

# Budget Brief – State Board of Regents

## SUMMARY

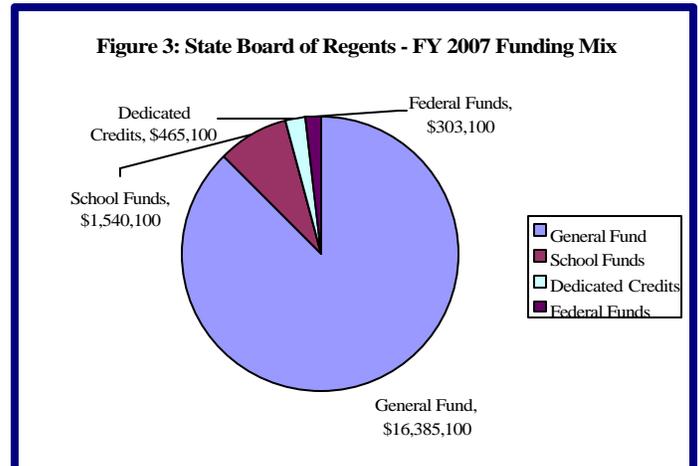
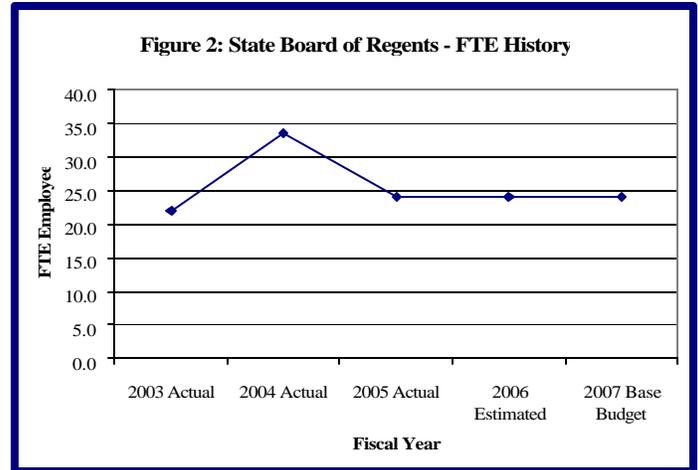
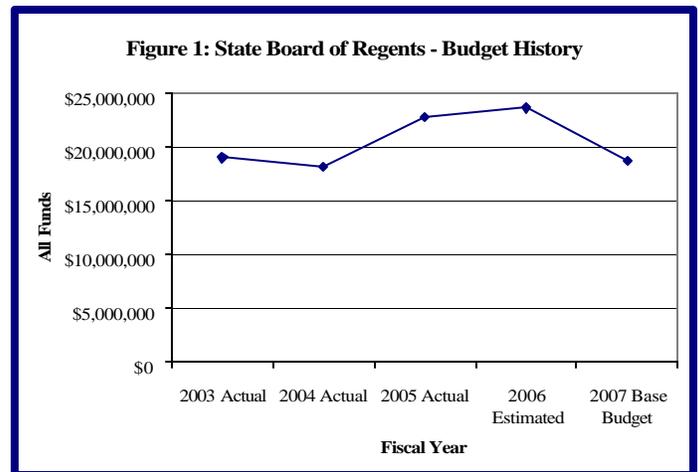
The Utah State Board of Regents was formed in 1969 as the governing body for the Utah System of Higher Education (USHE). The Board consists of 18 members - 16 of whom are appointed by the Governor, including one student regent, and two members of the State Board of Education, appointed by the chair of that board, who serve as nonvoting members. The Board oversees the establishment of policies and procedures, executive appointments and master planning. In addition, the board approves financial and budgetary procedures, proposals for legislation, and develops governmental relationships.

