**Summary**

The Analyst’s FY 2008 recommendations do not include any change to the compensation figures. During the session, the Executive Appropriations Committee may determine a compensation increase and then direct the Legislative Fiscal Analyst to incorporate that increase into the various agencies’ budgets. Funding of any increase is normally based upon the agency’s or institution’s current revenue stream. Compensation increases for UCAT have been funded completely with state funds.

**Objective**

Should the funding for compensation increases for UCAT be changed so that dedicated credits (tuition) helps cover the costs of compensation increases?

**Discussion and Analysis**

When compensation increases have been approved by the Legislature for the Utah System of Higher Education, the cost of that increase is split between state funds and dedicated credits (tuition). Compensation increases for the Utah College of Applied Technology have been completely funded by state funds. For FY 2007, the compensation package for UCAT amounted to $1,538,000, funded with state funds. If UCAT were to increase tuition to cover 25% of the cost, there would be a reduction in the amount of state funds by approximately $385,000, while tuition rates would need to be increased enough to cover that amount. Current tuition rates are $1.25 per membership hour. An increase of $.07 per hour would provide approximately $371,000.

**Recommendation**

The Analyst recommends that the Legislature discuss treating UCAT similar to other USHE institutions in relation to the funding of compensation increases.