

# FY 2009 Budget Brief – HED – University of Utah

## SUMMARY

The University of Utah (U of U) is the State’s flagship university. It is a major urban teaching and research university that provides educational programs in 15 colleges and professional schools, including law and medicine. The FY 2007 enrollment at the University was 25,941 full-time equivalent (FTE) students.

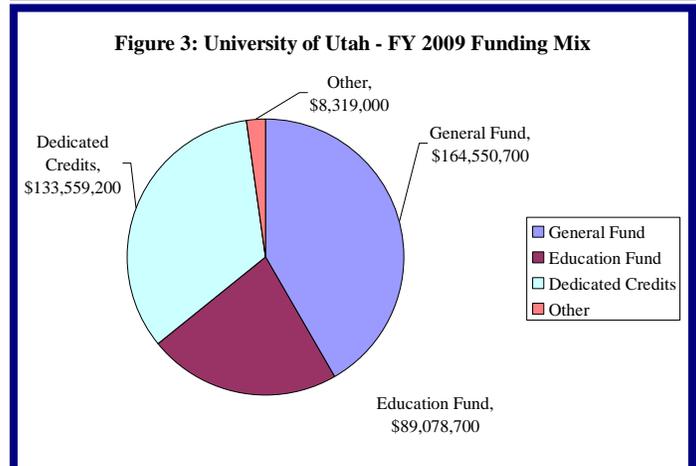
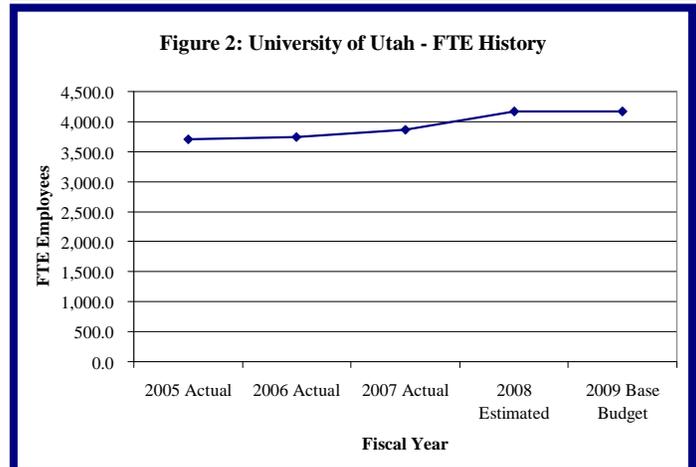
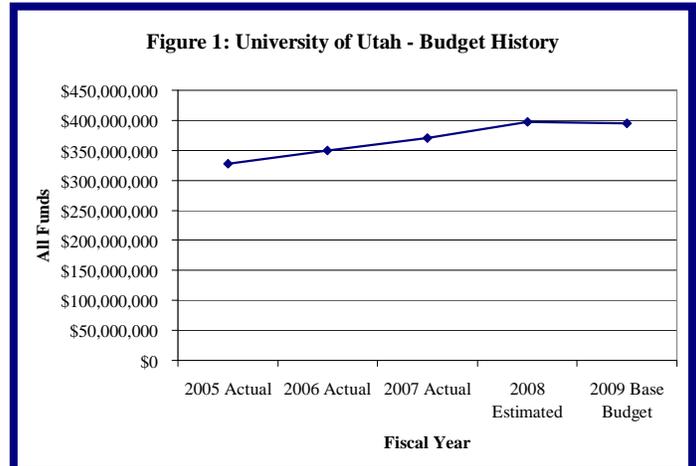
## ISSUES AND RECOMMENDATIONS

**Base Budget:** The total FY 2008 appropriated budget for the University of Utah was \$395,227,800, with \$164,550,700 from the General Fund (offset by a one-time General Fund reduction of \$152,994,100) and \$243,818,700 from the Education Fund (including \$154,740,000 in one-time Education funding). Using the FY 2008 ongoing appropriation as the beginning point for the FY 2009 base budget, with changes in the level of dedicated credits for unallocated 1st tier tuition and 2nd tier tuition collected in the amount of \$2,025,700, the total adjusted amount (FY 2009 Base Budget) becomes \$395,507,600.

