330,263	\$33,682,800	\$41,336,600	\$44,151,600	\$43,510,700
Programs					
Administration				5,906,200	5,858,900
Bridgerland ATC	7,269,763	8,158,900	8,661,600	7,826,400	7,771,900
Central ATC		270,100	1,445,100	2,534,100	2,523,100
Davis ATC	7,447,700	8,122,800	8,952,800	7,693,500	7,794,600
Dixie ATC			456,800	720,100	714,300
Mountainlands ATC		1,141,300	2,339,800	2,025,100	2,002,100
Ogden/Weber ATC	8,185,800	8,871,800	9,804,300	8,761,900	8,676,600
Salt Lake/Tooele ATC	1,199,300	1,585,500	2,090,000	2,356,200	1,858,200
Southeast ATC		648,700	928,200	884,800	878,900
Southwest ATC		568,000	2,010,000	1,575,900	1,591,400
Uintah Basin ATC	4,297,000	4,315,700	4,648,000	3,867,400	3,840,700
Higher Ed ATC Service Regions	1,177,100				
Public Ed ATC Service Regions	1,318,300				
ATC/ATCSR Development	1,700,000				
Custom Fit	2,735,300				
Total	\$35,330,263	\$33,682,800	\$41,336,600	\$44,151,600	\$43,510,700
FTE/Other					
Total FTE	397	517	547	569	563
Vehicles			75	75	75

