

March 19, 2014

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: Preliminary Framework for 2015-16 Budget Request

Background

One of the duties of the Board of Regents as established by law is to recommend to the Governor and the Legislature "a combined appropriation for the operating budgets of higher education institutions" (Utah Code Annotated 53B-7-101). This is usually considered and approved at the September Board of Regents meeting. The Presidents collaboratively came together in the summer of 2013, with the intent of focusing one year's request cycle with acute equity as the focus, in an attempt to address this challenging issue. In September 2013 the Board approved its recommendation including a significant focus on "Acute Equity...for those institutions with the most acute equity needs" at \$69.7 million. The 2014 Legislature funded this recommendation at \$50 million. As stated in the 2014-15 Operating Budget Request approved by the Board in September 2013, it was intended that after addressing acute equity this year "*in future years equity will still be considered across all institutions.*"

Issue

To address the needs of all higher education institutions within the USHE, consideration should be given to building upon this year's legislative success the FY15-16 budget request should include funding for all eight institutions of higher education to address student success throughout the state and recognizing that the state per-student funding at most if not all institutions is significantly less than those of peer institutions as defined by Carnegie classification. Consideration should also be given to other portions of the FY16 Mission-Based Funding (MBF) request by encouraging strategic priorities as established by the Board of Regents and recognizing institutional distinctive missions, and by further developing post-performance funding efforts. It would be helpful to the system for the work in fashioning the 2015-16 budget recommendation to begin earlier rather than later.

Commissioner's Recommendation

The Board should direct the Commissioner, working with the Presidents, to bring forward to the May 2014 Board meeting, a preliminary framework for the 2015-16 budget recommendation, including the following elements:

- Per-student funding at each institution based on their mission and role with a goal of each institution reaching their benchmark median over time.
 - The goal is to bring institutions to the same percentage of their benchmark median.
- Funding of statewide strategic priorities as established by the Board.
- Post-performance funding.

David L. Buhler
Commissioner of Higher Education