**Center on Aging Funding:** Senate Bill 26, “Utah Commission on Aging”, passed during the 2007 General Session, authorizes funding through FY 2009. The Analyst has included switching the \$174,500 ongoing funding to one-time for FY 2009, in the FY 2009 Base Budget bill, which will then result in the funding dropping out at the conclusion of FY 2009.

**Higher Education Transfers:** Included in the FY 2008 appropriation to the State Board of Regents, to be distributed to the institutions, was \$3,000,000 in ongoing funding and \$2,000,000 in one-time funding, for the Engineering Initiative. For the University of Utah, the ongoing Engineering Initiative funding transfer from the State Board of Regents’ line item is \$1,400,000 and the one-time funding is \$800,000 (see Issue Brief USHE - 12). The Analyst recommends the transfer of the \$1,400,000 ongoing appropriation to the University of Utah for FY 2009 for placement on the Subcommittee’s priority list.

**Operation and Maintenance of New Facilities:** The University of Utah has two new non-state funded facilities that received partial O & M funding for FY 2008, but need the funding for the remainder of the full fiscal year. These two buildings are the Social Work Building and the Humanities Building. The sum of the O & M for these two buildings is \$302,600. In addition,



\$40,000 in the forward funding for the University’s Marriott Library Adaptation O & M will not be needed in FY 2009 (see Issue Brief USHE – 01). The Analyst recommends these two O & M items for placement on the Subcommittee’s priority list.

**Initiatives:** The Analyst recommends the following initiatives for the Subcommittee’s priority list: the Teacher Initiative (see Issue Brief USHE – 05), the Health Care Professions Initiative (see Issue Brief USHE – 06), and the Science and Technology Initiative (see Issue Brief USHE – 07). The distribution to the University of Utah for these initiatives would be \$1,227,000 ongoing and \$225,000 one-time for the Teacher Initiative, \$1,050,000 for the Health Care Professions Initiative, and \$525,000 ongoing and \$1,312,500 one-time for the Science and Technology Initiative.

**Educationally Disadvantaged:** The Analyst recommends that the Subcommittee add a total of \$1 million for the Educationally Disadvantaged line items at all nine of the USHE institutions to the list of priorities (see Issue Brief USHE – 08). The allocation for the University of Utah of this amount would be \$262,500.

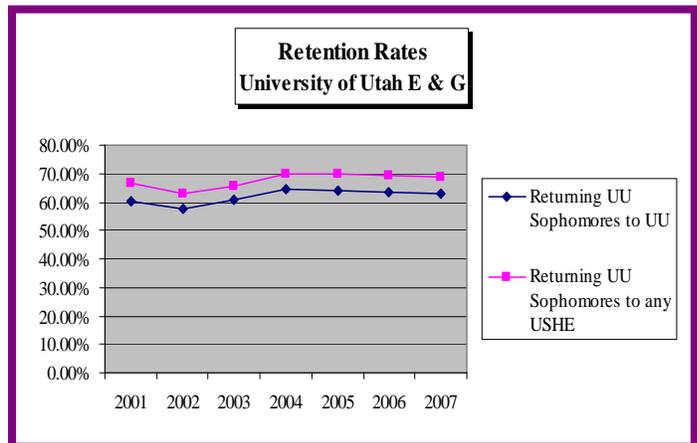
**Emergency Management and Campus Security:** The Analyst recommends adding a total of \$4 million in one-time funding to address security issues on the nine USHE campuses to the priority list (see Issue Brief USHE – 10). The allocation for the University of Utah for this proposal would be \$1,010,600.

