

March 22, 2017

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: 2017 Legislative Session Report including Budget & Capital Update

Issue

The Commissioner's staff has prepared a summary of the legislative outcomes from the 2017 General Session, which ended March 9, 2017 for Board review. The report highlights funding for operating and capital development budgets and key legislation impacting the Utah System of Higher Education (USHE). This report covers three areas: budget, capital development and other legislative action pertaining to higher education.

Background

Budget

Beginning July 1, 2017, the Legislature approved a \$55.1 million increase (6.2%) in ongoing tax funds and a one-time increase of \$6.2 million (0.7%) for Higher Education. The items funded included \$25.8 million to support a two percent salary and wage increase and an eight percent increase for health insurance; \$8 million for the Regents' Scholarship program; \$6.5 million for Performance Based Funding; \$6.2 million to support the Huntsman Cancer Institute (which includes replacement of Tobacco Settlement funds); \$4 million for the Engineering Initiative; and \$3.5 million to support New Student Growth.

There were two significant funding directives this year discussed by the Legislature that could have negatively impacted FY 2018 institutional base budgets and student tuition rates. First, USHE (along with other state agencies) was asked to reduce two percent (\$17.6 million) of its existing base budget for reallocation (HB 1). Institutions were asked to present detailed lists of programs and services impacted and highlight other significant efforts of internal reallocation. Ultimately, the two percent funding was restored. The second directive was related to compensation funding and the mix between tax funds and tuition. Beginning in 2007, the legislature had an ongoing agreement with USHE to fund compensation with 75 percent tax funds and 25 percent tuition in order to help mitigate tuition increases for USHE students. This year, Executive Appropriations Committee (EAC) was asked to consider funding compensation using the current mix of tax funds to tuition by institution (system-wide approximately 50/50), which would have required an additional \$7.3 million in new tuition revenues. EAC, however, agreed to maintain the 75/25 funding mix agreement for 2018 and recommended continuing for 2019 as well to demonstrate its commitment to help mitigate future tuition increases.

Similar to years past, legislative intent language was passed that provided additional detailed instructions regarding how funds are to be used by USHE institutions. Several significant items of note include:

1. Institutions are to report on at least three self-identified performance measures by October 15, 2018 (HB 1);
2. The compensation bill for the 2018 Legislative session will be based on 75% tax funds/25% tuition mix for each line item containing tax and tuition (SB3);
3. Engineering initiative funds will be distributed based on graduates in STEM degrees (SB 3);
4. Performance funding provisions (SB117); and
5. Authorization for institutions to purchase new motor pool vehicles as requested (SB 2). The Commissioners office will be working with institutions to provide the information requested.

Capital Development

State-funded capital development projects: The Legislature approved, and authorized funding over a multi-year period, three new USHE capital development projects as well as one land bank request:

Capital Development Projects	FY 2018 Cash Funding	FY 2019 Commitment	FY 2020 Commitment
UU Medical Education and Discovery Complex	\$ 5,000,000	\$25,000,000	\$20,000,000
DSU Human Performance Center	\$ 8,000,000	\$17,000,000	
WSU Social Sciences Building	\$14,000,000	\$15,940,000	
Snow Ephraim Land Bank	\$ 555,000		

The funding commitments in FY 2019 and FY 2020 are backed by intent language in the appropriation bill documenting the Legislature’s intent to fund these projects as well as a \$46 million appropriation beginning in FY 2019 for the base budget of a new line item specifically dedicated to higher education capital projects. While the Legislature cannot bind a future legislature, these actions represent a strong commitment for future funding and, when considered in their entirety, represent a \$105,495,000 commitment to higher education facilities (comparable to last year’s \$106,915,100 appropriation). These appropriations are in addition to \$20 million appropriated in the base budget for FY 2018 to finish the funding for the USU Biological Sciences Building (\$10 million) and the UVU Performing Arts Building (\$10 million). The Legislature also appropriated ongoing funding of \$1.5 million for operation and maintenance for the three new facilities.

State-funded capital improvement projects: State statute requires the Legislature to fund capital improvements at 1.1 percent of the replacement value of state buildings, which for FY 2018 is \$119,068,600. The legislature funded the entire amount including an increase of \$1,244,500 with ongoing appropriations, which will remain in the base budget for future years. USHE institutions historically receive between 55 to 60 percent of the capital improvement funding, which will be allocated by the State Building Board in April.

Other-funds capital development projects: The Legislature authorized the State Board of Regents to issue \$8.3 million of revenue bonds for the University of Utah Guest House expansion and \$4.7 million of revenue bonds for the Dixie State University Legend Solar Stadium expansion. The Legislature also authorized the Board of Regents to issue \$190 million of revenue bonds to support the construction of the University of Utah Medical Education and Discovery Complex and Rehabilitation Hospital and \$16 million of revenue to support the construction of the Dixie State University Human Performance Center.

In addition to revenue bonds for buildings, the Legislature also authorized \$14 million for the construction of a pedestrian walkway connecting UVU to the Frontrunner station in Orem. The project will receive \$4 million from a loan authorized in Senate Bill 277, *Highway General Obligation Bonds*, which will be repaid by the Utah Transit Authority. The Utah Department of Transportation will contribute an additional \$7 million to the pedestrian bridge and the University will contribute the final \$3 million.

Legislative Actions:

The Commissioner's Office, in coordination with USHE institutions, monitored over 100 legislative bills throughout the 2017 Legislative Session. A more exhaustive summary of legislation that was adopted and failed legislation is attached. The Commissioner's Office worked on amendments to legislation, took positions on key legislation as directed by the Board, and worked closely with legislators to ensure the position of the Board and USHE institutions were clearly represented. Below is a summary of a few key measures passed during the 2017 Legislative Session:

House Concurrent Resolution 16: *Concurrent Resolution Declaring Mental Health Issues to be a Public Health Crisis at Utah Higher Education Institutions* (Redd), declares mental health issues to be a public health crisis at Utah higher education institutions. It strongly urges state agencies, local health authorities, non-profit groups, and higher education entities to seek productive, long-term solutions to address this crisis.

Senate Bill 9: *Revenue Bond and Capital Facilities Amendments* (Harper), clarifies that programming does not constitute phase funding and allows institutions and agencies to program a new facility without legislative authorization. Design and construction, unless funded by non-state sources, still require legislative authorization.

Senate Bill 117: *Performance Funding Revisions* (Millner), provides ongoing funding dedicated to the performance outcomes proposed by the Board of Regents and adopted by the Legislature in 2015. The Legislature appropriated \$6.5 Million for FY 2018 to begin to fulfill the intent of the legislation that doesn't officially take effect until FY 2019.

Senate Bill 238: *Higher Education Governance Revisions* (Millner), makes several changes to the governance of public higher education in Utah. The legislation clarifies the roles and mission of the Board of Regents and Boards of Trustees and changes how Regents are appointed by the Governor. The legislation also changes how new academic programs are approved, codifies how presidential searches are to be conducted, and defines the primary missions of USHE institutions. The legislation changes the name of the Utah College of Applied Technology to the Utah System of Technical Colleges. The Commissioner and the Board's Executive committee worked closely with the bill sponsor on clarifying amendments.

Senate Bill 256: *Regents' Scholarship Amendments* (Hillyard), makes administrative changes to the scholarship program to improve the student application experience as well as enhance coordination with institutions award recipients attend. This will ensure better use of state aid resources as well as create an overall better experience for students. This legislation does not alter or weaken the existing academic requirements for the scholarship. It also removes outdated statute.

