



# HIGHER EDUCATION BUDGET BACKGROUND

2019 General Session |

# How the Budget Breaks Down

## 2019 GS | House Bill 1 “Higher Education Base Budget”

### 2 Main Agencies:

- Utah System of Higher Education (USHE):
  - Institutions: University of Utah, Utah State University, Weber State University, Southern Utah University, Utah Valley University, Snow College, Dixie State University, and Salt Lake Community College.
  - State Board of Regents, Governing body and agency for the system
- Utah System of Technical Colleges (UTECH):
  - Institutions: Bridgerland Technical College, Davis Technical College, Dixie Technical College, Mountainland Technical College, Ogden-Weber Technical College, Southwest Technical College, Tooele Technical College and Uintah Basin Technical College.
  - UTECH Board of Trustees and Commissioner’s Office, Governing body and agency for the system.

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H.B. 1

1 **HIGHER EDUCATION BASE BUDGET**  
2 2019 GENERAL SESSION  
3 STATE OF UTAH  
4 **Chief Sponsor: Michael K. McKell**  
5 Senate Sponsor: Keith Grover  
6  
7 **LONG TITLE**  
8 **General Description:**  
9 This bill supplements or reduces appropriations previously provided for the support and  
10 operation of state government for the fiscal year beginning July 1, 2018 and ending June 30, 2019;  
11 and appropriates funds for the support and operation of state government for the fiscal year  
12 beginning July 1, 2019 and ending June 30, 2020.  
13 **Highlighted Provisions:**  
14 This bill:  
15 • provides appropriations for the use and support of higher education agencies and  
16 institutions;  
17 • provides appropriations for other purposes as described.  
18 **Money Appropriated in this Bill:**  
19 This bill appropriates (\$120,100) in operating and capital budgets for fiscal year 2019, all of  
20 which is from the Education Fund.  
21 This bill appropriates \$1,982,510,500 in operating and capital budgets for fiscal year 2020,  
22 including:  
23 • \$330,659,400 from the General Fund;  
24 • \$766,608,400 from the Education Fund;  
25 • \$885,242,700 from various sources as detailed in this bill.  
26 This bill appropriates \$16,500,000 in restricted fund and account transfers for fiscal year  
27 2020, all of which is from the Education Fund.  
28 **Other Special Clauses:**  
29 Section 1 of this bill takes effect immediately. Section 2 of this bill takes effect on July 1,  
30 2019.  
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H.B. 1



# Funding By Area and Revenue Sources

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- Utah System of Higher Education:

- USHE Schools - \$1,823,577,600
- Board of Regents – \$55,233,400
  - \$16,500,000 Performance Funding

- Utah System of Technical Colleges:

- UTECH Schools - \$91,696,200
- UTECH Commissioner’s Office – \$10,353,300
  - \$1,650,000 Performance Funding

- Sources of Funding:

- General Fund - \$330,659,400
- Education Fund - \$766,308,400
- Dedicated Credits - \$857,402,000
- Federal Funds - \$3,902,300

- Other Sources Include:

- Cigarette Tax Revenues
- Federal Mineral Lease Revenue
- Performance Funding
- Workplace Safety Funding

# Funding By Institution– Base Budget

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- University of Utah - \$660,069,400
- Utah State University - \$376,082,100
- Weber State University - \$166,340,300
- Southern Utah University - \$90,799,300
- Utah Valley University - \$254,284,100
- Snow College - \$39,816,900
- Dixie State University - \$73,656,800
- Salt Lake Community College - \$162,528,700
- Bridgerland Technical College - \$15,432,800
- Davis Technical College - \$18,231,000
- Dixie Technical College - \$8,047,300
- Mountainland Technical College - \$13,388,200
- Ogden-Weber Technical College - \$17,357,400
- Southwest Technical College - \$6,031,500
- Tooele Technical College - \$4,532,900
- Uintah-Basin Technical College - \$1,302,800

## Higher Education Responsibilities by Budget Area:

- **USHE Campuses:**
  - Generally Structured as follows:
    - **Education and General:**
      - Institutional costs related to personnel, benefits, instruction;
      - Includes a program for operations and maintenance of campus buildings;
      - Educationally Disadvantaged -"to be used for scholarships, tutoring, counseling, and related support services for educationally disadvantaged students . . ."  
The intent is to benefit "disadvantaged students, including minority students."
        - Small dollars, could be folded into E&G;
    - **Specialty Programs:**
      - Medical School, Poison Control, Public Radio/TV, Museums, Arboretum, Performance Venues, Shakespeare Festival;
        - Do schools need to oversee these? Could they be moved elsewhere in the budget?
    - **Career and Technical Education:**
      - 7 campuses offer Career and Technical Education

