

# 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.

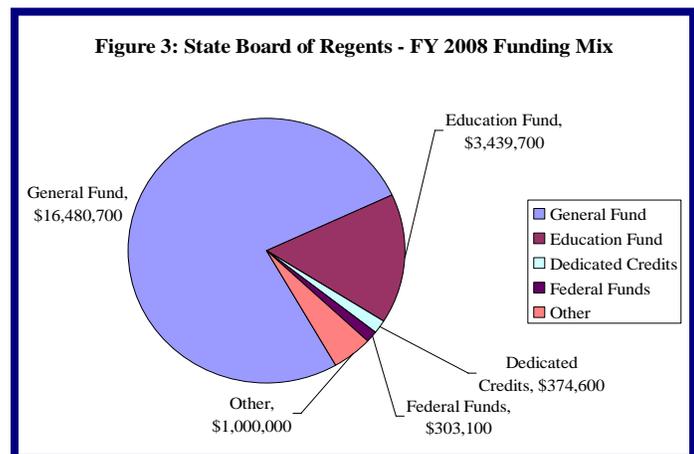
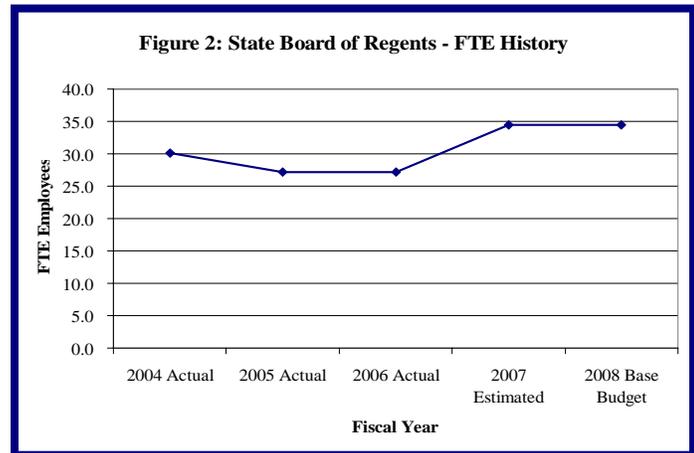
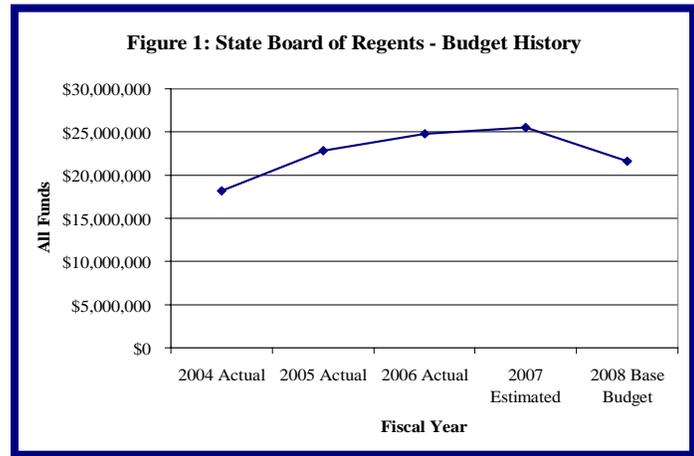
## ISSUES AND RECOMMENDATIONS

**Base Budget:** The total FY 2007 appropriated budget for the State Board of Regents was \$25,638,500, with \$16,480,700 from the General Fund and \$7,389,700 from the Education Fund (including a one-time Education Fund appropriation of \$3,950,000). After deducting the one-time Education Fund appropriation and reducing the dedicated credits by \$90,400, the Base Budget for FY 2008 becomes \$21,598,100.

**Higher Education Transfers:** Included in the FY 2007 appropriation to the State Board of Regents, to be distributed to the institutions, was \$1.2 million for the Engineering Initiative (\$500,000 ongoing and \$700,000 one-time). The Analyst recommends distributing the \$500,000 ongoing appropriation to four of the USHE institutions to be reflected in their ongoing budgets. The Board has distributed the one-time funding to seven of the institutions, but because this was one-time, the funding will not be reflected in the ongoing budgets.

**IT Licensing and Network Infrastructure Costs:** The Analyst recommends an ongoing appropriation of \$900,000 for licenses for software and networks, and anti-virus protection. In addition, the Analyst recommends \$3 million (one-time) for infrastructure costs (replacement of servers, switches, routers, and hubs). The Analyst also recommends \$464,100 for IT database and disaster recovery efforts to maintain normal operations in the event of an unforeseen disaster.