Appendix A

Chart 1
UCAT 2002 Membership Hours

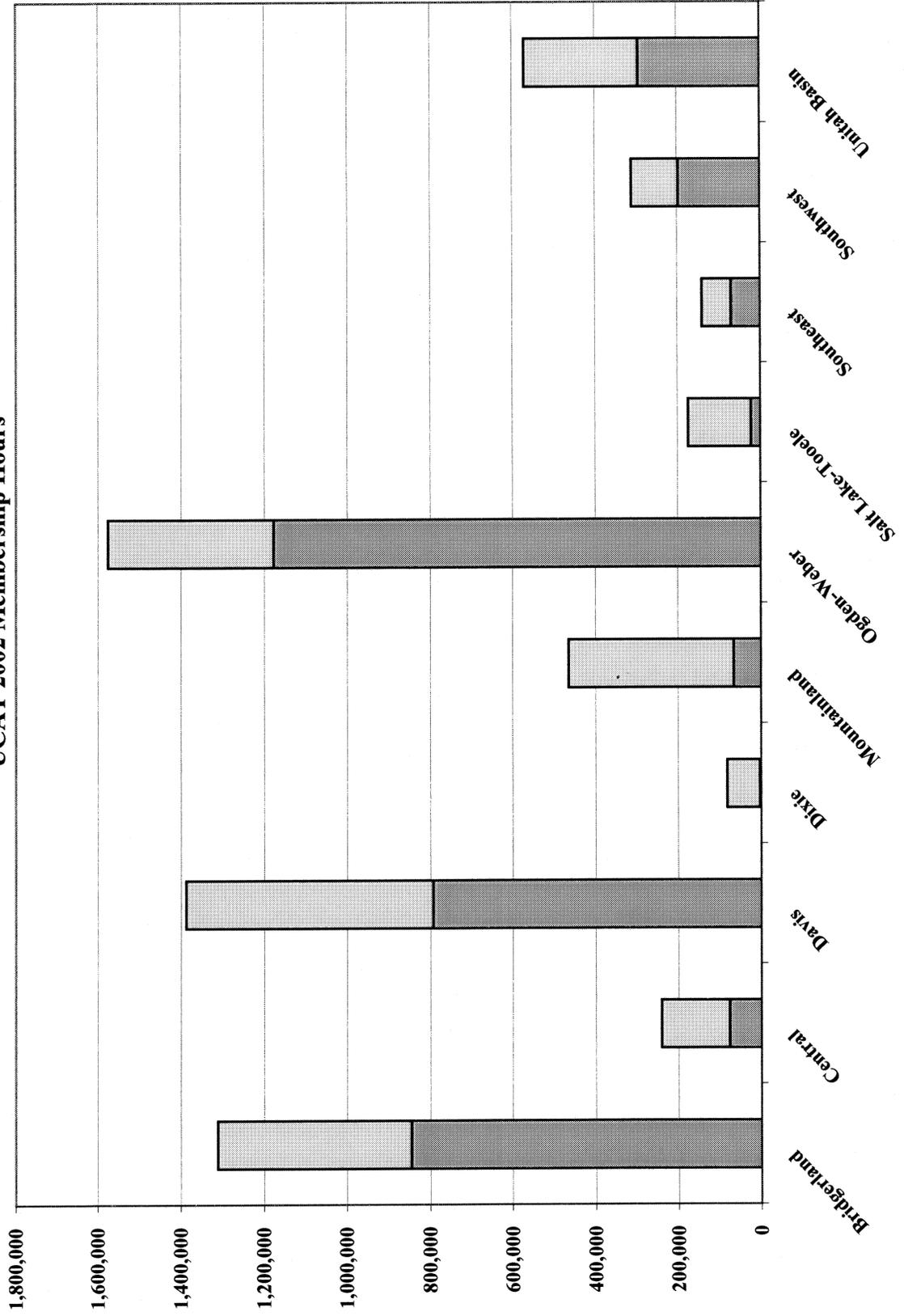


Chart 2
UCAT 2002 Membership Hours

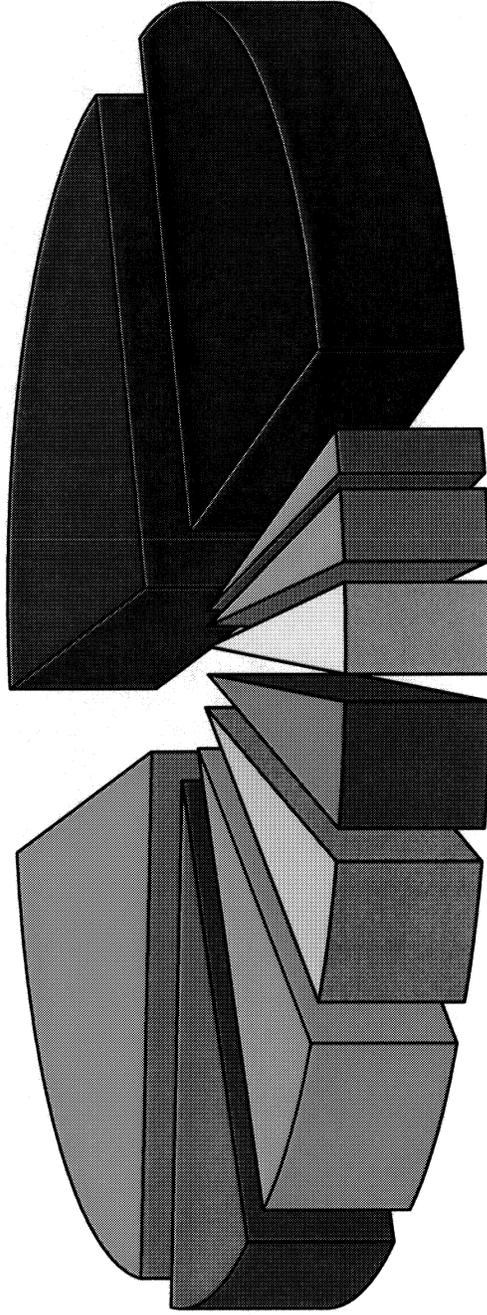
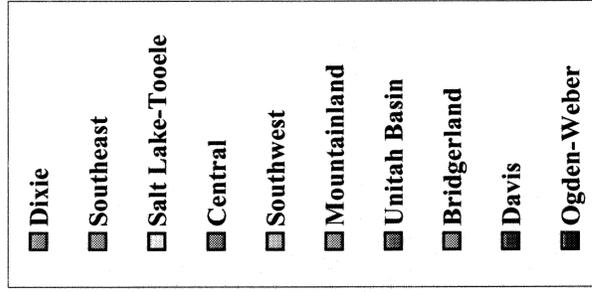