## Higher Education Responsibilities by Budget Area (Cont'd):

- **Board of Regents:**
  - **Administration:**
    - Commissioner's Office and Staff costs;
  - **Economic Development:**
    - Engineering Student Programs;
    - Regional Economic Cluster Support.
  - **Scholarship Programs:**
    - Administration of over \$27 million in scholarship programs for students;
  - **Performance Funding:**
    - Additional funding for institutions based on performance in certain areas such as completions in general, efficiency improvements, completions by underserved populations and responsiveness to employer needs.
  - **Student Support:**
    - Hearing Impaired Students, Concurrent Enrollment;
  - **Technology Programs:**
    - Systemwide, consolidated technology support and Library Consortium;



## Higher Education Responsibilities by Budget Area:

- **UTECH Campuses:**
  - Generally Structured as follows:
    - **College Operations:**
      - Institutional costs related to personnel, benefits, instruction;
      - Includes funding for the operations and maintenance of campus buildings;
    - **Equipment:**
      - Funding to support the purchase and maintenance of equipment related to training such as machines, vehicles, consumable goods and medical equipment.

## Higher Education Responsibilities by Budget Area (Cont'd):

- **UTECH Administration:**
  - **Administration:**
    - Commissioner's Office and Staff costs;
  - **Technical Scholarship Program:**
    - \$800,000 ongoing from the Education Fund for scholarships to cover the cost of tuition, program fees and required textbooks for students enrolling in high-demand programs.
  - **Custom Fit:**
    - Program provides Utah companies with flexible, customized training for their employees that is tailored to meet the specific needs of the employer.
  - **Performance Funding:**
    - Additional funding for institutions based on performance in certain areas such as completions in general, efficiency improvements, completions by underserved populations and responsiveness to employer needs.

## Governor's FY 2020 Budget Proposals:

- **USHE:**

- Statewide Advising Corps - \$5,995,000 ongoing
- 3 Year Bachelor's Programs - \$6,150,000 ongoing
- Higher Education Scholarship Endowment - \$50,000,000 one-time
- Regents Scholarships - \$4,000,000 ongoing
- Systemwide Cybersecurity - \$7,150,000 ongoing
- Rural Utah Technical Education:
  - Equity Funding - \$1,379,000 ongoing
  - Tech. Ed Program Expansion - \$655,000 ongoing
- University of Utah Reading Clinic - \$525,000 ongoing
- Suicide Prevention - \$1,500,000 ongoing

- **UTECH:**

- Employer-Driven Program Expansion - \$7,000,000 ongoing
- Equipment Purchases - \$6,000,000 one-Time
- Custom Fit Expansion - \$1,000,000 ongoing
- UTECH Data Analyst and Software Developer - \$250,000 ongoing



# Board of Regents FY 2020 Budget Requests:

- **USHE Requests Aligned Across Four Categories:**
  - **Affordable Access - \$14,180,200**
    - Utah has the highest birthrate in the nation, and as a percent of population has a larger share of young people underage 18 than any other state (30.9% compared to 23.3% for the U.S.). It is the fourth-fastest growing state in population, and has the seventh-fastest growing economy. As Utah continues to grow, its population is becoming much more ethnically and socioeconomically diverse. Access to an affordable higher education is critical to sustaining the state's unprecedented population growth and economic expansion.
  - **Timely Completion - \$15,366,287**
    - Increasing the number of students who successfully complete a degree or certificate in a timely manner has been an explicit goal of the Board of Regents for nearly a decade. In July 2013, the Board passed a College Completion resolution, identifying specific strategies for institutions to increase college success and graduation rates. To continue the work that institutions have been doing to support timely completion, institutions have identified several initiatives for legislative funding consideration.