**Academic Library Consortium:** The Analyst recommends a \$642,000 ongoing increase in the appropriation for the Academic Library Consortium as well as a one-time appropriation of \$1 million. 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.



**Engineering Initiative:** As reported by the Technology Initiative Advisory Board to the Executive Appropriations Committee in December 2006, the Initiative has helped increase the number of engineering graduates in the state by 53% since 2000 and the number of computer science graduates by 19%. Overall, Utah's increase in engineering and computer science graduates is roughly twice the national average.<sup>1</sup> To fully fund the Initiative, as outlined in 2000, the Analyst recommends an ongoing increase of \$5,045,200 together with a one-time appropriation of \$4 million for equipment.

**Translators for Hearing Impaired Students:** The USHE institutions are encountering more and more requests for interpreters for students who are hearing impaired. Capable, certified translators can be difficult to find and costly for the institution to hire. If translators are not provided, an institution may be sued, as is happening at Utah State University. The Analyst recommends an appropriation of \$1,000,000 for a central funding pool, administered by the Board, from which institutions may apply for actual cost reimbursement of translator expenses.

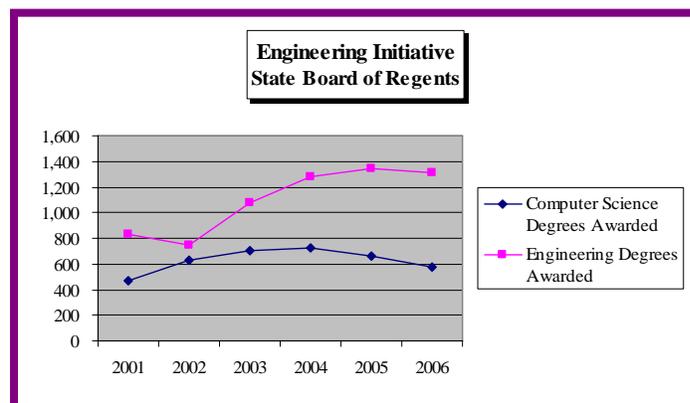
**Student Financial Aid:** The Analyst recommends funding for four programs considered part of financial aid.

- UCOPE is a state-funded, need-based program for Utah residents. The program becomes more important as tuition increases. Last year, one-time funding in the amount of \$2,250,000 was approved. The recommended funding of \$3,149,100 will make that amount ongoing and fund an increase of \$899,100 to cover the average increase in tuition for the same number of students.
- Federal aid programs require state matching funds for program participation. An increase in state funds is required when federal regulations change the matching requirement. State funding is recommended in the amount of \$210,300 to maintain the level of federal aid programs.
- New Century Scholarships provide reduced tuition for students who complete a two-year degree (or equivalent) by the September following their high school graduation. The Analyst recommends funding in the amount of \$437,500 in FY 2008 and \$130,100 in FY 2007 to cover the increase in the number of students achieving this goal.
- The T. H. Bell Teacher Incentive Loan Program was established to encourage students to become educators. The program provides loans to pay for tuition and fees, which are forgiven if the recipient teaches in a public or private school for a period equal to the time he/she received the funding. The Analyst recommends an increase in this program of \$692,300.

### ACCOUNTABILITY DETAIL

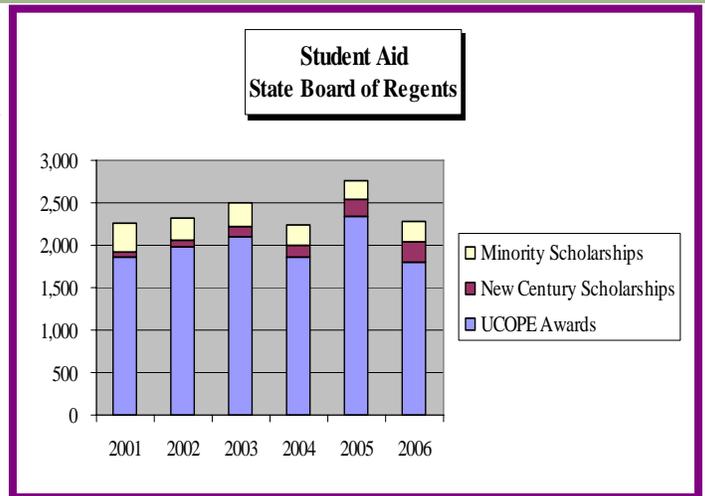
The State Board of Regents' performance indicators include the results of the engineering initiative and the number of scholarships and financial awards granted to help students finance their education.

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.