Table 2

UCAT Enrollment History in Membership Hours

UCAT	1997			1998			1998		
	Adult	Secondary	Total	Adult	Secondary	Total	Adult	Secondary	Total
Bridgerland	622,963	417,593	1,040,556	721,012	451,719	1,172,731	725,459	465,572	1,191,031
Central	0	0	0	0	0	0	0	0	0
Davis	439,227	519,948	959,175	534,270	556,427	1,090,697	624,454	572,677	1,197,131
Dixie	786	48,551	49,336	1,423	47,955	49,378	1,954	57,920	59,874
Mountainland	74,165	159,247	233,412	65,161	190,473	255,634	106,734	246,383	353,117
Ogden-Weber	742,493	319,260	1,061,753	840,727	368,499	1,209,226	928,102	376,439	1,304,541
Salt Lake-Tooele	1,126	223,122	224,248	11,137	279,779	290,916	9,816	248,641	258,457
Southeast	33,443	48,142	81,585	71,930	55,876	127,806	93,701	81,302	175,003
Southwest	64,059	117,569	181,628	116,069	116,126	232,195	159,359	140,257	299,616
Utah Basin	260,870	201,754	462,624	254,705	211,062	465,767	293,433	232,474	525,907
Total Membership Hours	2,239,132	2,055,186	4,294,317	2,616,434	2,277,916	4,894,350	2,943,012	2,421,665	5,364,677
Adult/Secondary % Enrollment Growth	52.14%	47.86%		53.46%	46.54%		54.86%	45.14%	
Percent Increase in Growth				377,303	222,730	600,033	326,578	143,749	470,327
				16.85%	10.84%	13.97%	12.48%	6.31%	9.61%

UCAT	2000			2001			2002		
	Adult	Secondary	Total	Adult	Secondary	Total	Adult	Secondary	Total
Bridgerland	764,688	460,214	1,224,902	763,157	436,487	1,199,644	845,482	465,385	1,310,867
Central	0	0	0	0	0	0	76,843	163,628	240,471
Davis	679,737	553,398	1,233,135	780,904	538,849	1,319,753	793,533	594,488	1,388,021
Dixie	0	0	0	16,057	61,934	77,991	2,438	79,728	82,166
Mountainland	122,520	266,519	389,039	133,281	284,715	417,996	65,534	399,582	465,116
Ogden-Weber	827,734	407,090	1,234,824	1,018,279	400,632	1,418,911	1,177,177	399,123	1,576,300
Salt Lake-Tooele	7,282	259,403	266,685	12,528	161,696	174,224	22,028	152,051	174,079
Southeast	76,345	59,358	135,703	88,631	60,290	148,921	69,623	70,537	140,160
Southwest	203,361	135,563	338,924	201,277	81,835	283,112	196,365	113,339	309,704
Utah Basin	297,563	267,131	564,694	293,600	301,594	595,194	292,873	277,562	570,435
Total Membership Hours	2,979,230	2,408,676	5,387,906	3,307,714	2,328,032	5,635,746	3,541,896	2,715,423	6,257,319
Adult/Secondary % Enrollment Growth	55.29%	44.71%		58.69%	41.31%		56.60%	43.40%	
Percent Increase in Growth	36,218	(12,989)	23,229	328,484	(80,644)	247,840	234,182	387,391	621,573
	1.23%	-0.54%	0.43%	11.03%	-3.35%	4.60%	7.08%	16.64%	11.03%