# Board of Regents FY 2020 Budget Requests (Cont'd):

- **USHE Requests Aligned Across Four Categories (cont'd):**
  - **Workforce and Research - \$10,019,800**
    - Higher education plays critical role in the supplying the talent force to sustain such growth. USHE institutions enable Utahns to adapt to the seismic shifts in today's global economy. The base of Utah's economic activity is formed by students becoming lifelong learners and creators through cutting-edge research and real workforce opportunities while in college. The Board has charged institutions to work with local, regional and state business and industry partners to support workforce needs, especially in high demand, high wage occupations including: (1) Nursing and other health professions; (2) Engineering, Computer Science and IT; and (3)Plastics and Composites Technicians.
  - **Student Growth and Capacity - \$18,646,800**
    - The Board is working with institutions to ensure that institutions are leveraging their existing resources to maximize what can be accomplished especially in areas regarding use of technology, energy efficiency, and business process reviews and evaluations. However, even with these efforts, the Board has recognized that additional state resources are necessary to support the basic operational needs of the institutions while minimizing the reliance on future tuition revenues.



# UTECH System FY 2020 Budget Requests:

- **Utah System of Technical College Requests:**
  - **Employer-Driven Expansion/Student Support - \$7,000,000**
    - Expansion or creation of programs designed to support local workforce or industry needs;
    - Funding to hire staff to support student needs such as career or academic guidance or financial aid counseling.
  - **Equipment Funding - \$3,000,000**
    - Funding to support the purchase and maintenance of equipment related to training such as machines, vehicles, consumable goods and medical equipment.
  - **Custom Fit - \$650,000**
    - Program provides Utah companies with flexible, customized training for their employees that is tailored to meet the specific needs of the employer.
      - Includes requests to support USU Eastern and Snow College
  - **System Requests - \$250,00**
    - Data Analyst and Software Developer for the Commissioner's Office.



# Higher Education Compensation

- Higher Education Compensation is treated differently between the two systems:
  - USHE receives 75% of Health and Salary Increases costs through state funds and must raise 25% through tuition increases
  - UTECH Receives 100% of Health and Salary Increases through state funds.
- What does this mean?
  - House Bill 8, the Compensation Bill funds the Following:
    - USHE –
      - \$15.4 million State Funds
      - \$4.8 million Dedicated Credits (Tuition)
    - UTECH –
      - \$1.09 million State Funds



# Attorney General Internal Service Fund Change for FY 2020:

- In 2015, the Office of the Legislative Auditor released two reports on the Attorney General's Office (AGO) regarding their budget and operations. The AGO received both state appropriations and charged client agencies for legal services.
- The audits recommended moving to an Internal Service Fund (ISF) – only model for collecting funds from agencies for services.
- For FY 2020, the Legislature has transferred funds from the AGO to agencies to allow them to pay for the legal services they use.
- In most state agency cases, these transfers took the form of state dollars removed from the AGO and transferred to agencies.
- For Higher Education Agencies, the funding was allocated between state funds and dedicated credits;
- This has resulted in an additional \$388,300 in dedicated credits/tuition need for certain institutions for FY 2020 as follows:

Agency	Line Item	Program	General Fund	Education Fund	Transfers	Dedicated Credits	Total
Utah State University	Education and General	QCA	\$48,100	\$37,400		\$69,500	\$155,000
Weber State University	Education and General	QDA	\$49,500	\$19,500	\$1,200	\$58,000	\$128,200
Southern Utah University	Education and General	QEA	\$22,500	\$52,500	\$600	\$77,900	\$153,500
Utah Valley University	Education and General	QJA	\$31,000	\$28,100		\$67,800	\$126,900
Snow College	Education and General	QFA	\$1,800	\$24,400	\$200	\$12,000	\$38,400
Dixie State University	Education and General	QGA	\$6,400	\$81,400	\$300	\$68,100	\$156,200
Salt Lake Community College	Education and General	QKA	\$6,200	\$47,900		\$35,000	\$89,100
State Board of Regents	Education and General	QAA	\$36,200	\$9,600			\$45,800
		<b>Totals:</b>	<b>\$201,700</b>	<b>\$300,800</b>	<b>\$2,300</b>	<b>\$388,300</b>	<b>\$893,100</b>



## Requests for Appropriations:

- **Legislative Requests for Appropriation:**
  - A legislator wishing to obtain funding for a project, program, or entity, without enacting an associated statutory change, may file a request for appropriation with the Office of the Legislative Fiscal Analyst. Each request is reviewed by the LFA and considered by a subcommittee during the annual general session. Utah System of Technical College Requests.
- **18 Requests before the Committee:**
  - FY 2019 One-Time - \$1,322,000
  - FY 2020 One-Time - \$30,634,625
  - FY 2020 Ongoing - \$14,789,551
- Will be heard over the three meetings this week;
- Prioritized by the Committee along with all other requests in final meeting.



QUESTIONS?