## ISSUES AND RECOMMENDATIONS

**Base Budget:** The total FY 2006 appropriated budget for the State Board of Regents was \$23,610,800, with \$16,720,700 from the General Fund and \$6,021,900 from Income Tax funds (including a one-time Income Tax fund appropriation of \$765,000). Deducting the one-time Income Tax funding and the \$100,000 one-time funding from H.B. 234, “Telephone Surcharge for Education and Training Programs at Prison”, the adjusted amount becomes \$22,745,800 with the General Fund and Income Tax fund amounts at the same level as the ongoing levels of FY 2006.

Included in the FY 2006 appropriation to the State Board of Regents, to be distributed to the institutions, was funding for the Engineering Initiative, salary retention funds, alternative fuels, University Centers. The Analyst has distributed those appropriations to be reflected in the adjusted base budget. The transfers from the State Board of Regents’ line item to the nine USHE institutions included \$1,500,000 for the Engineering Initiative, \$2,216,800 for salary retention, \$70,800 for alternative fuels, and \$264,800 for the University Centers. The funding for the Engineering Initiative and salary retention is from Income Tax funds; the funding for alternative fuels and the University Centers is from the General Fund. The FY 2007 base budget is \$18,693,400, with a total of \$16,385,100 from the General Fund and \$1,540,100 from Income Tax funds.

**Student Financial Aid:** The Analyst recommends a total of \$2,495,300 in four categories of financial aid. Two of these categories are mandated in statute, while the other two are recommended in an effort to keep pace with increasing tuition costs.



**Engineering Initiative:** FY 2007 represents the fifth (of five) year of the Engineering Initiative, which has the goal of doubling the number of graduates in engineering and computer science. The Analyst recommends \$1,500,000 for FY 2007, in addition to a one-time appropriation of \$500,000 for equipment.

**Nursing Initiative:** FY 2007 also represents the third (of three) year of the Nursing Initiative. The Analyst recommends \$700,000 for FY 2007, in addition to a one-time appropriation of \$500,000 for equipment.

**IT Security and Licensing:** The Analyst recommends an appropriation of \$1.8 million for licenses for software and networks, anti-virus protection, and replacement of servers, switches, routers, and hubs. In addition, the Analyst recommends \$1 million for one-time infrastructure costs.

**Academic Library Consortium:** The Analyst recommends a \$500,000 increase in the appropriation for the Academic Library Consortium. This funding will allow for continued access to the electronic resources and databases, as well as cover increased costs of journals and other library resources.

**Academic Equipment:** Over time, instructional equipment wears out and becomes obsolete. The Analyst recommends one-time funding of \$500,000 for the purchase of needed academic equipment of the campuses.

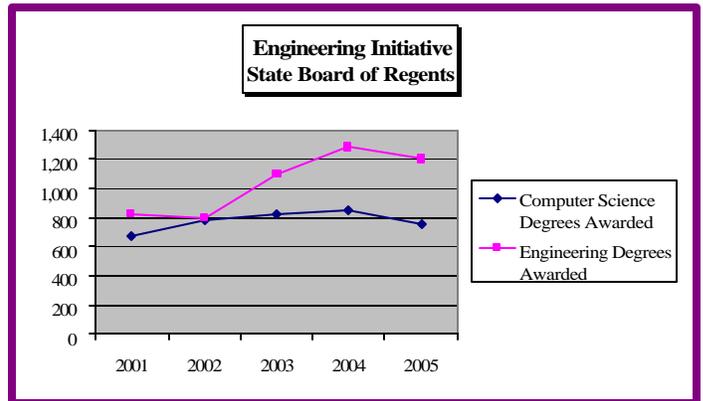
**Energy Retrofit:** With increasing utility costs, conservation becomes even more important. The Analyst recommends a one-time appropriation of \$500,000 to provide a resource for the institutions to make energy-saving improvements which will help contain future expenditures for fuel and power.

**Jobs Now:** This program, first funded by the 2005 Legislature, is showing success. To continue these efforts, the Analyst recommends \$250,000 (one-time).

