LEGISLATIVE FISCAL ANALYST

Budget Introductions & Process

Higher Education Appropriations Subcommittee
2025 General Session

Ben Leishman
Finance Manager, Public & Higher Education

Joseph Fitzgerald
Finance Officer

January 23, 2025

1

Subcommittee Role & Process

2025 GS | Higher Education Appropriations Subcommittee

Subcommittee Role

- Support Legislature's Constitutional Role of Budget Oversight
  - Constitutional Role to Establish & Maintain a Higher Education System
  - Ensure Proper Distribution of State Resources
  - Address Budgetary & System Concerns
  - Evaluate Performance [Goals & Outcomes]

Process

- Review Budgets & Make Adjustments
  - House Bill 1 – Higher Education Base Budget
    - Starting Point for Budget
  - Review All Budgetary Line Items
  - Evaluate & Prioritize Funding Recommendations to Legislature
    - Staff | State Board | Governor | RFA | Other
    - Senate Bill 2 – New Fiscal Year Supplemental Appropriations Act

Base Bill
House Bill 1
+
New Fiscal Year Supplemental Appropriations
Senate Bill 2
+
Bill of Bills
Compensation Bill
Carries Appropriation
=
Total Budget

Budget Introductions & Process | Legislative Fiscal Analyst 2

2

Budget Changes

2025 GS | Higher Education Appropriations Subcommittee

Adjustments

- Base Budget Amounts Can be Changed to Meet Priorities or System Efficiencies
  - Reallocation – Move Funding within Budget
    - Joint Positive/Negative Adjustment
    - Funding Stays in Budget
  - Reduction – Reduce or Eliminate or Funding
    - Negative Adjustment [Possible Reallocation]
    - Funding Stays in Budget or Transferred to General Revenue [GF|ITF|USF]
  - Increase – New Program/Additional Funding
    - New Funding Prioritized by Subcommittee
    - Ongoing & One-time Priority Lists

What Can I Do?

- Ask Questions
  - What is your mission? Who are your customers?
  - How do you track progress in meeting performance goals and outcomes? What results are expected?
  - What prohibits you from meeting performance goals?
  - How will your proposed budget improve results?
  - How will results change if funding is increased or decreased by 5 percent?
  - How can the Legislature assist in meeting student needs and academic outcomes?

Budget Introductions & Process | Legislative Fiscal Analyst 3

3

4

Subcommittee Meetings

2025 GS | Higher Education Appropriations Subcommittee

Meetings

- Subcommittee Meets All Year
  - Meetings: 8 Session | 3 Interim
  - Video Streaming | Recording
  - Contact Chairs/Staff with Agenda Requests
- Remote Participation
  - Legislators
    - Procedures Outlined in Rule
    - Notify Subcommittee Chairs & Staff
  - Agency | Institutions | Public
    - Notify Staff Prior to Meeting Start
    - Promoted to Presenter for Agenda Item
- Meeting Documents
  - Subcommittee Web Page

In-Meeting Process

- Analyst Presentation of Budget Line Item
  - Review Revenues & Expenditures
  - Explain Current Budgetary Issues
  - Recommend Changes
    - Increases | Reductions | Reallocations
- Executive Branch Input
  - Higher Education Board | Institutions
    - Provide Information or Answer Questions
    - Make Budget Requests and Report Performance
- Subcommittee Discussion & Action
  - Public Input at Discretion of Chair
  - Most Budgetary Actions Taken in Final Meeting

Budget Introductions & Process | Legislative Fiscal Analyst 5

5

Rules, Quorum, & Voting

2025 GS | Higher Education Appropriations Subcommittee

Rules

- Specific for Appropriations Subcommittees
  - Found in JR3-2
- Quorum & Procedure Requirements
  - No "House of Chair" or Standing/Interim Committee Rules

Quorum

- Requirements [JR2-2-404]
  - 50% in One House
  - 50% + in the Other House
- Cannot "Split" a Person
  - 8 Sens | 9 Reps
- Leadership Excluded When Not in Attendance
  - Counted When Present
  - 3 Sens | 2 Reps

