Education and General Accountable Budget Base Budget Options

2019 House Joint Resolution 18 Process

Higher Education Appropriations Subcommittee

October 2019

UTAH STATE LEGISLATURE

Higher Education Spending Transparency Resources

Options

Issue:

- There is no current requirement in statute for institutions to post audited financial statements, budget documents, audits or other financial information on their websites;

Proposed Solution:

- We recommend the Legislature consider the following options:
  - Outline requirements for USHE/UTECH institutions to post standardized budget and financial information on their websites.
  - Require Institutions or USBR to report on this information annually.

Educationally Disadvantaged Line Item

Expenditure Amounts

- This chart shows the percentage of total Ed Dis. spending that occurs separate from the Ed Dis. Line Item.

Institution	Line Item as % of FY16 Total	Line Item as % of FY17 Total	Line Item as % of FY18 Total	Line Item as % of FY19 Total
University of Utah	37%	46%	44%	34%
Utah State University	45%	38%	58%	68%
Weber State University	27%	26%	25%	28%
Southern Utah University	21%	20%	19%	19%
Snow College	N/A	N/A	N/A	N/A
Dixie State University	1%	1%	1%	1%
Utah Valley University	11%	11%	10%	9%
Salt Lake Community College	N/A	N/A	N/A	N/A

Operations and Maintenance (O&M)

Options

- We recommend that the Legislature take one of the following actions:
- Break out all revenue and expenditures within the O&M program.
  - The budget could be structured to reflect what institutions are already spending under the NACUBO-derived O&M category and reporting on their A-1 forms.
  - This would allow the Legislature to track actual expenditures for O&M across fiscal years.
- The Legislature could also fold the O&M program back into the E&G line item.

Educationally Disadvantaged Line Item

Options

- Due to the current line item structure, the Legislature does not get a full view of Educationally Disadvantaged spending within Higher Education;
- Institutions do not have clear Legislative language or direction regarding the expenditures for this purpose;
- We recommend that the Legislature work with the Board of Regents and Institutions to define what revenues and expenditures should be included in Educationally Disadvantaged items.
- We further recommend that the Legislature include all Ed. Dis revenue and expenditures of the institutions in this line item.
  - Include intent language regarding expenditures for this purpose;
  - File a bill to clarify in statute what the Educationally Disadvantaged program is, who is eligible for services and what allowable expenditures are.
- The Legislature could also fold the line item into E&G and request a report on expenditures.

Higher Education Line Item and Program Structure

Options

- Increased Program or Line Item Breakout in Alignment with A-1 Reports:
  - Pros:
    - Ease of tracking programs/funding across fiscal years;
    - Alignment with Institutional Spending;
  - Cons:
    - Increased Administrative Burden for institutions;
    - Possible Increases in requests for transfers between Line Items.
- Leave line item structure as it is.

Snow College			
Current Structure (FY20 Appropriated)		**Proposed Structure (Based on FY20 A-1 Report Breakout)**	
Education and General Program	$38,962,500	Instruction Program	$15,837,700
Operations and Maintenance Program	$888,300	Research Program	$0
Total E&G Line Item:	$39,850,800	Public Service Program	$336,500
Educationally Disadvantaged Program	$32,000	Academic Support Program	$3,932,400
Total Ed Dis Line Item:	$32,000	Student Services Program	$6,252,100
		Institutional Support Program	$7,896,500
		Scholarships Program	$581,000
		O&M Program	$5,654,000

Accountable Budget Process Options
Education and General Line Item Structure

General Session Reporting by Institutions

Options

- **Committee Concern:**
  - Institution presentations are not comparable due to the different data used to create them;
- **Proposed Solution:**
  - Staff can create a template with specific institutional-performance information requests for all schools to submit to the Committee during the 2020 General Session to be included as part of their presentation.

??? Questions ???

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