Chart 3
UCAT Growth Potential

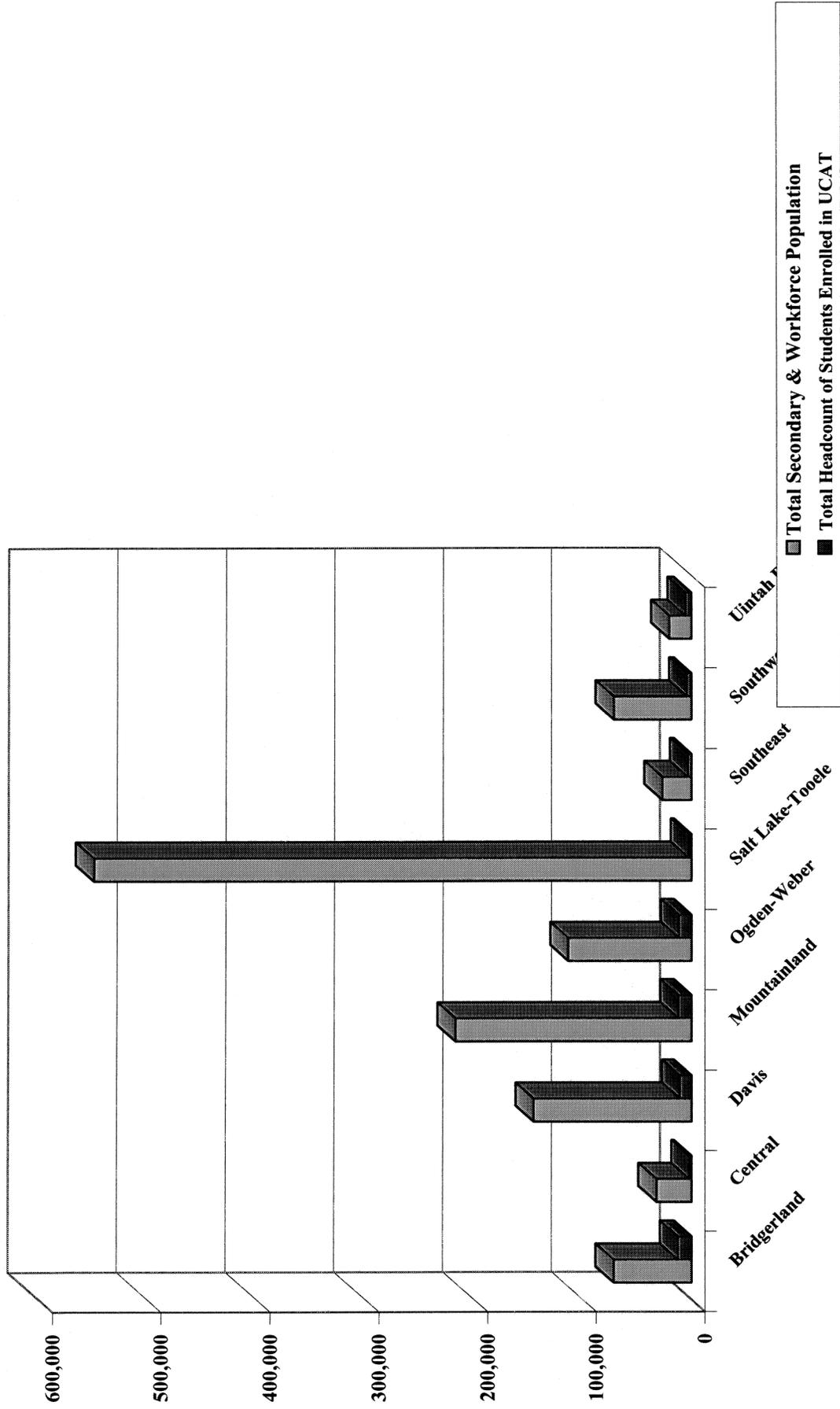


Table 4
UCAT Analysis of Enrollment Growth

UCAT	1997	1998	Change	% Change	1999	Change	% Change	2000	Change	% Change	2001	Change	% Change	2002	Change	% Change	Average
Bridgerland	1,040,556	1,172,731	132,175	12.70%	1,191,031	18,300	1.56%	1,224,902	33,871	2.84%	1,199,644	(25,258)	-2.06%	1,310,867	111,223	9.27%	4.86%
Central	0	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%	240,471	240,471	0.00%	0.00%
Davis	959,175	1,090,697	131,522	13.71%	1,197,131	106,434	9.76%	1,233,135	36,004	3.01%	1,319,753	86,618	7.02%	1,388,021	68,268	5.17%	7.73%
Dixie	0	0	0	0.00%	0	0	0.00%	0	0	0.00%	77,991	77,991	0.00%	82,166	4,175	5.35%	1.07%
Mountainland	233,412	255,634	22,222	9.52%	353,117	97,483	38.13%	389,039	35,922	10.17%	417,996	28,957	7.44%	465,116	47,120	11.27%	15.31%
Ogden-Weber	1,061,753	1,209,226	147,473	13.89%	1,304,541	95,315	7.88%	1,234,824	(69,717)	-5.34%	1,418,911	184,087	14.91%	1,576,300	157,389	11.09%	8.49%
Salt Lake-Tooele	224,248	290,916	66,668	29.73%	258,457	(32,459)	-11.16%	266,685	8,228	3.18%	174,224	(92,461)	-34.67%	174,079	(145)	-0.08%	-2.60%
Southeast	81,585	127,806	46,221	56.65%	175,003	47,197	36.93%	135,703	(39,300)	-22.46%	148,921	13,218	9.74%	140,160	(8,761)	-5.88%	15.00%
Southwest	181,628	232,195	50,567	27.84%	299,616	67,421	29.04%	338,924	39,308	13.12%	283,112	(55,812)	-16.47%	309,704	26,592	9.39%	12.58%
Utah Basin	462,624	465,767	3,143	0.68%	525,907	60,140	12.91%	564,694	38,787	7.38%	595,194	30,500	5.40%	570,435	(24,759)	-4.16%	4.44%