**Non-Lapsing Balances:** In response to the growing levels of non-lapsing balances at the USHE institutions, the Analyst recommends placing \$20 million of these funds on the priority list as an offset to the state funding for one-time increases (see Issue Brief USHE – 13). The distribution among the institutions is based on the amount that institution’s non-lapsing balances are of the total \$83 million level. The corresponding amount for the University of Utah is \$6,204,000.

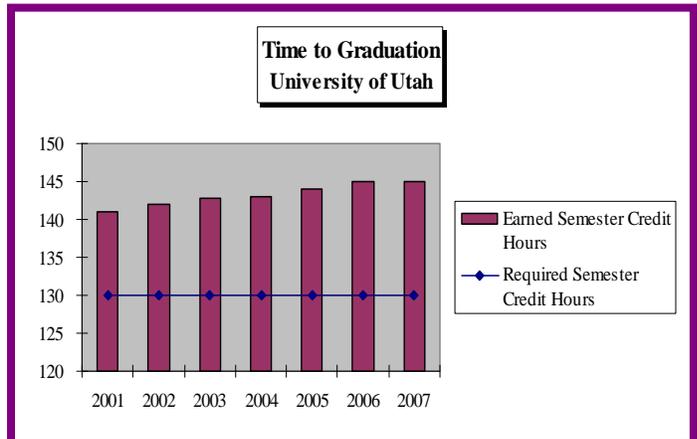
**ACCOUNTABILITY DETAIL**

The University of Utah’s performance indicators include the retention rate of students, the average time it takes for a student to graduate, and the number and amount of research grants.

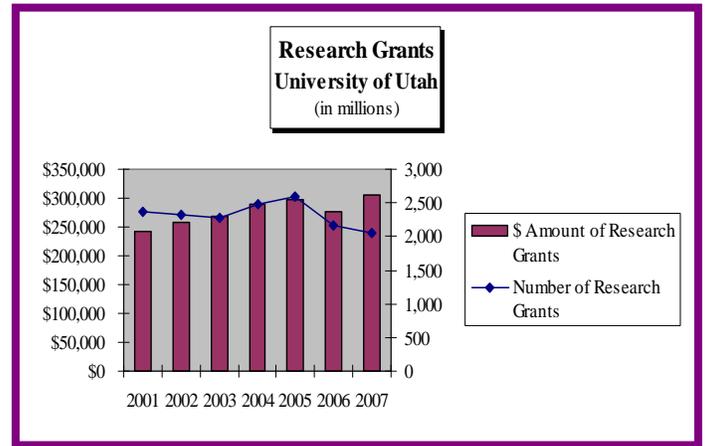
The Retention Rate figure shows the percentage of freshmen students returning to continue their education. This figure is impacted by the high number of young people who leave school for service or military reasons.



The average number of earned semester hours for graduates at the University of Utah is 145. The minimum required number of hours is 130.



The University of Utah is one of the two research institutions in the State. The number of grants dropped slightly in 2007 to 2,059; the amount of research grants was over \$306 million.



**BUDGET DETAIL**

**Base Budget:** The Legislative Fiscal Analyst recommends approval of the University of Utah’s FY 2009 adjusted base budget in the amount of \$395,507,600, with \$164,550,700 from the General Fund (\$174,500 one-time), \$89,078,700 from the Education Fund, \$132,601,300 from Dedicated Credits, \$957,900 from Land Grant Management Funds, \$4,284,500 from the Cigarette Tax Restricted Account, \$4,000,000 from the Tobacco Settlement Restricted Account, and \$34,500 from Transfers from the Commission on Criminal and Juvenile Justice.

**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 the University of Utah included in the appropriations acts for FY 2008.

**LEGISLATIVE ACTION**

The Analyst recommends that the Subcommittee adopt a base budget for the University of Utah in the amount of \$395,507,600. The allocation approved by the Executive Appropriations Committee is \$164,550,700 (General Fund) and \$89,078,700 (Education Fund).