<sup>1</sup> Utah's Engineering Initiative 2006 Report to the Legislature, presented by the Technology Initiative Advisory Board.

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 2008 adjusted base budget in the amount of \$21,598,100, with \$16,480,700 from the General Fund, \$3,439,700 from the Education Fund, \$303,100 from Federal Funds, \$374,600 from Dedicated Credits, and \$1,000,000 from the Restricted Prison Telephone Surcharge Account.

**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 only one item of intent language that affected the State Board of Regents included in the appropriations acts for FY 2007. This item requires a report from the Board of Regents to the Higher Education Appropriations Subcommittee regarding the funding provided through the Prison Telephone Surcharge Account. This report was made during the Higher Education Appropriations Subcommittee meeting on October 19, 2006.

### **LEGISLATIVE ACTION**

The Analyst recommends that the Subcommittee adopt a base budget for State Board of Regents in the amount of \$21,598,100. The approved allocation is \$16,480,700 (General Fund) and \$3,439,700 (Education Fund).

The Analyst recommends that the Subcommittee develop a prioritization list of items for additional funding for FY 2008 and FY 2007 (Supplemental).

**BUDGET DETAIL TABLE**

State Board of Regents						
Sources of Finance	FY 2006 Actual	FY 2007 Appropriated	Changes	FY 2007 Revised	Changes	FY 2008* Base Budget
General Fund	16,720,700	16,480,700	0	16,480,700	0	16,480,700
General Fund, One-time	0	0	0	0	0	0
Education Fund	5,256,900	3,439,700	0	3,439,700	0	3,439,700
Education Fund, One-time	965,000	3,950,000	0	3,950,000	(3,950,000)	0
Federal Funds	1,421,064	303,100	0	303,100	0	303,100
Dedicated Credits Revenue	557,207	465,000	(90,400)	374,600	0	374,600
GFR - Prison Telephone Surcharge Account	100,000	1,000,000	0	1,000,000	0	1,000,000
Beginning Nonlapsing	1,127,734	0	0	0	0	0
Closing Nonlapsing	(1,351,719)	0	0	0	0	0
<b>Total</b>	<b>\$24,796,886</b>	<b>\$25,638,500</b>	<b>(\$90,400)</b>	<b>\$25,548,100</b>	<b>(\$3,950,000)</b>	<b>\$21,598,100</b>
<b>Line Items</b>						
Administration	5,847,668	4,452,800	(90,400)	4,362,400	0	4,362,400
Engineering Initiative	2,000,000	1,200,000	0	1,200,000	(700,000)	500,000
Federal Programs	518,552	303,100	0	303,100	0	303,100
Campus Compact	100,000	100,000	0	100,000	0	100,000
Student Aid	7,269,941	8,798,000	0	8,798,000	(2,250,000)	6,548,000
Western Interstate Commission for Higher Educati	985,059	1,021,900	0	1,021,900	0	1,021,900
T.H. Bell Scholarship Program	783,684	799,100	0	799,100	0	799,100
University Centers	264,800	0	0	0	0	0
Higher Education Technology Initiative	2,445,600	3,845,600	0	3,845,600	(500,000)	3,345,600
Jobs Now Initiative	960,004	1,500,000	0	1,500,000	(500,000)	1,000,000
Electronic College	738,078	734,500	0	734,500	0	734,500
Utah Academic Library Consortium	2,883,500	2,883,500	0	2,883,500	0	2,883,500
<b>Total</b>	<b>\$24,796,886</b>	<b>\$25,638,500</b>	<b>(\$90,400)</b>	<b>\$25,548,100</b>	<b>(\$3,950,000)</b>	<b>\$21,598,100</b>
<b>Categories of Expenditure</b>						
Personal Services	2,612,129	2,532,700	201,400	2,734,100	142,500	2,876,600
In-State Travel	84,547	116,000	(31,000)	85,000	(25,000)	60,000
Current Expense	2,752,316	753,600	978,500	1,732,100	4,371,500	6,103,600
Capital Outlay	0	65,000	(10,000)	55,000	0	55,000
Other Charges/Pass Thru	19,347,894	22,171,200	(1,229,300)	20,941,900	(8,439,000)	12,502,900
<b>Total</b>	<b>\$24,796,886</b>	<b>\$25,638,500</b>	<b>(\$90,400)</b>	<b>\$25,548,100</b>	<b>(\$3,950,000)</b>	<b>\$21,598,100</b>
<b>Other Data</b>						
Budgeted FTE	27.2	24.1	10.4	34.5	0.0	34.5
Vehicles	0	2	(2)	0	0	0

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