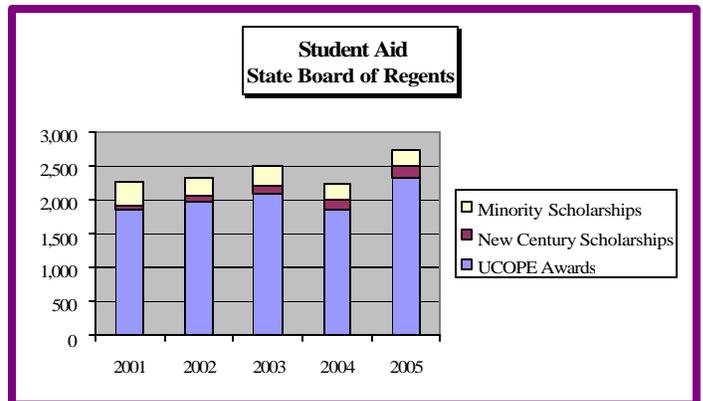
**ACCOUNTABILITY DETAIL**

The State Board of Regents’ performance indicators include the results of the engineering initiative and the number of scholarships and financial awards granted to help students finance their education.

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. In 2005, the number of graduates dipped, but through 2004, the number of computer science degrees awarded was up 26 percent and the number of engineering graduates was up nearly 55 percent.



As the cost of a post-secondary education has increased, the Legislature has made efforts to provide additional financial aid opportunities. The figure shows the growth in the number of scholarships and awards over the past five years.



**BUDGET DETAIL**

**Base Budget:** The Legislative Fiscal Analyst recommends approval of State Board of Regents' FY 2007 adjusted base budget in the amount of \$18,693,400, with \$16,385,100 from the General Fund, \$1,540,100 from Income Tax funds, \$303,100 from Federal Funds, and \$465,100 from Dedicated Credits.

**Intent Language:** In the past, there have been several items of legislative intent language included in the various appropriations acts regarding higher education issues. During the 2005 General Session, there was an effort to reduce the amount of intent language, especially those items that were repeated year after year. As a result, there was no intent language that affected higher education included in the appropriations acts for FY 2006.

**LEGISLATIVE ACTION**

The Analyst recommends that the Subcommittee adopt a base budget for State Board of Regents in the amount of \$18,693,400. The approved allocation is \$16,385,100 (General Fund) and \$1,540,100 (Income Tax funds).

The Analyst recommends that the Subcommittee develop a prioritization list of items for additional funding for FY 2007 and FY 2006 (Supplemental).