Voting

- Requirements [JR2-2-404]
  - Of Members Present:
  - 50% in One House
  - 50% + in the Other House
- Cannot "Split" a Person
  - All Members Present
    - 4 Sens | 5 Reps
  - All Leadership Absent
    - 3 Sens | 4 Reps

Budget Introductions & Process | Legislative Fiscal Analyst 6

6

Section 3

State Budget

Revenue Estimates, Changes, & Set-Asides

Staff Recommendations

7

Revenue Estimates December 2024

- Adopted by Executive Appropriations Committee
  - General and Income Tax Funds | Change from May 2024
- Available Revenue
  - ($2.3 M) FY 2024 | $57.0 M FY 2025 | $435.6 M FY 2026

		a	b	c	d	e	f
		FY 2024	FY 2025			FY 2026	
		Surplus/Deficit Dec. '24	Revised May '24	Revised Dec. '24	Difference May - Dec.	FY 2026 Dec. '24	Difference May - Dec.
1	General Fund*	(8,482)	4,208,069	4,183,597	(24,471)	4,250,566	42,497
2	Income Tax Fund	6,145	7,412,550	7,494,059	81,509	7,805,638	393,088
3	Subtotal, GF/ITF	(2,337)	11,620,619	11,677,657	57,038	12,056,204	435,585
4	Percent incr/(decr)				0.5%		3.7%
5	Transportation Fund		868,864	883,088	14,224	914,456	45,592
6	Percent incr/(decr)				1.6%		5.2%
7	Mineral Lease		99,882	100,083	201	104,482	4,600
8	Percent incr/(decr)				0.2%		4.6%
9	Federal Funds			6,841,684	6,841,684	6,860,204	6,860,204
10	Percent incr/(decr)						

*Not adjusted for Economic Development Tax Increment Financing (EDTIF) set-asides.

8

#	Appropriations Contingent on Revenue	One-time	Ongoing
2	Statewide Building Master Plan	$ (100)	
3	**Budget Increases/(Decreases)**	**One-time**	**Ongoing**
4	PED Economic Stabilization Account	$ (51)	$ 51
5	PED Growth	$ 4	$ 21
6	PED Inflation	$ -	$ 180
7	2% Flexible Allocation WPU Distribution	$ -	$ (83)
8	COVID/ADK Growth Contingencies	$ -	$ (19)
9	Medicaid Enrollment/Inflation	$ (114)	$ 53
10	Medicaid ACA Account GF Deposit	$ (10)	$ (16)
11	Capital Improvements (at 1.5%)	$ -	$ 19
12	Jail Contracting/Reimbursement	$ -	$ 7
13	DABS Compensation Formula	$ -	$ 2
14	USDB Compensation Formula	$ -	$ 2
15	Rainy Day Fund Deposits	$ 145	$ -
16	Transfers and Other (see reverse)	$ 3	$ 2
17	**Subtotal, Budget Increases/(Decreases)**	$ (24)	$ 220
18	**Total Changes to Base Budgets**	$ (124)	$ 220
19	**Set-Asides for Later Consideration**	**One-time**	**Ongoing**
20	Tax Reduction Set-Aside	$ 66	$ 165
21	Compensation Set-Aside		$ 104
22	High-Risk Revenue	$ 112	
23	**Total Set-Asides**	178	269

#		One-time	Ongoing
1	Reallocate Cap Imp to Cap Dev (FY 25)	$ 10	
2	Reallocate Cap Imp to Cap Dev (FY 26)	$ 15	
3	Reduce Cap Imp for Cap Dev (FY 25)	$ (10)	
4	Reduce Cap Imp for Cap Dev (FY 26)	$ (15)	
5	UFair Start-up Costs	$ 0.45	$ 1.5
6	Military Installation Sentinal Lndscape	$ 2	
7	Eliminate Duplicate Appropriation	$ (0.7)	
8	Repurpose SS3 Reduction for LSO		$ 0.15
9	Sweep AG Balances for HB2 Item 3	$ (0.865)	
10	OED IPP Study AG Costs	$ 0.25	
11	Transfer SLFRF Interest to GF	$ (5)	
12	Panguitch Dam Replacement	$ 5	
13	Autism Provider Rate Start-up Cost	$ 2	
14	HED Reallocation from Institutions		$ (60)
15	HED Reallocation to State Board		$ 60
16	PED Mid-year Enrollment Update (FY 25)	$ 45	
17	PED SB 173 Incentive Prog (FY 25)	$ (45)	
18	PED Mid-year Enrollment Update (FY 26)	$ 50	
19	PED SB 173 Incentive Prog (FY 26)	$ 45	
20	PED Teacher Supplies (FY 26)	$ 9	
21	PED Econ Stabilization Acct Base	$ (104)	
22	**Total, Transfers and Other**	**$ 3**	**$ 2**