Total Membership Hours	4,246,978	4,846,970	599,991	14.13%	5,306,802	459,831	9.49%	5,389,906	83,103	1.57%	5,637,747	247,840	4.60%	6,259,321	621,573	11.03%	8.16%

Appendix B

Table 5
ATE Cost Comparisons of Total Funding for Adults Only

Davis ATC

	FY 01 Revenue & Expenditures	FY 01 Revenue & Expenditures for Adults	Adult Membership Hrs.	Conversion to FTE's Based on 30 clock hrs per credit hr.	Direct Cost	
					of Instruction per FTE Student	Full Cost of Instruction per FTE Student
Revenues:						
87.01% State Funds	\$7,084,000	\$3,813,600				
Tuition	926,000	926,000				
Other	132,000	78,100				
Total	\$8,142,000	\$4,817,700				
Expenditures:						
Instruction	\$4,267,200	\$2,524,900				
Academic Support	529,000	313,000				
Student Services	1,063,800	629,500				
Institutional Support	1,112,000	658,000				
O&M	1,126,000	666,300				
Scholarships	44,000	26,000				
Total	\$8,142,000	\$4,817,700	780,904	868	\$2,910	\$5,552

Ogden-Weber ATC

	FY 01 Revenue & Expenditures	FY 01 Revenue & Expenditures for Adults	Adult Membership Hrs.	Conversion to FTE's Based on 30 clock hrs per credit hr.	Direct Cost	
					of Instruction per FTE Student	Full Cost of Instruction per FTE Student
Revenues:						
87.76% State Funds	\$7,786,000	\$5,329,800				
Tuition	913,200	913,200				
Other	172,600	123,900				
Total	\$8,871,800	\$6,366,900				
Expenditures:						
Instruction	\$4,337,100	\$3,112,500				
Academic Support	719,000	516,000				
Student Services	1,134,000	813,800				
Institutional Support	1,280,100	918,700				
O&M	1,395,500	1,001,500				
Scholarships	6,100	4,400				
Total	\$8,871,800	\$6,366,900	1,018,279	1,131	\$2,751	\$5,627

