



STATE BOARD OF REGENTS – ECONOMIC DEVELOPMENT

HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
STAFF: SPENCER PRATT

BUDGET BRIEF

SUMMARY

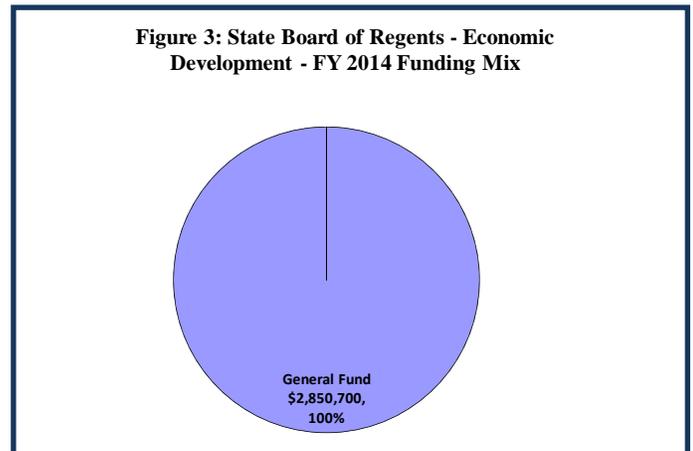
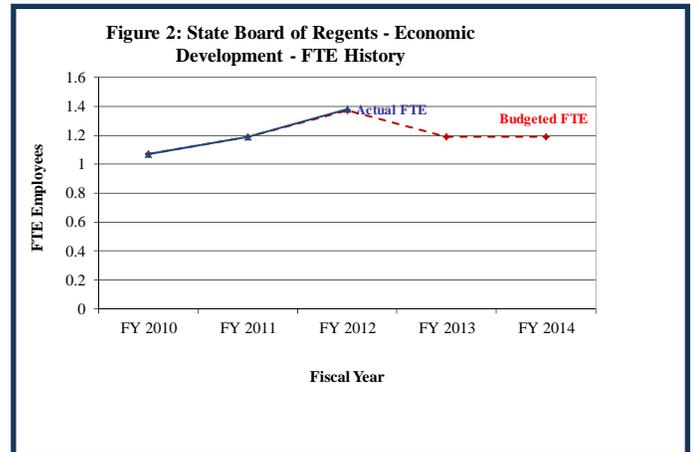
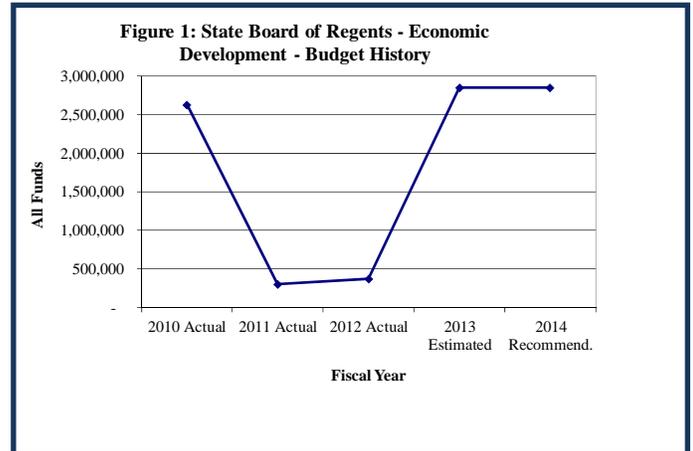
The Economic Development line item within the Utah State Board of Regents covers three programs designed to promote the Engineering Initiative and provide resources to institutions to help them market research activities.

The three programs in this line item include:

- Engineering Initiative – a proposal to increase the number of computer science and engineering graduates
- Engineering Loan Repayment – a loan forgiveness program for computer science and engineering students
- Economic Development Initiatives – a SBR effort to leverage USHE institutions’ resources to develop economic opportunities through regional and cluster acceleration efforts.

ISSUES AND RECOMMENDATIONS

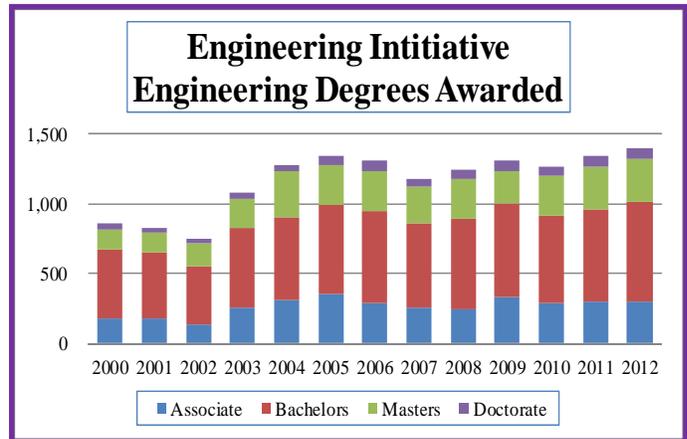
Base Budget: The FY 2014 Base Budget for the State Board of Regents’ Economic Development line item is \$2,850,700, with \$2,850,700 from the General Fund.



