USHE Budget Discussion

Higher Education Appropriations Committee

May 27, 2020
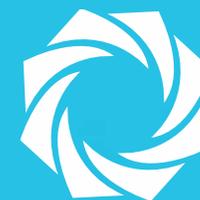
UTAH SYSTEM OF HIGHER EDUCATION

COVID-19 Impacts on USHE Institutions

COVID-19 Financial Impacts

Direct Incurred Expenditures	Degree $44,052,313	Tech $1,055,552
Services Provided to Students	11,699,165	
Operational Costs	11,260,131	944,246
Expenses Related to Move to Online Instruction	5,103,104	819,174
Medical, Non-Refundable Travel, Public Safety, and Other Contracts	2,329,768	103,830
Capital-Related Expenses	414,455	10,275
Other Operating Costs	3,412,805	10,967
Auxiliary Enterprises	19,598,102	25,536
Refunds (Bookstore, Housing, Food Services, Events, Conference, etc)	19,088,261	
Other Auxiliary Expense	509,840	25,536
Tuition and Fee Refunds	1,494,915	85,770

COVID-19 Financial Impacts

	Degree	Tech
Actual Lost Revenue To Date	**$59,336,224**	**$1,982,190**
Tuition, Student Fee, and Course Fee Revenue	3,212,911	1,186,194
Auxiliary Enterprise Revenue (Housing, Bookstore, Food)	18,442,559	486,887
Athletics Revenue	6,314,403	
Performing Arts Revenue	1,216,740	
Parking Revenue	1,544,492	
Revenue Generating Activities (camps, conferences, etc)	4,927,212	28,300
Other Lost Revenue	23,677,907	280,809

CARES Act Funding

USHE	Section 18004(a)(1) Direct award to students	Section 18004(a)(1) cover costs to "change instructional delivery"	Section 18004(a)(2), (3) more flexible, limited by institution type
	Student Allocation	**Institutional Allocation**	**Additional Funding**
Degree-Granting	$47,872,546	$47,872,546	$3,803,925
Technical Colleges	$1,476,753	$1,476,753	$1,465,301
	$49,349,299	**$49,349,299**	**$5,269,226**
	In Process of Award to Students	Highly Restricted/ Unsure ability to Use	In Process of Application

CARES $5M to $54M - COVID Expense $45M - Lost Revenue $61M = -$52M to $101M Impact

Base Budget Adjustment Scenarios

FY 2021 Funding Priorities

Priority	Funding Area	Ongoing	One-Time	Total
1	Performance, Program Expansion, Tech. Ed	42,423,500		42,423,500
2	Growth Funding	5,000,000		5,000,000
3	Compensation	33,963,800		33,963,800
4	USHE Capital Funding	4,629,800	274,324,900	278,954,700
5	Other USHE Funding	25,514,100	7,330,100	32,844,200
Total		**111,531,200**	**281,655,000**	**393,186,200**

USHE Recommendation for Budget Scenarios

USHE Alternative Budget Reduction Proposal	2%	5%	10%
Option 1: Reduce Senate Bill 102 Capital Funding	24,005,500	60,013,700	87,000,000
Option 1: 2.8% Reduction for USHE institutions			33,027,100
Option 2: Proportionate Budget Reductions	23,394,300	58,485,900	116,971,400

2%

$24 million

- Travel
- Hiring Freezes
- Early Retirement
- 200 Faculty/Staff

5%

$60 million

- Program Reductions
- 450 Faculty/ Staff

10%

$120 million

- Program and Service Reduction
- 1,100 Faculty/ Staff

Board of Higher Education Administration

$61,388,200 State Funds

- $20,303,500 – Pass-Through
- $ 1,837,900 – Med. Ed. Council
- $ 8,690,200 – Administration

	2%	5%	10%
USHE Administration			
Equipment	17,700	17,700	17,700
UTech Lease	120,000	120,000	120,000
Travel and Staffing		65,000	250,000
Pass-Through			
Math Competency	440,000	600,000	1,000,000
Custom Fit		350,000	700,000
HETI (Technology)		300,000	800,000
Med. Ed. Council	36,800	91,900	184,000