Attachments:

The following documents detail the results of actions taken during the 2017 Legislative Session:

- Summary of Appropriations, 2017 General Session (Tax Funds Only)
- Legislative Action on Capital Facilities
- 2017-18 Tax Fund Appropriations by Institution
- Comparison of New Appropriated Ongoing Operating Budgets
- 2017-18 Appropriations Detail (5 pages)
- Operating Budget Comparison
- Legislative Bill Summary
- Summary of S.B. 238

Commissioner's Recommendation

This item is an information item only; no action is required, however it is recommended that the Board thank the Presidents, their legislative liaisons and budget staff, student leaders, the Commissioners staff, and all who assisted with the legislative session.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/SJ/BLS
Attachments

Summary of Appropriations, 2017 General Session (Tax Funds Only)

(Includes 8 Two- & Four-year Institutions, SBR Statewide Programs, and SBR Administration)

	<u>Appropriations</u>	<u>% Change From Base</u>
2017-18 Beginning On-going Appropriations Base Budget	\$881,771,600	
<hr style="border-top: 1px dashed black;"/>		
2017-18 On-going Adjustments		
Program Increases ⁽¹⁾	55,058,000	6.2%
Subtotal - On-going Adjustments	<u>\$55,058,000</u>	<u>6.2%</u>
2017-18 On-going Budget	\$936,829,600	6.2%
2017-18 One-time Adjustments		
Program Increases ⁽²⁾	6,199,400	0.7%
Subtotal - One-time Adjustments	<u>\$6,199,400</u>	<u>0.7%</u>
2017-18 Appropriation (Base plus 2017-18 Adjustments)	<u>\$943,029,000</u>	<u>6.9%</u>

(1) Program Increases - Ongoing

Compensation (including tuition mitigation)	17,142,900
Health Insurance (including tuition mitigation)	8,673,000
Regents' Scholarships	8,000,000
Huntsman Cancer Institute (Replacement)	4,000,000
Engineering Initiative	4,000,000
New Student Growth	3,500,000
Student Athlete Performance	3,100,000
Huntsman Cancer Institute Operations	2,240,000
Strategic Workforce Investment	2,025,600
Family Medicine Residency Expansion	1,200,000
SAFE Utah	550,000
Corrections Education Programming	313,400
STEM Pipeline	300,000
Natural History Museum	200,000
Public Safety Officers	200,000
Student Prosperity Savings	10,000
911 Emergency Services	(17,900)
Internal Service Fund (ISF) Rate Impact	(69,000)
Statewide Data Alliance	(310,000)

Total Program Increases - Ongoing \$55,058,000

(2) Program Increases - One-Time

Performance Based	6,500,000
Student Prosperity Savings	40,000
Strategic Workforce Investment	(340,600)

Total Program Increases - One-Time 6,199,400

**Utah System of Higher Education
2017 General Session Legislative Action on Capital Facilities (2017-18)**

State-Funded Capital Improvements	General Fund	Education Fund	Total
State-Funded Capital Improvements (H.B. 6 and S.B. 2)*	\$ 60,156,600	\$ 58,912,000	\$ 119,068,600
Total - State-Funded Capital Improvements			\$ 119,068,600

*Capital Improvement Funds are appropriated to the State Building Board to allocate for requested projects. USHE typically receives 55-60 percent.

State-Funded Capital Projects				
Bill	Project	Cash	GO Bond	State O&M
SB 2	UU - Medical Education and Discovery Complex	\$ 5,000,000	*	\$ 473,400
SB 2	DSU - Human Performance Center	8,000,000	**	595,000
SB 2	WSU - Social Sciences Building	14,000,000	**	432,200
SB 3	Snow - Land Bank	555,000		-
Total - State-Funded Capital Development Projects		\$ 27,555,000	\$ -	\$ 1,500,600

*Intent language in the appropriations bill commits \$25,000,000 next year (2018-19) and \$20,000,000 the year after (2019-2020) to complete the UU project.

**Intent language in the appropriations bill commits \$15,940,000 to WSU and \$17,000,000 to DSU next year (2018-19) to complete the projects.

Other Funds Projects				
Bill	Project	Funding Source	Amount	State O&M
SB 9	UU - Guest House	Rev. Bond: Rental Fees	\$ 8,250,000	\$ -
SB 9	DSU - Legend Solar Stadium expansion	Rev. Bond: Donations	4,700,000	-
SB 9	UU - MED Complex and Rehabilitation Hospital	Rev. Bond: Donation/ Clin	190,000,000	see above
SB 9	DSU - Human Performance Center	Rev. Bond: Student Fees	16,000,000	see above
SB 277	UVU - Pedestrian Access and Crossing from Public Transit	GO Bond/UDOT/Institution	14,000,000	***
Total - Other Funds Projects			\$ 232,950,000	\$ -

*** \$4 million of General Obligation bond proceeds will be deposited in the Transportation Infrastructure Loan Fund for this project and will be repaid by UTA; an additional \$7 million will be contributed by the Department of Transportation; and UVU will contribute \$3 million of

2017-18 Tax Fund Appropriations by Institution

(a)	(b)		(c)		(d)		(e)
2017-18 Beginning On- Going Budget	2017-18 Ongoing Changes**		2017-18 One-time Changes ***		2017-18 Total Changes		2017-18 Operating Budget
Amount	Amount	% Change	Amount	% Change	Amount	% Change	Amount

2 & 4 Year Institutions

University of Utah	\$286,210,300	\$18,067,700	6.3%	\$0	0.0%	\$18,067,700	6.3%	\$304,278,000
Utah State University	197,171,600	5,610,400	2.8%	0	0.0%	\$5,610,400	2.8%	202,782,000
Weber State University	80,640,100	2,582,400	3.2%	0	0.0%	\$2,582,400	3.2%	83,222,500
Southern Utah University	35,533,100	3,143,400	8.8%	0	0.0%	\$3,143,400	8.8%	38,676,500
Snow College	22,996,900	851,800	3.7%	0	0.0%	\$851,800	3.7%	23,848,700
Dixie State University	33,170,500	1,855,500	5.6%	0	0.0%	\$1,855,500	5.6%	35,026,000
Utah Valley University	102,229,600	5,977,300	5.8%	0	0.0%	\$5,977,300	5.8%	108,206,900
Salt Lake Community College	93,522,800	3,300,800	3.5%	250,600	0.3%	\$3,551,400	3.8%	97,074,200
SBR Statewide Programs & Adm*	30,236,700	13,668,700	45.2%	5,948,800	19.7%	\$19,617,500	64.9%	49,854,200
Subtotal - 2 & 4 year	\$881,711,600	\$55,058,000	6.2%	\$6,199,400	0.7%	\$61,257,400	6.9%	\$942,969,000

Notes:

*The increases for SBR Statewide Programs are a result of appropriations which will directly flow to institutions or students

**Refer to 2017-18 appropriation detail regarding on-going budget changes

***Refer to 2017-18 appropriation detail regarding one-time budget changes

Comparison of New Appropriated Ongoing Operating Budgets Recommendations and Appropriations for Recent Years ⁽¹⁾

