SUMMARY

For FY 2018, the Executive Appropriations Committee has not established a certain target percentage for Appropriations Subcommittees to reduce from base budgets. The instructions were, however, that budget increases should be funded after looking at reallocations from within existing budget allocations.

DISCUSSION AND ANALYSIS

Given the instructions, the Analyst looked for areas that could be reduced in order to recommend increases for Higher Education programs.

The Analyst reviewed the USHE Tuition Waiver Issue Brief and noted that in FY 2016, the USHE institutions waived $125.8 million in tuition. This represents an increase of $21 million over the amount of tuition waived in FY 2015 and 14.5 percent of gross tuition assessed systemwide. However, the percentage of tuition waived at three institutions is between nearly 22 percent and nearly 26 percent.

The Analyst suggests that by limiting the tuition waived, approximately $17.6 million of tuition could be collected, freeing up that revenue for other purposes. This figure represents two percent of the state tax funding for USHE and would impact the six institutions that currently are waiving more than the 14.5 percent average level.

The Analyst has also identified $4.9 million in one-time savings from current Operations and Maintenance (O & M) appropriations for buildings not yet completed. (see USHE Operations and Maintenance New Facilities Issue Brief)

The items that the Analyst recommends that the subcommittee consider for the USHE include the following:

- $9.6 million to fund compensation increases at the 75% State/25% tuition level that has been in place for the past 9 years, rather than the funding mix in the base budget that is currently used in the Compensation bill,
- $4.0 million to replace the University of Utah’s Health Sciences funding from the Tobacco Settlement Account,
- $10.0 million for Market Demand Programs,
- $5.0 million (one time) for Performance Based Funding, and

<table>
<thead>
<tr>
<th>Institution</th>
<th>GF/EF Base</th>
<th>2016 Gross</th>
<th>2016 Actual</th>
<th>2015 Actual</th>
<th>Calculate institutions at 14.5% average</th>
<th>Drop out inst. already below average</th>
<th>Pro rata share to arrive at 2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>UU</td>
<td>286,210,300</td>
<td>5,724,206</td>
<td>312,913,545</td>
<td>22,710,508</td>
<td>19,791,883</td>
<td>45,521,927</td>
<td>22,811,419</td>
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<tr>
<td>USU</td>
<td>197,261,600</td>
<td>3,945,232</td>
<td>177,672,483</td>
<td>41,575,334</td>
<td>34,711,656</td>
<td>25,847,375</td>
<td>(15,727,959) (15,727,959)</td>
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<tr>
<td>SUU</td>
<td>35,533,100</td>
<td>710,662</td>
<td>51,149,710</td>
<td>13,274,411</td>
<td>8,779,426</td>
<td>7,441,140</td>
<td>(5,833,271) (5,833,271)</td>
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<tr>
<td>UVU</td>
<td>102,229,600</td>
<td>2,044,592</td>
<td>133,183,385</td>
<td>20,437,757</td>
<td>16,209,171</td>
<td>19,375,206</td>
<td>(1,062,551) (1,062,551)</td>
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<tr>
<td>Snow</td>
<td>23,066,900</td>
<td>461,338</td>
<td>12,535,996</td>
<td>2,276,656</td>
<td>2,136,493</td>
<td>1,823,707</td>
<td>(454,949) (454,949)</td>
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<tr>
<td>DSU</td>
<td>33,265,500</td>
<td>665,310</td>
<td>33,567,230</td>
<td>7,342,227</td>
<td>6,673,680</td>
<td>4,883,282</td>
<td>(2,458,945) (2,458,945)</td>
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<td>SLCC</td>
<td>93,522,800</td>
<td>1,870,456</td>
<td>61,461,252</td>
<td>5,044,311</td>
<td>4,623,246</td>
<td>8,941,239</td>
<td>3,896,928</td>
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<tr>
<td>Subtotal</td>
<td>851,924,900</td>
<td>17,038,498</td>
<td>864,926,135</td>
<td>125,827,422</td>
<td>104,780,665</td>
<td>125,827,422</td>
<td>(26,708,347) (17,643,200)</td>
</tr>
<tr>
<td>SBR</td>
<td>30,236,700</td>
<td>604,734</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total USHE</td>
<td>882,161,600</td>
<td>17,643,232</td>
<td>864,926,135</td>
<td>125,827,422</td>
<td>104,780,665</td>
<td>125,827,422</td>
<td>(26,708,347) (17,643,200)</td>
</tr>
</tbody>
</table>

Increase 2016 over 2015 | 21,046,757 | 1.45%
$11.2 million (one-time) for Regents’ Scholarships.

For UCAT, the Analyst recommends that reductions could be made to the Utah College of Applied Technology (UCAT) Administration, Equipment, and Custom Fit budgets. The possible reductions are as follows:

- ($76,000) for the UCAT Administration. While the UCAT Administration has the authority to determine how a reduction is applied, the reduction could include a decrease in allocations for supplies and miscellaneous expenditures, the professional development conference, marketing, the annual report, auto expenses, and unallocated expenses;

- ($300,000) for Equipment. This reduction would decrease the ongoing appropriation for equipment by 25 percent. Equipment funding received an increase of 107 percent as a result of the 2016 General Session so this reduction, while decreasing the equipment budget, maintains some of the increase from last session; and

- ($600,000) for Custom Fit. This proposal would reduce Custom Fit funding by 15 percent. As a result of the 2016 General Session, Custom Fit received a 25 percent increase. This appropriation is split between the following: Bridgerland ATC; Davis ATC; Dixie ATC; Mountainland ATC; Ogden-Weber ATC; Southwest ATC; Tooele ATC; Uintah Basin ATC; UCAT Administration; Snow College; and USU-Eastern. The reduction would be proportional to the amount each entity receives currently.

The above funding could then be used to fund a UCAT compensation increase 100 percent from state funds and other priorities of the Legislature.

- $189,100 to fund compensation increases at the 100% State (0% tuition) level that has been in place for the past 9 years, rather than the funding mix in the base budget that is currently used in the Compensation bill.