*Request to exclude state scholarships ($30.6M) to avoid direct impact to students.
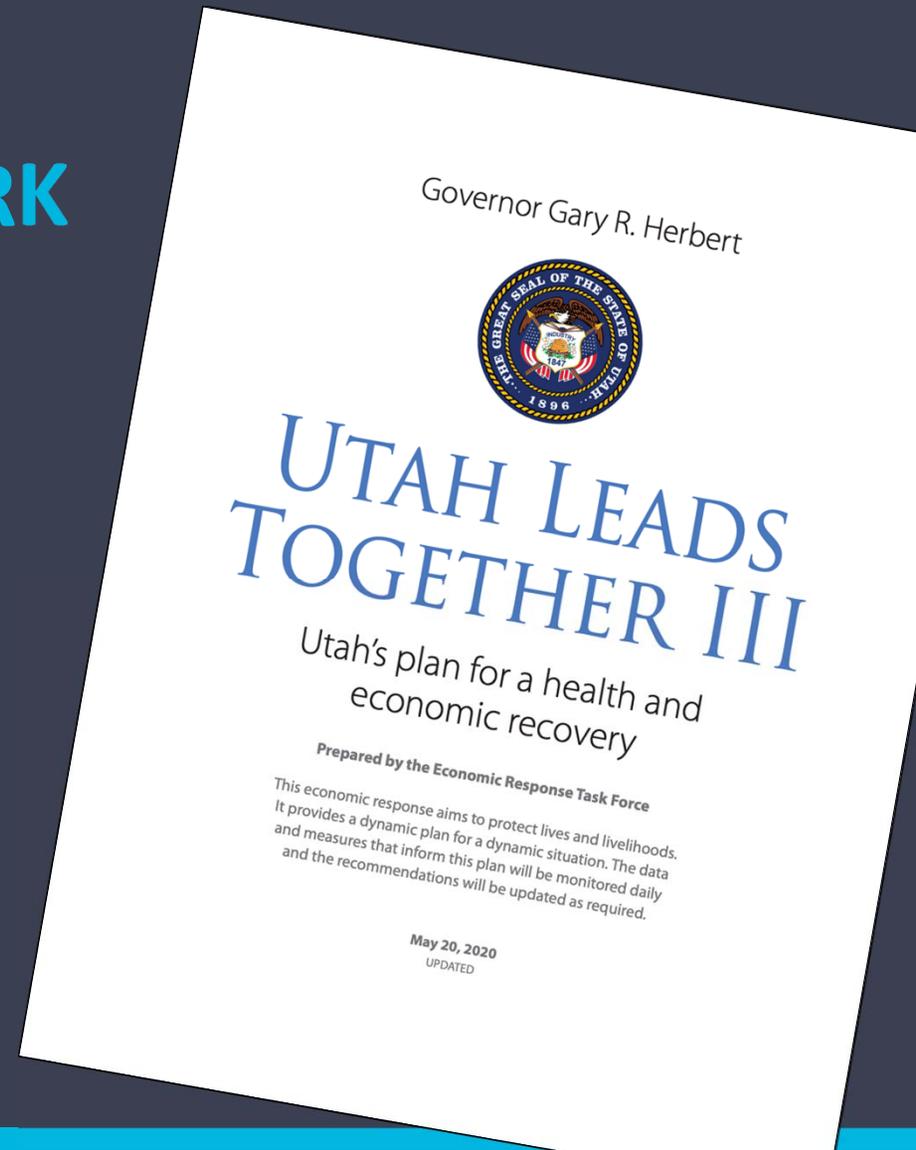
Institutional Impacts

Workforce and Development

UTAH LEADS 3.0
RETURN UTAHNS TO WORK

Training-Ready Investments

- Rapid - reskilling and upskilling of in-demand skills

Governor Gary R. Herbert

UTAH LEADS
TOGETHER III

Utah's plan for a health and economic recovery

Prepared by the Economic Response Task Force

This economic response aims to protect lives and livelihoods. It provides a dynamic plan for a dynamic situation. The data and measures that inform this plan will be monitored daily and the recommendations will be updated as required.

May 20, 2020
UPDATED