Base Budget Changes & Set-Asides

- Adopted by Executive Appropriations
- Included in Base Budget

#	New Revenue (Fall/Winter 2024 Estimates)	One-time	Ongoing
2	General Fund *(from p. 4, line 9)*	$ (33)	$ 146
3	Income Tax Fund *(from p. 4, line 18)*	$ 88	$ 343
4	**Subtotal, New Revenue**	$ 55	$ 489
5	Contingent Appropriations *(from p. 5, line 2)*	$ 100	
6	Tax Reduction Set-aside *(from p. 5, line 20)*	$ (66)	$ (165)
7	**Total Available before Base Changes & Compensation**	$ 89	$ 324
8	Base Budget (Increases)/Decreases *(from p. 5, line 17)*	$ 24	$ (220)
9	Compensation Set-Aside *(from p. 5, line 21)*		$ (104)
10	High-risk Revenue *(from p. 5 , line 22)*	$ (112)	
11	**Net Available**	$ 0	$ 0

Net Available Revenue

December 2024

- After EAC Adjustments in December
- Includes:
  - FY 2024 Close-Out & FY 2025 Contingent Appropriation Changes
  - Base Budget Changes
  - Compensation & Tax Reduction Set-Asides

Staff Budget Recommendations

2025 GS | Higher Education Appropriations Subcommittee

Statutory Role Highlights

- Make Recommendations on the Budget
  - Funding & Performance of Programs
  - Increases or Decreases to Spending
    - Continue at Current Level of Expenditure
    - Continue at a Different Level of Expenditure
    - Termination
  - Report Instances of Failure to Implement Expressed Legislative Intent
  - Propose Changes for More Effective Operation or Administration
- Legislature Makes Final Budget Decisions
  - Changes Reflected in Budget Bills or Other Legislation

2025 General Session

- Identify Potential Budget Reductions
  - No Reduction Target
- Identify Potential Budget Increases
  - Limited – Statutory Req. or Commitment
- All Budget Changes [Increases or Decreases] Reviewed by Subcommittee
  - Staff Recommendations: Raise Budget Issues & Provide Options
    - New Programs that Have Not Been Reviewed
    - Long-term Budgetary Carve-Outs
    - Expenditure Trends | Nonlapsing Balance Growth
  - Agency or Institution Input May Provide Additional Context for Consideration

Budget Introductions & Process | Legislative Fiscal Analyst 11

11

12

Compendium of Budget Information [COBI]

2025 GS | Budget Resources

- Online Budget Resource
  - Descriptions of All Agencies, Line Items, & Programs
  - Governing Statutes
  - Financial Information
    - Revenues | Expenditures
    - Budget History [2021-2026]
  - Issues
    - All 2025 GS Budget Items
    - Requested | Prioritized | Funded
  - Performance Measures
    - In Process [Base Bill]
  - Navigation by Budget Structure
    - Agency | Line Item | Program

Higher Education

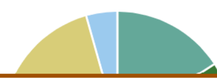
Overview | Issues | Background | Financials

The Higher Education Appropriations Subcommittee reviews and makes recommendations for the budgets of institutions in the Utah System of Higher Education (USHE).

USHE is comprised of eight degree-granting institutions and eight technical colleges as well as the Utah Board of Higher Education. The eight degree-granting institutions consist of two research universities - The University of Utah and Utah State University - four regional universities - Southern Utah University, Utah Tech University, Utah Valley University, and Weber State University - and two two-year colleges - Salt Lake Community College and Snow College. The eight technical colleges are Bridgerland, Davis, Dixie, Mountainland, Ogden-Weber, Southwest, Tooele, and Uintah Basin.