	INCREASE FROM PREVIOUS YEAR TOTAL EXPENDITURES		INCREASE FROM PREVIOUS YEAR STATE TAX FUNDS		USHE Share of State Tax Funds ⁽²⁾
2007-08					
Regents' Request	\$88,674,800	8.7%	\$77,471,200	11.9%	
Gov. Huntsman's Recommendation	\$80,668,700	7.9%	\$61,454,600	9.5%	
Final Appropriation	\$93,324,200	9.1%	\$82,120,600	12.6%	12.9%
2008-09					
Regents' Request	\$102,285,200	9.1%	\$94,432,700	12.9%	
Gov. Huntsman's Recommendation	\$74,278,800	6.6%	\$61,762,900	8.4%	
Final Appropriation	\$42,674,900	3.8%	\$34,822,400	4.8%	14.2%
2009-10					
Regents' Request	\$37,488,600	3.4%	\$37,488,600	5.5%	
Gov. Huntsman's Recommendation	(\$75,792,000)	-6.8%	(\$75,792,000)	-11.1%	
Final Appropriation	(\$126,348,200)	-11.4%	(\$126,348,200)	-18.5%	14.2%
2010-11					
Regents' Request	\$61,478,900	5.6%	\$61,478,900	9.6%	
Gov. Herbert's Recommendation	\$3,953,900	0.4%	\$3,953,900	0.6%	
Final Appropriation	\$33,393,200	3.0%	\$33,393,200	5.2%	13.5%
2011-12					
Regents' Request	\$39,950,100	3.4%	\$39,950,100	5.9%	
Gov. Herbert's Recommendation	(\$289,100)	0.0%	(\$289,100)	0.0%	
Final Appropriation	(\$12,713,600)	-1.1%	(\$12,713,600)	-1.9%	12.8%
2012-13					
Regents' Request	\$61,939,900	4.9%	\$61,939,900	9.4%	
Gov. Herbert's Recommendation	\$16,064,700	1.3%	\$16,064,700	2.4%	
Final Appropriation	\$21,348,600	1.7%	\$21,348,600	3.2%	12.3%
2013-14					
Regents' Request	\$70,681,300	5.4%	\$70,681,300	10.4%	
Gov. Herbert's Recommendation	\$44,885,300	3.5%	\$44,885,300	6.6%	
Final Appropriation	\$41,012,300	3.2%	\$41,012,300	6.0%	12.4%
2014-15					
Regents' Request	\$141,083,900	10.1%	\$141,083,900	19.5%	
Gov. Herbert's Recommendation	\$39,075,900	2.8%	\$39,075,900	5.4%	
Final Appropriation	\$81,539,800	5.9%	\$81,539,800	11.3%	12.8%
2015-16					
Regents' Request	\$78,396,100	5.2%	\$78,396,100	9.7%	
Gov. Herbert's Recommendation	\$47,094,600	3.1%	\$47,094,600	5.9%	
Final Appropriation	\$39,700,200	2.6%	\$39,700,200	4.9%	12.4%
2016-17					
Regents' Request	\$76,207,500	4.8%	\$76,207,500	9.0%	
Gov. Herbert's Recommendation	\$48,596,100	3.1%	\$48,596,100	5.7%	
Final Appropriation	\$36,525,300	2.3%	\$36,525,300	4.3%	12.6%
2017-18					
Regents' Request	\$74,296,000	4.5%	\$74,296,000	8.4%	
Gov. Herbert's Recommendation	\$37,522,100	2.3%	\$37,522,100	4.3%	
Final Appropriation	\$55,058,000	3.3%	\$55,058,000	6.2%	

(1) Includes ongoing requests, recommendations and appropriations of USHE institutions and Board of Regents line items.

(2) This column includes both ongoing and one-time appropriations (Taken from USHE Data Book Tab G Table 4).

2017-18 Appropriations Detail (including 2016-17 Supplementals)

March, 2017

Utah System of Higher Education Total

USHE TOTAL	University of Utah	Utah State University	Weber State University	Southern Utah University	Snow College	Dixie State University	Utah Valley University	Salt Lake Community College	SBR/Statewide Programs
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2016-17 Appropriated Budget (Includes Ongoing, One-time, and Specific Appropriations -- Ties to Legislative Appropriations Acts)

Total Expenditures	1,631,326,800	567,426,500	337,179,900	151,136,800	71,720,900	34,365,500	59,874,500	209,853,200	154,854,700	44,914,800
Tax Fund Expenditures	889,763,600	284,544,200	195,484,200	80,640,100	35,359,100	22,674,900	33,320,500	101,061,600	92,642,300	44,036,700
General Fund	375,521,800	98,130,200	109,149,000	62,815,400	11,526,200	2,899,600	2,395,600	58,032,700	14,368,000	16,205,100
Education Fund	514,241,800	186,414,000	86,335,200	17,824,700	23,832,900	19,775,300	30,924,900	43,028,900	78,274,300	27,831,600
Dedicated Credits	725,191,800	272,929,100	135,580,600	70,496,700	36,361,800	11,690,600	26,554,000	108,791,600	62,212,400	575,000
Mineral Lease	1,745,800	0	1,745,800	0	0	0	0	0	0	0
Federal Funds	4,205,400	0	3,902,300	0	0	0	0	0	0	303,100
Cigarette Tax	4,800,000	4,800,000	0	0	0	0	0	0	0	0
Tobacco Settlement	4,000,000	4,000,000	0	0	0	0	0	0	0	0
Trust Funds/Other	1,620,200	1,153,200	467,000	0	0	0	0	0	0	0

2016-17 Adjustments to Appropriated Budget (including Dedicated Credits, Allocation of State Funds, and Budget Reductions, and Supplemental Appropriations)

Total Expenditures	35,729,500	9,694,000	4,855,400	2,327,400	5,436,200	878,000	629,500	10,329,800	1,654,200	(75,000)
Adjustments										
Tuition Work Program Revision	33,941,000	9,694,000	4,761,400	2,107,400	5,436,200	579,000	534,500	10,329,800	573,700	(75,000)
O&M SLCC CTE Center	1,080,500	0	0	0	0	0	0	0	1,080,500	0
Strategic Workforce Initiative	704,000	0	90,000	220,000	0	299,000	95,000	0	0	0
Reallocate Cigarette Tax	0	0	0	0	0	0	0	0	0	0
Streambed Access Mapping (SB3)	4,000	0	4,000	0	0	0	0	0	0	0
Financing										
General Fund	1,504,000	1,500,000	4,000	0	0	0	0	0	0	0
Education Fund	1,784,500	0	90,000	220,000	0	299,000	95,000	0	1,080,500	0
Dedicated Credits	33,941,000	9,694,000	4,761,400	2,107,400	5,436,200	579,000	534,500	10,329,800	573,700	(75,000)
Cigarette Tax	0	0	0	0	0	0	0	0	0	0
Tobacco Settlement	(1,500,000)	(1,500,000)	0	0	0	0	0	0	0	0

2016-17 Revised Authorized Budget (Includes Ongoing, One-time, Supplementals, Allocations, and Dedicated Credit Adjustments) TAX FUNDS TIE TO A-1 ACTUALS

Total Expenditures	1,667,056,300	577,120,500	342,035,300	153,464,200	77,157,100	35,243,500	60,504,000	220,183,000	156,508,900	44,839,800
Tax Fund Expenditures	893,052,100	286,044,200	195,578,200	80,860,100	35,359,100	22,973,900	33,415,500	101,061,600	93,722,800	44,036,700
General Fund	377,025,800	99,630,200	109,153,000	62,815,400	11,526,200	2,899,600	2,395,600	58,032,700	14,368,000	16,205,100
Education Fund	516,026,300	186,414,000	86,425,200	18,044,700	23,832,900	20,074,300	31,019,900	43,028,900	79,354,800	27,831,600
Dedicated Credits	759,132,800	282,623,100	140,342,000	72,604,100	41,798,000	12,269,600	27,088,500	119,121,400	62,786,100	500,000
Mineral Lease	1,745,800	0	1,745,800	0	0	0	0	0	0	0
Federal Funds	4,205,400	0	3,902,300	0	0	0	0	0	0	303,100
Cigarette Tax	4,800,000	4,800,000	0	0	0	0	0	0	0	0
Tobacco Settlement	2,500,000	2,500,000	0	0	0	0	0	0	0	0
Trust Funds/Other	1,620,200	1,153,200	467,000	0	0	0	0	0	0	0
Tax Funds % Change from Ongoing Base	0.4%	0.5%	0.0%	0.3%	0.0%	1.3%	0.3%	0.0%	1.2%	-0.2%