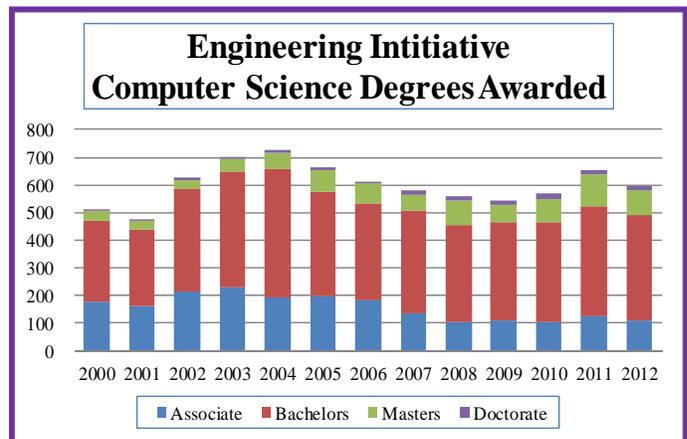
ACCOUNTABILITY DETAIL

The State Board of Regents' Technology line item performance indicators include the results of the Engineering Initiative. 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. Through 2008, the Legislature appropriated ongoing and one-time funding to the Engineering Initiative, and continued appropriating one-time funding in FY 2009 and FY 2010. (The dip in the Budget History graph on page one shows that in FY 2011 and FY 2012, no funding was appropriated for the Initiative, but resumed again for FY 2013.)

In 2012, the number of engineering degrees awarded hit a high of 1,400, with increased numbers in the four categories of degrees. The 2012 figure represents an increase of 62% over the number of graduates in 2000.



The number of computer science graduates increased through 2004, but decreased slightly each year until 2010, when the trend began upward again. The 595 graduates in 2012 represent an increase of 16 percent over the number in 2000.



BUDGET DETAIL

Base Budget: The total FY 2013 appropriated budget for the State Board of Regents Economic Development line item was \$2,905,600, with \$2,850,700 funded from the General Fund.

A reduction in the level of nonlapsing balances in the amount of \$54,900 is combined with the FY 2013 ongoing appropriation to arrive at the FY 2013 estimated base of \$2,850,700.

Intent Language: The Legislature did not approve any intent language for the State Board of Regents for FY 2013.

LEGISLATIVE ACTION

The Analyst recommends that the Subcommittee adopt a FY 2014 base budget for the Economic Development line item in the amount of \$2,850,700.

The Analyst recommends that the Subcommittee develop a prioritization list of items for additional funding for FY 2014 and FY 2013 (Supplemental).

BUDGET DETAIL TABLE

State Board of Regents - Economic Development						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	Changes	FY 2013 Revised	Changes	FY 2014* Recommended
General Fund	348,700	2,850,700	0	2,850,700	0	2,850,700
Beginning Nonlapsing	54,900	54,900	(18,500)	36,400	0	36,400
Closing Nonlapsing	(36,400)	0	(36,400)	(36,400)	0	(36,400)
Total	\$367,200	\$2,905,600	(\$54,900)	\$2,850,700	\$0	\$2,850,700
Programs						
Engineering Initiative	0	2,500,000	0	2,500,000	0	2,500,000
Engineering Loan Repayment	38,400	38,400	0	38,400	0	38,400
Economic Development Initiatives	328,800	367,200	(54,900)	312,300	0	312,300
Total	\$367,200	\$2,905,600	(\$54,900)	\$2,850,700	\$0	\$2,850,700
Categories of Expenditure						
Personnel Services	252,400	229,400	(12,200)	217,200	0	217,200
In-state Travel	16,800	20,300	0	20,300	0	20,300
Current Expense	59,600	117,500	(42,700)	74,800	0	74,800
Other Charges/Pass Thru	38,400	2,538,400	0	2,538,400	0	2,538,400
Total	\$367,200	\$2,905,600	(\$54,900)	\$2,850,700	\$0	\$2,850,700
Other Data						
Budgeted FTE	1	1	(0)	1	0	1
Actual FTE	1	0	0	0	0	0
*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.						