SUMMARY

The Utah System of Higher Education (USHE) is comprised of eight traditional institutions of higher learning, the Utah College of Applied Technology, and the State Board of Regents. The eight institutions are governed by the Utah State Board of Regents, with the assistance of the local Boards of Trustees. With the passage of H.B. 15 during the 2009 General Session, the Utah College of Applied Technology is now governed by its own Board of Trustees.

The mission of the Utah System of Higher Education is to provide educational opportunities to the citizens of the State through traditional classroom settings, distance learning, and career and technical education. The FY 2010 enrollment at the eight traditional USHE institutions was 114,105 full-time equivalent (FTE) students.

ISSUES AND RECOMMENDATIONS

Base Budget: The total FY 2011 appropriated budget for the Utah System of Higher Education was $1,186,261,000, with $498,076,800 from the General Fund (offset by a one-time reduction of $23,546,400) and $227,068,500 from the Education Fund (including a one-time appropriation of $2,884,800), and $19,837,800 in one-time funds from the federal stimulus money through the American Recovery and Reinvestment Act.

Using 93% of the FY 2011 ongoing state tax fund appropriation as the beginning point for the FY 2012 base budget, with changes in the level of dedicated credits in the amount of $55,632,100, transfers of ($329,300), and nonlapsing balances in the amount of $708,800, the adjusted amount base becomes $1,192,538,500.
ACCOUNTABILITY DETAIL

1. Each institution in the USHE except the Utah College of Applied Technology has a separate line item entitled Education and General (E&G) for appropriated funds with the following functions:

2. **Instruction** – All expenditures associated with instruction including academic, vocational and remedial education.

3. **Research** – All expenditures related to research and development.

4. **Public Service** – Funding for non-instructional services including the Cooperative Extension at Utah State University.

5. **Academic Support** – Support services to meet the primary mission of the institution such as libraries, museums, computer support and academic deans.

6. **Student Services** – Admissions and registration, counseling, financial aid, and career development, as well as the social aspect of college life such as student organizations and athletics.

7. **Institutional Support** – Expenditures associated with executive level activities such as the management of the institution, planning and programming, legal services, fiscal operations, administrative data processing, space management, and human resource management.

8. **Operation and Maintenance (O & M) of Facilities** – Operating expenses associated with the operation and maintenance of the physical plant including utilities and insurance.

9. **Scholarships and Fellowships** – Expenditures for scholarships and fellowships from restricted and unrestricted funds in the form of grants to students.

The following figure shows the distribution of the Education and General expenditures for FY 2006 through FY 2010 (Actual) and FY 2011 (Budget).

![Areas of Expenditure](image)

Additional performance indicators are shown in each institution’s budget brief.
**Budget Detail**

*Base Budget:* The table on the following page shows the budget history for the Utah System of Higher Education. To eliminate the structural imbalance and as directed by the Executive Appropriations Committee, the “FY 2012 Base Budget” column includes 93% of the FY 2011 ongoing General and Education Fund appropriations across the board. Targeted budget changes, reflecting policymaker decision direction, will likely replace the pro-rata reductions shown here.

*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, the only intent language that affected the institutions within the Utah System of Higher Education is that which appears in all line items with ARRA appropriations. The language restricts the amount of ARRA funds expended to the amount appropriated.

**Legislative Action**

The Analyst recommends that the Subcommittee adopt a FY 2012 base budget for the Utah System of Higher Education in the amount of $1,192,538,500.

The Analyst recommends that the Subcommittee develop a prioritization list of items for additional funding for FY 2012 and FY 2011 (Supplemental).
## Budget Detail Table

**Higher Education**

<table>
<thead>
<tr>
<th>Sources of Finance</th>
<th>FY 2010 Actual</th>
<th>FY 2011 Appropriated</th>
<th>Changes FY 2011</th>
<th>FY 2011 Revised</th>
<th>Changes FY 2012*</th>
<th>Base Budget</th>
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<tbody>
<tr>
<td>General Fund</td>
<td>369,385,700</td>
<td>498,076,800</td>
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<td>498,076,800</td>
<td>(34,865,300)</td>
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<td>Uniform School Fund</td>
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<td>Uniform School Fund, One-time</td>
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<td>Education Fund</td>
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<td>224,183,700</td>
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<td>GFR - Cigarette Tax Rest</td>
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<td>and Juvenile Dues</td>
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<td>Beginning Nonlapsing</td>
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<tr>
<td>Closing Nonlapsing</td>
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<td>(47,183,700)</td>
<td>(100)</td>
<td>(47,183,800)</td>
<td>0</td>
<td>47,183,800</td>
</tr>
</tbody>
</table>

**Total**

- **$1,261,884,500**
- **$1,186,261,000**
- **$56,011,600**
- **$1,242,272,600**
- **($49,734,100)**
- **$1,192,538,500**

### Agency

- **University of Utah**: 426,827,900
- **Utah State University**: 236,123,700
- **Weber State University**: 113,321,800
- **Southern Utah University**: 56,344,100
- **Utah Valley University**: 136,878,200
- **Snow College**: 27,119,800
- **Dixie State College**: 38,872,200
- **College of Eastern Utah**: 20,891,100
- **Salt Lake Community College**: 118,451,900
- **State Board of Regents**: 30,812,500
- **Utah College of Applied Technology**: 56,241,400

**Total**

- **$1,261,884,500**
- **$1,186,261,000**
- **$56,011,600**
- **$1,242,272,600**
- **($49,734,100)**
- **$1,192,538,500**

### Categories of Expenditure

- **Personnel Services**: 950,597,200
- **In-state Travel**: 9,055,800
- **Current Expense**: 218,450,400
- **Capital Outlay**: 14,967,700
- **Other Charges/Pass Thru**: 68,813,400

**Total**

- **$1,261,884,500**
- **$1,186,261,000**
- **$56,011,600**
- **$1,242,272,600**
- **($49,734,100)**
- **$1,192,538,500**

### Other Data

- **Budgeted FTE**: 13,772.8
- **Vehicles**: 1,972.0

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

**January 20, 2011, 4:24 PM**

- **Office of the Legislative Fiscal Analyst**