

January 14, 2015

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Legislative Priorities for 2015

The 2015 Session of the Utah State Legislature will commence on Monday, January 26 through Thursday, March 12. According to the consensus revenue estimates prepared by the Governor's Office of Management and Budget and Office of Legislative Fiscal Analyst, the combined General Fund and Education Fund surplus from FY 2013 and projected revenue growth in FY 2014 and FY 2015 provide a total of \$313 million in new one-time funds and \$325 million in new ongoing funds. The Governor has recommended \$47.1 million in new on-going funds for the Utah System of Higher Education (USHE). Additionally, the Governor recommended funding the University of Utah Crocker Science Center, Huntsman Cancer Institute at the University of Utah and Snow Science Building.

Although there are many competing priorities that surface during the legislative session I am optimistic there is an opportunity for increased funding of Higher Education. The Commissioner's Office is working closely with institution Presidents and their staffs, and student leaders to ensure consistent messaging and strategy during the 2015 legislative session.

Legislative Preview Events

In December 2014, the Board of Regents hosted five regional legislative briefings throughout the state attended by Regents, Presidents, Trustee Chairs, the Commissioner's Office, and approximately two-thirds of all legislators. At these briefings the Regents' budget priorities and other issues were discussed.

On January 15 a legislative preview event will be held with Gregory H. Hughes, Speaker-elect of the House, Stephen H. Urquhart, Utah State Senate and Chair of Higher Education Appropriations. Regents, Trustees and Presidents are invited to the event to further advocate the USHE agenda. **Regents, Trustees and Presidents are also invited to attend the annual Higher Education Day luncheon with legislators in the Capitol Rotunda on Friday, February 20.** Advocacy will continue throughout the legislative session in coordination with the institutions.

The Commissioner's Office continues to work with Education First, Prosperity 2020 and other education interests to advocate the budget priorities of the Board of Regents and the Governor's 66% by 2020 goal.

Governor's Budget Recommendations

The Governor recommended the following items for the Utah System of Higher Education from the budget priorities approved by the Board of Regents in September 2014. Specifically:

- **Compensation:** The Governor is recommending a base increase of \$27.6 million for compensation adjustments for health insurance and the Utah Retirement System (URS), approximately half of the 3% increase recommended by the Board of Regents.
- **Mission Based Funding:** The Governor is recommending \$10 million for funding the Distinctive Mission portion of Mission Based Funding and \$5 million for performance funding.

The Governor also recommended an item in our request:

- \$3 million (ongoing) – Regents' Scholarship

Governor Herbert's budget recommendations propose to shift a portion of earmarked revenues for transportation (\$94.2 million) back to the General Fund. Although transportation infrastructure is clearly important for a well-functioning economy, transportation needs must be balanced against all other needs, including higher education.

The Commissioner's Office, Presidents and their staffs, will be closely monitoring legislation that could impact the Utah System of Higher Education, now and throughout the legislative session. With Assistant Commissioner Spencer Jenkins' assistance, I will prepare and distribute each Wednesday a weekly report in our Higher Ed Matters newsletter on the status of higher education priorities and other issues of interest for distribution to Regents, Presidents, and Trustees.

Commissioner's Recommendation

1. Endorse the budget and priorities of the Utah System of Higher Education for the 2015 Session of the Utah State Legislature as adopted by the Board on September 26, 2014.
2. Endorse the capital facilities priorities of the Utah System of Higher Education for the 2015 Session of the Utah State Legislature as adopted by the Board on August 19, 2014, and any subsequent updates adopted by the Board.
3. The Regents, Commissioner and staff, Presidents and institutional representatives unite behind the system priorities in their advocacy with the Legislature.
4. Authorize the Commissioner, in consultation with the Presidents, to monitor, support, or oppose on a case-by-case basis, other legislation that may be introduced during the 2015 legislative session.
5. Request the Commissioner's Office provide the Board with regular reports during the legislative session regarding items of interest to the Utah System of Higher Education.

David L. Buhler
Commissioner of Higher Education

DLB/SJ