Back out 2016-17 One-time Appropriations from Base

Total Expenditures	(6,965,500)	4,466,100	1,593,400	(220,000)	174,000	23,000	(245,000)	1,168,000	(200,000)	(13,725,000)
General Fund	(2,704,000)	(2,700,000)	(4,000)	0	0	0	0	0	0	0

2017-18 Appropriations Detail (including 2016-17 Supplementals)

March, 2017

Utah System of Higher Education Total

	USHE TOTAL	University of Utah	Utah State University	Weber State University	Southern Utah University	Snow College	Dixie State University	Utah Valley University	Salt Lake Community College	SBR/ Statewide Programs
Education Fund	(8,636,500)	2,866,100	1,597,400	(220,000)	174,000	23,000	(245,000)	1,168,000	(200,000)	(13,800,000)
Dedicated Credits	75,000	0	0	0	0	0	0	0	0	75,000
Cigarette Tax	2,800,000	2,800,000	0	0	0	0	0	0	0	0
Tobacco Settlement	1,500,000	1,500,000	0	0	0	0	0	0	0	0
Trust Funds/Other	0	0	0	0	0	0	0	0	0	0

2017-18 Beginning Base Budget (2016-17 Appropriated less 2016-17 One-time)

Total Expenditures	1,660,090,800	581,586,600	343,628,700	153,244,200	77,331,100	35,266,500	60,259,000	221,351,000	156,308,900	31,114,800
Tax Fund Expenditures	881,711,600	286,210,300	197,171,600	80,640,100	35,533,100	22,996,900	33,170,500	102,229,600	93,522,800	30,236,700
General Fund	374,321,800	96,930,200	109,149,000	62,815,400	11,526,200	2,899,600	2,395,600	58,032,700	14,368,000	16,205,100
Education Fund	507,389,800	189,280,100	88,022,600	17,824,700	24,006,900	20,097,300	30,774,900	44,196,900	79,154,800	14,031,600
Dedicated Credits	759,207,800	282,623,100	140,342,000	72,604,100	41,798,000	12,269,600	27,088,500	119,121,400	62,786,100	575,000
Mineral Lease	1,745,800	0	1,745,800	0	0	0	0	0	0	0
Federal Funds	4,205,400	0	3,902,300	0	0	0	0	0	0	303,100
Cigarette Tax	7,600,000	7,600,000	0	0	0	0	0	0	0	0
Tobacco Settlement	4,000,000	4,000,000	0	0	0	0	0	0	0	0
Trust Funds/Other	1,620,200	1,153,200	467,000	0	0	0	0	0	0	0

2017-18 Ongoing Base Corrections, Transfers, and Adjustments

Total Expenditures	(13,338,100)	(5,724,200)	0	(1,421,700)	(710,700)	(391,300)	(570,300)	(2,044,600)	(1,870,500)	(604,800)
Adjustments	(17,193,300)	(5,724,200)	(3,855,200)	(1,421,700)	(710,700)	(391,300)	(570,300)	(2,044,600)	(1,870,500)	(604,800)
Strategic Workforce Initiative (2016 SB103)	450,000	0	90,000	195,000	0	70,000	95,000	0	0	0
2% Base Budget Reallocation (HB1)	(17,643,300)	(5,724,200)	(3,945,200)	(1,616,700)	(710,700)	(461,300)	(665,300)	(2,044,600)	(1,870,500)	(604,800)
Financing										
General Fund	(77,511,800)	(77,500,000)	0	0	0	0	0	0	0	(11,800)
Education Fund	64,173,700	71,775,800	0	(1,421,700)	(710,700)	(391,300)	(570,300)	(2,044,600)	(1,870,500)	(593,000)

2017-18 Adjusted Beginning Base Budget

Total Expenditures	1,642,897,500	575,862,400	339,773,500	151,822,500	76,620,400	34,875,200	59,688,700	219,306,400	154,438,400	30,510,000
Tax Fund Expenditures	864,518,300	280,486,100	193,316,400	79,218,400	34,822,400	22,605,600	32,600,200	100,185,000	91,652,300	29,631,900
General Fund	296,810,000	19,430,200	109,149,000	62,815,400	11,526,200	2,899,600	2,395,600	58,032,700	14,368,000	16,193,300
Education Fund	567,708,300	261,055,900	84,167,400	16,403,000	23,296,200	19,706,000	30,204,600	42,152,300	77,284,300	13,438,600
Dedicated Credits	759,207,800	282,623,100	140,342,000	72,604,100	41,798,000	12,269,600	27,088,500	119,121,400	62,786,100	575,000
Mineral Lease	1,745,800	0	1,745,800	0	0	0	0	0	0	0
Federal Funds	4,205,400	0	3,902,300	0	0	0	0	0	0	303,100
Cigarette Tax	7,600,000	7,600,000	0	0	0	0	0	0	0	0
Tobacco Settlement	4,000,000	4,000,000	0	0	0	0	0	0	0	0
Trust Funds/Other	1,620,200	1,153,200	467,000	0	0	0	0	0	0	0

2017-18 Ongoing Base Adjustments

Total Expenditures	17,643,300	5,724,200	3,945,200	1,616,700	710,700	461,300	665,300	2,044,600	1,870,500	604,800
Tax Fund Expenditures	21,643,300	9,724,200	3,945,200	1,616,700	710,700	461,300	665,300	2,044,600	1,870,500	604,800
Adjustments										
2% Base Budget Restoration (SB2)	17,643,300	5,724,200	3,945,200	1,616,700	710,700	461,300	665,300	2,044,600	1,870,500	604,800
Cancer Research (Tobacco)	(4,000,000)	(4,000,000)	0	0	0	0	0	0	0	0

2017-18 Appropriations Detail (including 2016-17 Supplementals)