The Analyst recommends that the Subcommittee develop a prioritization list of items for additional funding for FY 2009 and FY 2008 (Supplemental).

**BUDGET DETAIL TABLE**

University of Utah						
Sources of Finance	FY 2007 Actual	FY 2008 Appropriated	Changes	FY 2008 Revised	Changes	FY 2009* Base Budget
General Fund	27,355,900	164,550,700	0	164,550,700	(174,500)	164,376,200
General Fund, One-time	0	(152,994,100)	0	(152,994,100)	153,168,600	174,500
Education Fund	205,920,100	89,078,700	0	89,078,700	0	89,078,700
Education Fund, One-time	(436,100)	154,740,000	0	154,740,000	(154,740,000)	0
Dedicated Credits Revenue	120,399,137	130,575,600	2,005,700	132,581,300	20,000	132,601,300
Dedicated Credits - Land Grant	978,425	957,900	0	957,900	0	957,900
GFR - Cigarette Tax Rest	4,284,500	4,284,500	0	4,284,500	0	4,284,500
GFR - Tobacco Settlement	4,000,000	4,000,000	0	4,000,000	0	4,000,000
Transfers	3,784,778	0	0	0	0	0
Transfers - Commission on Criminal and Juvenile J	34,500	34,500	0	34,500	0	34,500
Beginning Nonlapsing	28,136,638	0	0	0	0	0
Closing Nonlapsing	(23,999,000)	0	0	0	0	0
<b>Total</b>	<b>\$370,458,878</b>	<b>\$395,227,800</b>	<b>\$2,005,700</b>	<b>\$397,233,500</b>	<b>(\$1,725,900)</b>	<b>\$395,507,600</b>
<b>Line Items</b>						
Education and General	326,178,463	344,982,500	1,818,300	346,800,800	480,000	347,280,800
Educationally Disadvantaged	771,900	798,000	0	798,000	0	798,000
School of Medicine	31,223,733	34,235,900	181,500	34,417,400	20,000	34,437,400
University Hospital	5,253,869	5,478,800	0	5,478,800	0	5,478,800
Regional Dental Education Program	740,282	764,200	5,900	770,100	0	770,100
Public Service	1,447,980	2,573,000	0	2,573,000	(720,000)	1,853,000
Statewide TV Administration	2,533,652	4,166,000	0	4,166,000	(1,500,000)	2,666,000
Poison Control Center	2,015,464	1,534,400	0	1,534,400	0	1,534,400
Utah Tele-Health Network	293,535	514,600	0	514,600	0	514,600
Center on Aging	0	180,400	0	180,400	(5,900)	174,500
<b>Total</b>	<b>\$370,458,878</b>	<b>\$395,227,800</b>	<b>\$2,005,700</b>	<b>\$397,233,500</b>	<b>(\$1,725,900)</b>	<b>\$395,507,600</b>
<b>Categories of Expenditure</b>						
Personal Services	300,005,246	334,972,100	(10,008,000)	324,964,100	100	324,964,200
In-State Travel	2,461,011	2,232,800	69,700	2,302,500	0	2,302,500
Out of State Travel	0	2,000	(2,000)	0	0	0
Current Expense	56,992,853	45,433,600	12,118,400	57,552,000	(220,400)	57,331,600
Capital Outlay	2,213,168	4,052,800	77,600	4,130,400	(1,505,600)	2,624,800
Other Charges/Pass Thru	8,786,600	8,534,500	(250,000)	8,284,500	0	8,284,500
<b>Total</b>	<b>\$370,458,878</b>	<b>\$395,227,800</b>	<b>\$2,005,700</b>	<b>\$397,233,500</b>	<b>(\$1,725,900)</b>	<b>\$395,507,600</b>
<b>Other Data</b>						
Budgeted FTE	3,862.8	4,232.7	(66.0)	4,166.7	0.0	4,166.7
Vehicles	475.0	467.0	8.0	475.0	0.0	475.0

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