**BUDGET DETAIL TABLE**

| State Board of Regents                           |                     |                         |             |                     |                      |                         |
|--|---------------------|-------------------------|-------------|---------------------|----------------------|-------------------------|
| Sources of Finance                               | FY 2005<br>Actual   | FY 2006<br>Appropriated | Changes     | FY 2006<br>Revised  | Changes              | FY 2007*<br>Base Budget |
| General Fund                                     | 19,830,400          | 16,720,700              | 0           | 16,720,700          | (335,600)            | 16,385,100              |
| General Fund, One-time                           | 0                   | 0                       | 0           | 0                   | 0                    | 0                       |
| Income Tax                                       | 253,600             | 5,256,900               | 0           | 5,256,900           | (3,716,800)          | 1,540,100               |
| Income Tax, One-time                             | 0                   | 765,000                 | 0           | 765,000             | (765,000)            | 0                       |
| Federal Funds                                    | 1,343,966           | 303,100                 | 0           | 303,100             | 0                    | 303,100                 |
| Dedicated Credits Revenue                        | 460,226             | 465,100                 | 0           | 465,100             | 0                    | 465,100                 |
| GFR - Prison Telephone Surcharge Account         | 0                   | 100,000                 | 0           | 100,000             | (100,000)            | 0                       |
| Transfers  | 154,400             | 0                       | 0           | 0                   | 0                    | 0                       |
| Beginning Nonlapsing                             | 1,921,501           | 0                       | 0           | 0                   | 0                    | 0                       |
| Closing Nonlapsing                               | (1,127,731)         | 0                       | 0           | 0                   | 0                    | 0                       |
| <b>Total</b>                                     | <b>\$22,836,362</b> | <b>\$23,610,800</b>     | <b>\$0</b>  | <b>\$23,610,800</b> | <b>(\$4,917,400)</b> | <b>\$18,693,400</b>     |
| <b>Line Items</b>                                |                     |                         |             |                     |                      |                         |
| Administration                                   | 3,929,221           | 5,753,800               | 0           | 5,753,800           | (2,387,600)          | 3,366,200               |
| Engineering Initiative                           | 1,003,100           | 2,000,000               | 0           | 2,000,000           | (2,000,000)          | 0                       |
| Federal Programs                                 | 452,222             | 303,100                 | 0           | 303,100             | 0                    | 303,100                 |
| Campus Compact                                   | 100,000             | 100,000                 | 0           | 100,000             | 0                    | 100,000                 |
| Student Aid                                      | 8,211,409           | 6,313,000               | 0           | 6,313,000           | (265,000)            | 6,048,000               |
| Western Interstate Commission for Higher Educati | 990,559             | 1,021,900               | 0           | 1,021,900           | 0                    | 1,021,900               |
| T.H. Bell Scholarship Program                    | 992,967             | 799,100                 | 0           | 799,100             | 0                    | 799,100                 |
| University Centers                               | 257,600             | 264,800                 | 0           | 264,800             | (264,800)            | 0                       |
| Nursing Initiative                               | 675,000             | 0                       | 0           | 0                   | 0                    | 0                       |
| Higher Education Technology Initiative           | 2,204,302           | 2,445,600               | 0           | 2,445,600           | 0                    | 2,445,600               |
| Jobs Now Initiative                              | 0                   | 1,000,000               | 0           | 1,000,000           | 0                    | 1,000,000               |
| Electronic College                               | 1,136,482           | 726,000                 | 0           | 726,000             | 0                    | 726,000                 |
| Utah Academic Library Consortium                 | 2,883,500           | 2,883,500               | 0           | 2,883,500           | 0                    | 2,883,500               |
| <b>Total</b>                                     | <b>\$22,836,362</b> | <b>\$23,610,800</b>     | <b>\$0</b>  | <b>\$23,610,800</b> | <b>(\$4,917,400)</b> | <b>\$18,693,400</b>     |
| <b>Categories of Expenditure</b>                 |                     |                         |             |                     |                      |                         |
| Personal Services                                | 2,474,754           | 4,948,200               | (2,512,600) | 2,435,600           | 0                    | 2,435,600               |
| In-State Travel                                  | 79,266              | 82,000                  | 34,000      | 116,000             | 0                    | 116,000                 |
| Current Expense                                  | 9,168,887           | 2,860,500               | 1,476,900   | 4,337,400           | (3,581,800)          | 755,600                 |
| Capital Outlay                                   | 37,408              | 0                       | 65,000      | 65,000              | 0                    | 65,000                  |
| Other Charges/Pass Thru                          | 11,076,047          | 15,720,100              | 936,700     | 16,656,800          | (1,335,600)          | 15,321,200              |
| <b>Total</b>                                     | <b>\$22,836,362</b> | <b>\$23,610,800</b>     | <b>\$0</b>  | <b>\$23,610,800</b> | <b>(\$4,917,400)</b> | <b>\$18,693,400</b>     |
| <b>Other Data</b>                                |                     |                         |             |                     |                      |                         |
| Budgeted FTE                                     | 24.0                | 34.3                    | (10.2)      | 24.1                | 0.0                  | 24.1                    |
| Vehicles   | 2                   | 3                       | (1)         | 2                   | 0                    | 2                       |

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