March, 2017

Utah System of Higher Education Total

	USHE TOTAL	University of Utah	Utah State University	Weber State University	Southern Utah University	Snow College	Dixie State University	Utah Valley University	Salt Lake Community College	SBR/ Statewide Programs
Institutional Reallocations	0	0	0	0	0	0	0	0	0	0
Financing										
General Fund	4,011,800	4,000,000	0	0	0	0	0	0	0	11,800
Education Fund	17,631,500	5,724,200	3,945,200	1,616,700	710,700	461,300	665,300	2,044,600	1,870,500	593,000
Cigarette Tax	0	0	0	0	0	0	0	0	0	0
Tobacco Settlement	(4,000,000)	(4,000,000)	0	0	0	0	0	0	0	0
2017-18 Ongoing Increases										
SB8: Compensation	33,929,400	12,015,800	7,020,100	3,070,700	1,580,900	732,100	1,282,900	4,939,400	3,172,600	114,900
Tax Fund Expenditures	25,811,700	9,083,100	5,474,300	2,305,500	1,186,600	556,200	962,100	3,705,700	2,423,300	114,900
Salary & Related Benefits 2% (HB8)	22,527,000	8,583,100	4,566,400	1,982,500	1,023,000	437,900	817,600	3,019,700	2,019,500	77,300
Financing										
General Fund	91,200	40,500	0	0	0	0	0	0	0	50,700
Education Fund	17,048,800	6,447,700	3,561,200	1,488,300	767,800	334,800	613,200	2,265,500	1,543,700	26,600
Dedicated Credits	5,384,100	2,092,000	1,005,200	494,200	255,200	103,100	204,400	754,200	475,800	0
Trust Funds/Other	2,900	2,900	0	0	0	0	0	0	0	0
Health 8% (HB8)	11,402,400	3,432,700	2,453,700	1,088,200	557,900	294,200	465,300	1,919,700	1,153,100	37,600
Financing										
General Fund	38,400	14,500	0	0	0	0	0	0	0	23,900
Education Fund	8,633,300	2,580,400	1,913,100	817,200	418,800	221,400	348,900	1,440,200	879,600	13,700
Dedicated Credits	2,729,400	836,500	540,600	271,000	139,100	72,800	116,400	479,500	273,500	0
Trust Funds/Other	1,300	1,300	0	0	0	0	0	0	0	0
Facilities Support										
Tax Fund Expenditures	1,413,700	378,900	23,100	424,100	(700)	(4,800)	594,500	18,300	(8,200)	(11,500)
O&M UU Medical Education & Discovery	473,400	473,400	0	0	0	0	0	0	0	0
O&M WSU Social Science	432,200	0	0	432,200	0	0	0	0	0	0
O&M DSU Human Performance	595,000	0	0	0	0	0	595,000	0	0	0
ISF Rates: Risk Management (SB8)	(391,900)	(174,300)	(37,600)	(71,800)	(37,200)	(10,400)	(8,200)	(30,800)	(5,500)	(16,100)
ISF Rates: Fleet Motor Pool (SB8)	(65,600)	(23,100)	(25,900)	(5,200)	(300)	(300)	(2,300)	(5,800)	(2,700)	0
ISF Rates: DFCM (SB8)	64,400	0	64,400	0	0	0	0	0	0	0
ISF Rates: Unfunded FY 2017 (SB8)	257,700	23,600	35,700	71,900	36,200	3,300	11,700	74,600	(3,900)	4,600
911 Emergency Services (SB198,SB3)	(35,400)	(21,300)	0	(10,000)	0	0	(2,200)	0	(1,900)	0
Financing										
General Fund	(11,500)	0	0	0	0	0	0	0	0	(11,500)
Education Fund	1,425,200	378,900	23,100	424,100	(700)	(4,800)	594,500	18,300	(8,200)	0
Dedicated Credits	(83,900)	(100,600)	13,500	(7,000)	(600)	(2,600)	(500)	19,700	(5,800)	0
Other Ongoing Increases Expenditures	25,329,000	3,874,900	113,000	285,000	1,957,500	300,400	893,900	2,253,300	885,700	14,765,300
Ongoing Increases										
Student Athlete Performance	3,100,000	0	0	0	1,000,000	300,000	500,000	1,000,000	300,000	0
Enrollment Growth (SB2)	3,500,000	1,194,900	0	0	807,500	400	243,900	1,253,300	0	0
Regents' Scholarship (SB2)	8,000,000	0	0	0	0	0	0	0	0	8,000,000
Cancer Research (SB2)	2,240,000	2,240,000	0	0	0	0	0	0	0	0
Family Medicine (SB2)	1,200,000	0	0	0	0	0	0	0	0	1,200,000

2017-18 Appropriations Detail (including 2016-17 Supplementals)

March, 2017

Utah System of Higher Education Total

	USHE TOTAL	University of Utah	Utah State University	Weber State University	Southern Utah University	Snow College	Dixie State University	Utah Valley University	Salt Lake Community College	SBR/ Statewide Programs
Natural History Museum (SB2)	200,000	200,000	0	0	0	0	0	0	0	0
Engineering Initiative (SB2)	4,000,000	0	0	0	0	0	0	0	0	4,000,000
Public Safety Officers (SB165)	200,000	0	0	0	0	0	0	0	0	200,000
Student Prosperity Savings (HB24)	10,000	0	0	0	0	0	0	0	0	10,000
SAFE Utah (SB2)	550,000	550,000	0	0	0	0	0	0	0	0
STEM Pipeline (SB2)	300,000	0	0	0	150,000	0	150,000	0	0	0
Corrections Education Programming (SB3)	313,400	0	0	0	0	0	0	0	313,400	0
Strategic Workforce Investment (SB3)	2,025,600	0	113,000	285,000	0	0	0	0	272,300	1,355,300
Statewide Data Alliance (SB194)	(310,000)	(310,000)	0	0	0	0	0	0	0	0
Financing										
General Fund	3,763,400	2,240,000	0	0	0	0	0	0	313,400	1,210,000
Education Fund	21,565,600	1,634,900	113,000	285,000	1,957,500	300,400	893,900	2,253,300	572,300	13,555,300

2017-18 Ongoing Appropriated Adjustments, Reductions, and Increases

Total Expenditures	78,231,500	21,893,200	11,114,900	5,389,500	4,247,800	1,486,400	3,436,100	9,275,300	5,914,800	15,473,500
Tax Fund Expenditures	74,197,700	23,061,100	9,555,600	4,631,300	3,854,100	1,313,100	3,115,800	8,021,900	5,171,300	15,473,500
General Fund	7,893,300	6,295,000	0	0	0	0	0	0	313,400	1,284,900
Education Fund	66,304,400	16,766,100	9,555,600	4,631,300	3,854,100	1,313,100	3,115,800	8,021,900	4,857,900	14,188,600
Dedicated Credits	8,029,600	2,827,900	1,559,300	758,200	393,700	173,300	320,300	1,253,400	743,500	0
Cigarette Tax	0	0	0	0	0	0	0	0	0	0
Tobacco Settlement	(4,000,000)	(4,000,000)	0	0	0	0	0	0	0	0
Trust Funds/Other	4,200	4,200	0	0	0	0	0	0	0	0

2017-18 Ongoing Appropriated Budget

Total Expenditures	1,721,129,000	597,755,600	350,888,400	157,212,000	80,868,200	36,361,600	63,124,800	228,581,700	160,353,200	45,983,500
Tax Fund Expenditures	938,716,000	303,547,200	202,872,000	83,849,700	38,676,500	23,918,700	35,716,000	108,206,900	96,823,600	45,105,400
General Fund	304,703,300	25,725,200	109,149,000	62,815,400	11,526,200	2,899,600	2,395,600	58,032,700	14,681,400	17,478,200
Education Fund	634,012,700	277,822,000	93,723,000	21,034,300	27,150,300	21,019,100	33,320,400	50,174,200	82,142,200	27,627,200
Dedicated Credits	767,237,400	285,451,000	141,901,300	73,362,300	42,191,700	12,442,900	27,408,800	120,374,800	63,529,600	575,000
Mineral Lease	1,745,800	0	1,745,800	0	0	0	0	0	0	0
Federal Funds	4,205,400	0	3,902,300	0	0	0	0	0	0	303,100
Cigarette Tax	7,600,000	7,600,000	0	0	0	0	0	0	0	0
Tobacco Settlement	0	0	0	0	0	0	0	0	0	0
Trust Funds/Other	1,624,400	1,157,400	467,000	0	0	0	0	0	0	0
Ongoing Tax Funds % Change from Adj. Beg. Base	8.6%	8.2%	4.9%	5.8%	11.1%	5.8%	9.6%	8.0%	5.6%	52.2%

2017-18 Appropriated One-time Increases

One-time Increases Total Expenditures	(302,900)	(1,749,200)	(1,463,800)	(432,200)	(349,000)	(25,600)	(595,000)	(1,168,000)	(468,900)	5,948,800
Tax Fund Expenditures	(302,900)	(1,749,200)	(1,463,800)	(432,200)	(349,000)	(25,600)	(595,000)	(1,168,000)	(468,900)	5,948,800
O&M Reduction - UU Crocker Science (SB2)	(226,300)	(226,300)	0	0	0	0	0	0	0	0
O&M Reduction - UU Orson Spencer Hall (SB2)	(1,049,500)	(1,049,500)	0	0	0	0	0	0	0	0
O&M Reduction - USU Clinical Services (SB2)	(264,300)	0	(264,300)	0	0	0	0	0	0	0
O&M Reduction - USU Biological Sciences (SB2)	(1,199,500)	0	(1,199,500)	0	0	0	0	0	0	0