Beginning in FY 2025, all institutions within the Utah System of Higher Education will consist of two appropriations types: Operating and Capital and Higher Education Budget Reporting. As an information only, non-restrictive appropriations type that reflects the total budget of an institution, the Higher Education Budget Reporting sections contain numbers duplicative of what is found in the Operating and Capital sections (primarily in the funding categories State Appropriations and Tuition and Fees); as such, these two appropriations types should not be added together when calculating the entire budget.

FY25-26 Sources - $2.87B



Budget Introductions & Process | Legislative Fiscal Analyst 13

13

Staff Recommendations [COBI – Issues Tab]

2025 GS | Budget Resources

Navigate COBI FY25-26 » Higher Education | Search COBI | Sign in

Higher Education

Overview | Issues | Background | Financials

When a funding item within higher education is approved and funded, some funds are counted twice. Specifically, the General Fund, Income Tax Fund, and Performance Funding Restricted Account are counted with the Higher Education Budget Reporting Section as State Appropriations, and Dedicated Credits Revenue is counted as Tuition and Fees. As such, these funding sources should not be viewed separately and not added together to get the total funding for an item.

Funding Items

Show amount: Requested | Prioritized | Funded — Show all

Priority 1x	Ong	Description	One-Time	Ongoing
		Civic Life and Leadership	$2,000,000	$0
		Current Year Ongoing Appropriation	$0	$13,693,755,400
		Dedicated Projects O&M	($1,487,800)	$1,487,800

Budget Introductions & Process | Legislative Fiscal Analyst 14

14

Staff Recommendations [COBI – Funding Item]

2025 GS | Budget Resources

Higher Education

Overview | Issues | Performance | Background | Financials

← Back to all issues

Performance Funding

This funding is for the recently revised performance-based funding model that rewards institutions i… er Education for reaching annual performance targets in pursuit of 5-year statewide goals for the system. Statute requires this fundin… degree-granting institutions and technical colleges.

Governor
One-time: $0
Ongoing: $53,676,000

LFA
One-time: $0
Ongoing: $7,169,900

Show: Statewide | Higher Education

Financing Source		Request	Priority	Base	Funded
ITFR - Performance Funding Restricted Account	One-time	$0	$0	$0	$0
	Ongoing	$30,000,000	$0	$0	$0
Income Tax Fund	One-time	$0	$0	$0	$0
	Ongoing	$23,676,000	$0	$0	$0
Total	One-time	$0	$0	$0	$0
	Ongoing	$53,676,000	$0	$0	$0

Request for Appropriations (RFA) Form

Note: *Any information provided on the RFA form may be made public! Additional instructions for filling out the form can be found on the RFA Instructions. Please contact the Legislative Fiscal Analyst's Office for a copy.*

Instructions:

This form needs to be filled out in a Chromium Browser (Chrome, Edge, Brave, etc), Firefox, or Adobe Reader. After filling out the form, you will need to download/save the form. The download/save button is usually a downward pointing arrow located in the top right of the PDF area in the browser.

REQUESTER INFORMATION *(Required)*

Legislator: First Name________________ **Last Name**________________ **Date**________________

SECTION 1: REQUEST DETAILS *(Required)*

1.1 Does this request fund the fiscal impact of proposed legislation?

Yes ☐ **No** ☐

If yes, STOP! Do not submit an RFA for the fiscal impact of proposed legislation. RFA forms submitted to LFA for processing will not be entered into the system online if they are associated with legislation.

1.2 Funding request name (No more than six words; do not identify a non-state agency in the name)

1.3 Funding request description (3-5 sentences)

Requests for Appropriation

Process

- Legislator Funding Request
  - Due by Noon January 31st
- Required Info
  - Itemized Budget
  - Performance Measures
  - Type of Recipient Organization
- State Agency Must Receive Funds
  - Procurement Law
- No Bills
  - Fiscal Notes Over $1.0 Million

17