Weber State University

	Direct Cost of Instruction	Full Cost of Instruction	FTE Students	Direct Cost of Instruction per FTE Student	Full Cost of Instruction per FTE Student
Vocational Education	\$8,103,644	\$14,947,268	2,302	\$3,520	\$6,493

	Direct Cost of Instruction per FTE Student	Full Cost of Instruction per FTE Student
Variance Between WSU and Davis and Ogden-Weber ATC's		
Davis	\$610	\$941
Ogden-Weber	769	866
Average Variance	\$690	\$903

Sources: 1. Davis and Ogden-Weber's sources revenue and expenditures came from the state auditors FY 01 audit reports.
2. WSU's figures came from the 2002-03 Data Book; Cost Study Tab; page 12.

Table 6
ATE Cost Comparisons of Total Appropriated State Funding for Adults Only

Davis ATC

	FY 01 Revenue & Expenditures	FY 01 Revenue & Expenditures for Adults	Adult Membership Hrs.	Conversion to FTE's Based on 30 clock hrs per credit hr.	Direct Cost of Instruction per FTE Student	Full Cost of Instruction per FTE Student
Revenues:						
87.01% State Funds	\$7,084,000	\$3,265,600				
Tuition	926,000					
Other	132,000					
Total	<u>\$8,142,000</u>	<u>\$3,265,600</u>				
Expenditures:						
Instruction	\$4,267,200	\$1,711,500				
Academic Support	529,000	\$212,200				
Student Services	1,063,800	\$426,700				
Institutional Support	1,112,000	\$446,000				
O&M	1,126,000	\$451,600				
Scholarships	44,000	\$17,600				
Total	<u>\$8,142,000</u>	<u>\$3,265,600</u>	780,904	868	\$1,973	\$3,764

Ogden-Weber ATC

	FY 01 Revenue & Expenditures	FY 01 Revenue & Expenditures for Adults	Adult Membership Hrs.	Conversion to FTE's Based on 30 clock hrs per credit hr.	Direct Cost of Instruction per FTE Student	Full Cost of Instruction per FTE Student
Revenues:						
87.76% State Funds	\$7,786,000	\$4,674,400				
Tuition	913,200					
Other	172,600					
Total	<u>\$8,871,800</u>	<u>\$4,674,400</u>				
Expenditures:						
Instruction	\$4,337,100	\$2,285,100				
Academic Support	719,000	\$378,800				
Student Services	1,134,000	\$597,500				
Institutional Support	1,280,100	\$674,500				
O&M	1,395,500	\$735,300				
Scholarships	6,100	\$3,200				
Total	<u>\$8,871,800</u>	<u>\$4,674,400</u>	1,018,279	1,131	\$2,020	\$4,131

Weber State University

	Direct Cost of Instruction	Full Cost of Instruction	FTE Students	Direct Cost of Instruction per FTE Student	Full Cost of Instruction per FTE Student
Vocational Education	\$5,672,600	\$10,463,100	2,302	\$2,464	\$4,545

	Direct Cost of Instruction per FTE Student	Full Cost of Instruction per FTE Student
Variance Between WSU and Davis and Ogden-Weber ATC's		
Davis	\$492	\$782
Ogden-Weber	445	414
Average Variance	<u>\$468</u>	<u>\$598</u>

Sources: 1. Davis and Ogden-Weber's sources revenue and expenditures came from the state auditors FY 01 audit reports.
2. WSU's figures came from the 2002-03 Data Book; Cost Study Tab; page 12.