2017-18 Appropriations Detail (including 2016-17 Supplementals)

March, 2017

Utah System of Higher Education Total

	USHE TOTAL	University of Utah	Utah State University	Weber State University	Southern Utah University	Snow College	Dixie State University	Utah Valley University	Salt Lake Community College	SBR/ Statewide Programs
O&M Reduction - SUU Business (SB2)	(349,000)	0	0	0	(349,000)	0	0	0	0	0
O&M Reduction - SC Science (SB2)	(25,600)	0	0	0	0	(25,600)	0	0	0	0
O&M Reduction - UVU Performing Arts (SB2)	(1,168,000)	0	0	0	0	0	0	(1,168,000)	0	0
O&M Reduction - SLCC CTE Center (SB2)	(719,500)	0	0	0	0	0	0	0	(719,500)	0
O&M Reduction - UU Medical Education (SB2)	(473,400)	(473,400)	0	0	0	0	0	0	0	0
O&M Reduction - WSU Social Science (SB2)	(432,200)	0	0	(432,200)	0	0	0	0	0	0
O&M Reduction - DSU Human Perform. (SB2)	(595,000)	0	0	0	0	0	(595,000)	0	0	0
Reallocations	0	0	0	0	0	0	0	0	0	0
Student Prosperity Savings (HB24)	40,000	0	0	0	0	0	0	0	0	40,000
Strategic Workforce Investment (SB3)	(340,600)	0	0	0	0	0	0	0	250,600	(591,200)
Performance Based (SB3)	6,500,000	0	0	0	0	0	0	0	0	6,500,000
Financing										
General Fund	40,000	0	0	0	0	0	0	0	0	40,000
Education Fund	(342,900)	(1,749,200)	(1,463,800)	(432,200)	(349,000)	(25,600)	(595,000)	(1,168,000)	(468,900)	5,908,800

2017-18 Total Appropriated Budget (Includes Ongoing and One-time Appropriations -- TIES TO APPROPRIATIONS ACTS)

Total Expenditures	1,720,826,100	596,006,400	349,424,600	156,779,800	80,519,200	36,336,000	62,529,800	227,413,700	159,884,300	51,932,300
Tax Fund Expenditures	938,413,100	301,798,000	201,408,200	83,417,500	38,327,500	23,893,100	35,121,000	107,038,900	96,354,700	51,054,200
General Fund	304,743,300	25,725,200	109,149,000	62,815,400	11,526,200	2,899,600	2,395,600	58,032,700	14,681,400	17,518,200
Education Fund	633,669,800	276,072,800	92,259,200	20,602,100	26,801,300	20,993,500	32,725,400	49,006,200	81,673,300	33,536,000
Dedicated Credits	767,237,400	285,451,000	141,901,300	73,362,300	42,191,700	12,442,900	27,408,800	120,374,800	63,529,600	575,000
Mineral Lease	1,745,800	0	1,745,800	0	0	0	0	0	0	0
Federal Funds	4,205,400	0	3,902,300	0	0	0	0	0	0	303,100
Cigarette Tax	7,600,000	7,600,000	0	0	0	0	0	0	0	0
Trust Funds/Other	1,624,400	1,157,400	467,000	0	0	0	0	0	0	0

2017-18 Balance Between Funds

Total Expenditures	0	0	0	0	0	0	0	0	0	0
Tax Fund Expenditures	0	0	0	0	0	0	0	0	0	0
Financing										
General Fund	26,500,000	26,500,000	0	0	0	0	0	0	0	0
Education Fund	(26,500,000)	(26,500,000)	0	0	0	0	0	0	0	0

2017-18 Total Authorized Budget Ongoing and One-time Appropriations, Work Program Revisions -- TIE TO DRAW SCHEDULES, TIE TO A-1 BUDGETS)

Total Expenditures	1,720,826,100	596,006,400	349,424,600	156,779,800	80,519,200	36,336,000	62,529,800	227,413,700	159,884,300	51,932,300
Tax Fund Expenditures	938,413,100	301,798,000	201,408,200	83,417,500	38,327,500	23,893,100	35,121,000	107,038,900	96,354,700	51,054,200
General Fund	331,243,300	52,225,200	109,149,000	62,815,400	11,526,200	2,899,600	2,395,600	58,032,700	14,681,400	17,518,200
Education Fund	607,169,800	249,572,800	92,259,200	20,602,100	26,801,300	20,993,500	32,725,400	49,006,200	81,673,300	33,536,000
Dedicated Credits	767,237,400	285,451,000	141,901,300	73,362,300	42,191,700	12,442,900	27,408,800	120,374,800	63,529,600	575,000
Mineral Lease	1,745,800	0	1,745,800	0	0	0	0	0	0	0
Federal Funds	4,205,400	0	3,902,300	0	0	0	0	0	0	303,100
Cigarette Tax	7,600,000	7,600,000	0	0	0	0	0	0	0	0
Trust Funds/Other	1,624,400	1,157,400	467,000	0	0	0	0	0	0	0

2017-18 Operating Budget Comparison (Tax Funds Only)

Board of Regents Request as compared to Governor Herbert's budget recommendation and final appropriations

Utah System of Higher Education Budget Priorities	Board of Regents	Governor Herbert		Final Appropriation		
	Amount	Amount	Above/ (Below) SBR	Amount	Above/ (Below) Gov	Above/ (Below) SBR
On-going Increases						
Compensation						
3% Performance Based Compensation (including tuition mitigation)	\$24,710,800	\$17,514,300	(\$7,196,500)	\$17,142,900	(\$371,400)	(\$7,567,900)
7% Health & Dental Premium Increase (including tuition mitigation)	8,167,400	5,932,300	(2,235,100)	8,673,000	2,740,700	505,600
Student Growth & Market Demand						
New Student Growth	3,985,400	0	(3,985,400)	3,500,000	3,500,000	(485,400)
Market Demand Programs	19,453,400	0	(19,453,400)	0	0	(19,453,400)
Performance Based	9,979,000	4,000,000	(5,979,000)	0	(4,000,000)	(9,979,000)
Statewide Programs						
Regents' Scholarships	8,000,000	2,000,000	(6,000,000)	8,000,000	6,000,000	0
Need-based Matching Scholarships	0	500,000	500,000	0	(500,000)	0
Huntsman Cancer Institute (Tobacco Settlement Replacement)	0	4,000,000	4,000,000	4,000,000	0	4,000,000
Huntsman Cancer Institute Operations	0	2,240,000	2,240,000	2,240,000	0	2,240,000
Engineering Initiative	0	1,000,000	1,000,000	4,000,000	3,000,000	4,000,000
SAFE Utah	0	450,000	450,000	550,000	100,000	550,000
Student Athlete Performance	0	0	0	3,100,000	3,100,000	3,100,000
Strategic Workforce Investment	0	0	0	2,025,600	2,025,600	2,025,600
Family Medicine Residency Expansion	0	0	0	1,200,000	1,200,000	1,200,000
Corrections Education Programming	0	0	0	313,400	313,400	313,400
STEM Pipeline	0	0	0	300,000	300,000	300,000
Public Safety Officers	0	0	0	200,000	200,000	200,000
Natural History Museum of Utah	0	0	0	200,000	200,000	200,000
Student Prosperity Savings	0	0	0	10,000	10,000	10,000
911 Emergency Services	0	0	0	(17,900)	(17,900)	(17,900)
Internal Service Fund (ISF) Rate Impact	0	(114,500)	(114,500)	(69,000)	45,500	(69,000)
Statewide Data Alliance	0	0	0	(310,000)	(310,000)	(310,000)
Subtotal - USHE Priority On-going Increases	\$74,296,000	\$37,522,100	(\$36,773,900)	\$55,058,000	\$17,535,900	(\$19,238,000)
USHE Budget Priorities Percent Increase	8.4%	4.3%	-4.2%	6.2%	2.0%	-2.2%
One-time Adjustments						
Statewide Programs						
Need-based Matching Scholarships	0	1,000,000	1,000,000	0	(1,000,000)	0
Regents' Scholarships	0	9,000,000	9,000,000	0	(9,000,000)	0
Performance Based	0	0	0	6,500,000	6,500,000	6,500,000
Student Prosperity Savings	0	0	0	40,000	40,000	40,000
Strategic Workforce Investment	0	0	0	(340,600)	(340,600)	(340,600)
Subtotal - One-time Adjustments	\$0	\$10,000,000	\$10,000,000	\$6,199,400	(\$3,800,600)	\$6,199,400
USHE Budget Priorities Percent Increase	0.0%	1.1%	1.1%	0.7%	-0.4%	0.7%
Total Appropriation (On-going and One-time)	\$74,296,000	\$47,522,100	(\$26,773,900)	\$61,257,400	\$13,735,300	(\$13,038,600)
USHE Budget Priorities Percent Increase	8.4%	5.4%	-3.0%	6.9%	1.6%	-1.5%

LEGISLATION PASSED:

[*HB 24, Student Prosperity Plan - Tax Amendments](#) - Rep. Jeremy Peterson, creates a method for corporations to make donations to assist qualifying low-income students to save for college through the Utah Educational Savings Plan (UESP).

[HB 54, Campus Free Speech Amendments](#) by Rep. Kim Coleman, creates requirements for USHE institutions related to free speech activity. The legislation replicates policies related to regarding free-speech already in place at USHE institutions.

[HB 55 \(2nd Sub.\), Governmental Nonprofit Entity Compliance](#), by Rep. Kim Coleman, establishes requirements for governmental nonprofit entities, subjecting them to regulations such as the Open and Public Meetings Act, the Government Records Access and Management Act (GRAMA) and Fiscal Procedures for Interlocal Entities. This impacts certain nonprofit entities affiliated with USHE institution in which the institutions have a controlling interest.

[HB 156 \(1st Sub.\), State Job Application Process](#), by Rep. Sandra Hollins, prohibits a public employer from requiring job applicants to disclose past criminal convictions before an initial interview for employment. Certain exemptions are allowed, including employers whose primary purpose is performing financial or fiduciary functions.

[HB 198, Concealed Carry Amendments](#), by Rep. Karianne Lisonbee, establishes a provisional permit to carry a concealed firearm for individuals under 21 years of age.

[HB 431 \(3rd Sub.\), Government Employees Reimbursement Amendments](#), by Rep. Tim Quinn, prohibits government officers or employees from making personal purchases with public funds, including incurring debt on behalf of or payable by a governmental entity. The bill was amended to allow inconsequential recourse for unintended purchases. The bill establishes an administrative penalty for officers or employees who are found to be making a personal expenditure.

[SB 14 \(2nd Sub.\), Emergency Telephone Service Amendments](#), by Sen. Wayne Harper, requires multi-line telephone systems to provide geo-location information for a public safety answering point and requires multi-line phone systems to be capable of accessing 911 services directly.

[*SB 35, Veterans Tuition Gap Program Act Amendments](#), by Sen. Escamilla, amends the federal programs to which the Veterans Tuition Gap Program relates and removes the requirement that a qualifying veteran using the program qualify for a federal program.

[HB 100, Institutions of Higher Education Disclosure Requirements](#) by Rep. Kim Coleman, requires institutions of higher education to disclose information including job placement, wage earnings, average student debt and the amount of tax subsidy for programs at USHE institutions.

[*HB 249 \(1st Sub.\), Higher Education Financial Literacy Amendments](#), by Rep. Robert Spendlove, requires higher education to annually notify students who have taken out a loan for college directing them to their loan balance as well as a repayment calculator.

[*HB 251, Campus Advocate Confidentiality Amendments](#), by Rep. Angela Romero, prohibits the disclosure of confidential communications related to advocacy services at a Utah institution of higher education.

[*HCR 16 \(1st Sub.\), Concurrent Resolution Declaring Mental Health Issues To Be A Public Health Crisis At Utah Higher Education Institutions](#), by Rep. Ed Redd, declares mental health issues to be a public health crisis at Utah higher education institutions. It strongly urges state agencies, local health authorities, non-profit groups, and higher education entities to seek productive, long-term solutions to address this crisis.

[*SB 117 \(4th Sub.\), Performance Funding Revisions](#), by Sen. Ann Millner, provides ongoing funding dedicated the performance outcomes proposed by the Board of Regents and adopted by the Legislature in 2015.

[*SB 149 \(1st Sub.\), Financial Education and Savings Plan to Benefit At-risk Children](#), by Sen. Lincoln Fillmore, creates the *Parental Coaching to Encourage Student Savings Program*, which provides financial training to parents of economically disadvantaged children attending kindergarten. The program encourages parents to start saving money for their child's eventual higher education expenses. The program provides a \$50 contribution to the 529 savings accounts of economically disadvantaged children if their parents successfully meet the requirements of the program.

[SB 194 \(5th Sub.\), Utah Data Research Center Act](#), by Sen. Jacob Anderegg, establishes the Utah Data Research Center to coordinate data-centric initiatives between the Utah System of Higher Education, K-12, the Utah Department of Workforce Services and the Utah Department of Health. USHE already provides substantial data coordination and services regarding student performance and workforce.

[SB 238, Higher Education Governance Revisions](#), by Sen. Ann Millner, changes the name of UCAT (to Utah System of Technical Colleges and of individual campuses to technical colleges) and makes several significant changes to the governance of public higher education in Utah. The legislation clarifies the roles and mission of the Board of Regents and Boards of Trustees and changes how Regents are appointed by the Governor. The legislation also changes how new academic programs are approved, codifies how presidential searches are to be conducted, and defines the primary missions of USHE institutions. The Commissioner and the Board's Executive committee worked closely with the bill sponsor on clarifying amendments.

[SB 243, Revised Uniform Athlete Agents Act](#), by Sen. Lyle Hillyard, updates existing state statute related to the recruitment and contracting of collegiate athletes. The legislation clarifies definitions, expands notification requirements and provides for reciprocal registration of athletes between states.

[*SB 256, Regents Scholarship Amendments](#), by Sen. Lyle Hillyard, makes major administrative changes to the scholarship program to improve the student application experience as well as enhance coordination with institutions the award recipients attend. This will ensure better use of state aid resources as well as create an overall better experience for students. This legislation does not alter or weaken the existing academic requirements for the scholarship. It also removes outdated statute.

[SB 263 \(2nd Sub.\), Work-Based Learning Amendments](#), by Sen. Howard Stephenson, charges the Career and Technical Education Board to study work-based learning and the associated benefits and challenges.

[SJR 1, Joint Rules Resolution on Funding Mix Determinations](#), Sen. Jerry Stevenson, Adjusts the funding ratio of state funds vs. tuition funds that have funded compensation costs to higher education. For over twenty years, the Legislature and public higher education have held constant the ratio funding compensation costs at 75% from state funds and 25% of tuition funds. This resolution defaults this ratio for compensation to follow the present overall mix of

state dollars and tuition dollars currently funding higher education – which has been about 50% state funds and 50% tuition for the past few years. Intent language was adopted in this year's budget bills to hold the historical 75/25 ratio for the next two fiscal years.

FAILED LEGISLATION

****HB 103, Campus Anti-harassment Act** by Rep. Kim Coleman, defines discriminatory harassment and stipulates that an institution of higher education must take action against discriminatory harassment immediately after gaining knowledge of the act. The bill would have created conflicting statutes and a potential for significant confusion with existing laws related to workplace and school harassment.

HB 120, University Student Housing Construction Oversight, by Rep. John Westwood, exempts higher education institutions projects for the construction of student housing from the supervision of the Division of Facilities Construction and Management.

****HB 275, Utah Administrative Rulemaking Act Amendments**, by Rep. Brian Green, removes the exemption for higher education from the Administrative Rulemaking Act for policies related to students. Currently, there are almost 15,000 policies maintained by the Board of Regents and USHE institutions that would need to be reviewed and possibly submitted for administrative rulemaking.

****HB 284, Student Right to Active Counsel**, by Rep. Kim Coleman, introduced similar legislation in the 2016 Session. The Legislature ultimately did not adopt the proposed legislation. In July 2016, the Board of Regents adopted policy that outlines required due process for disciplinary actions and included the role of active counsel in certain proceedings. This bill is unnecessary given the policy already adopted.

HB 326, Campus Sexual Violence Protection Act, by Rep. Kim Coleman, allows an institution of higher education to report an allegation of sexual violence to a law enforcement agency and enacts other provisions related to the duties of an institution of higher education in circumstances related to sexual violence.

****HB 334, Academic Freedom and Protection Act**, by Rep. Kim Coleman, prohibits a USHE institution from taking adverse action against faculty in retaliation for certain expression. Existing Regents' policy already requires institutions to protect academic freedom.

SB 78 (2nd Sub.), Teacher Pedagogical Assessment, by Sen. Ann Millner, requires the State Board of Education to establish a teacher pedagogical assessment that is performance based and assesses an individual's pedagogical skills to receive or retain a certain license to teach.

****SB 255, Funding for Education Systems Amendments**, by Sen. Howard Stephenson, would cap, until 2022, any additional revenues from the Education Fund (income tax) to the state higher education system. The mix of funds higher ed has been budgeted over the years varies between the Education Fund and the General Fund (Sales Tax) – the two primary funding sources of the state's budget. In effect, higher education has been a balancing wheel between the two funds to help the legislature in balancing the budget. This restricts the legislature's flexibility and would likely make it more difficult for the state to fund critical higher education needs over the next five years. This could also result in greater reliance on tuition. The bill was ultimately substituted, then never adopted.

** USHE took an official position in support; ** USHE took an official position in opposition. For more information on legislation, committee agendas, or to view or listen to floor debates, see: <http://le.utah.gov/>*

Summary of Changes to SB238 S1: Higher Education Governance Revisions Sen. Ann Millner/Rep. Brad Wilson

March 21, 2017

Membership of the Board of Regents:

- **Number of Members:** Increases the number of voting membership from 16 to 17 members (including student regent).
- **Appointments to the Board:** The Governor appoints all of the Regents with consent of Senate. Eight appointments are members at-large. The Governor will select the remaining eight appointments from three nominees forwarded by each institution's Board of Trustees. (Any current trustee appointed must resign from Board of Trustees.)
- **Representational Considerations for Board of Regents Appointees:** In making all appointments, the Governor must consider geographic representation, diversity, experience in higher education and economic development, and exposure to institutions. Removed from the statute are various minimum and maximum membership by counties based on their size. The Board continues to be non-partisan.
- **Elimination of Non-voting Liaisons from State Board of Education and Utah Colleges of Applied Technology and Establishment of Quarterly Communication Between State Education Agencies:** Eliminates non-voting positions on board but, to encourage communication and coordination between the three state education agencies, requires the Commissioner to convene a quarterly meeting between State Superintendent, Commissioner of Higher Education, Commissioner of Technical Education, board chairs, key legislators, and others.
- **Board of Regents' Leadership:** Chair and Vice-chair are elected by Board members.
- **Timeline for Changes:** Changes are effective May 9, 2017.

Duties of the Board of Regents:

- Provides more specific direction to the Board including:
 - strategic system-wide leadership in linking USHE institutions to economic and workforce needs,
 - enhancing impact and efficiency of the system,
 - establishing system/institutional goals and metrics,
 - evaluate presidents based on institutional performance,
 - delegating management authority to presidents,
 - maintaining statewide data collection and reporting,
 - establish unified budget, finance, and capital funding priorities and practices,
 - strategic foci on system-wide issues to include: college access, preparedness, and completion; stackable credentials; new methods of instructional delivery; program degree requirements and general education articulation/transfer.

Presidential Selection:

- **Search Committee Appointment.** Board appoints presidential search committees.
 - Co-chaired by a Regent and a Trustee.
 - Includes representation from Regents, Trustees, faculty, staff, students, alumni, and the outgoing president's executive council or cabinet.
- **Recruitment Plan:** The Commissioner must create a comprehensive recruiting plan to seek strong candidates proactively.
- **Number and Approval of Finalists:** The search committee is required to advance three to five finalists to the Board by a two-thirds majority vote. If the Board of Regents is unsatisfied with the finalists, it may direct the search committee to resume its search until it has advanced at least three finalists that satisfy the Board.
- **Search Documentation Records and Privacy:** Search process documents are protected records, except for finalists' application materials.

Academic Mission and Programs of Institutions:

- **Definition of Institutional Roles:**
 - Research universities (UU, USU), providing undergraduate, graduate, and research programs. USU also provides career and technical education programs.
 - Regional universities (WSU, SUU, DSU, UVU), providing career and technical education, undergraduate associate and baccalaureate programs, and select master's degree programs to fill regional demands,
 - Comprehensive community colleges (SLCC, Snow), providing associate programs, certificates and career and technical education.
 - Board of Regents retains its authority to define roles beyond what the Legislature has established.
- **Institutional Approval of Academic Programs:** Within roles and specified program levels, each institutional Board of Trustees may approve new academic programs. Proposed programs that fall outside of the institution's specified roles must be approved by the Board of Regents.
- **Notification, Peer Review and Approval of New Programs:**
 - Institutions must provide the Board of Regents with notice of any new academic program (within its role) approved by the Board of Trustees.
 - The Commissioner's Office will conduct a peer review (by other USHE institutions) of new program proposals and provide a report to the Trustees and Regents.
 - The Board of Regents may define the process and procedures to be followed including a fiscal analysis and plan for ongoing costs.
 - The Board of Regents must approve establishment of any branch, extension, college, professional school, or an academic program outside the institution's specified role.
- **Periodic Program Review, Modification and Termination of Programs:**
 - The Board is required to review any new programs no later than two years after the first cohort beginning the program, completes it.

- The Board may conduct a periodic review of a program at an individual institution.
- The Board may require modification or termination of an institution's program(s), but must provide adequate opportunity for a hearing before the Board.

Master Planning, Operations and Non-state Postsecondary Coordination:

- Eliminates the requirement of the Board to report to the Legislature on master planning activities including space utilization, faculty productivity, and student assessments.
- Eliminates the requirement that the Board coordinates with private postsecondary institutions. The Board may continue any of these activities as it deems necessary to fulfill its governing role of USHE.

Utah System of Technical Colleges:

- Changes the name of the Utah College of Applied Technology to the Utah System of Technical Colleges and the campuses to Technical Colleges.
- Retains language limiting UCAT's academic offerings to non-credit only.
- Removes Regent non-voting member of UCAT Board of Trustees.
- Makes other technical changes to codify what is already in practice for the applied technology colleges.