



September 4, 2019

USHE – FY 2020-21 Operating Budget Request

The FY 2021 USHE operating budget request was developed with substantial consultation and discussion with the Council of Presidents, Business Vice Presidents, and Budget Officers for each institution. The request advances Board strategic objectives and provides adequate state tax funding for USHE institutions to fulfill institutional missions and maintain affordability for students. The operating budget request complies with the Budget Development Process Guidelines adopted by the Board at the August 2019 meeting, which established three budget categories:

1. Compensation and mandatory increases
2. Institution priorities from performance funding or tuition
3. Regent priority initiatives (Utah College Access Advisors)

For FY 2021, the Commissioner recommends a System operating budget request as follows:

1. Compensation and mandatory increases (commensurate with state employees)
2. \$34,850,000 for performance funding institutional priorities (including a \$29,500,000 legislative appropriation for performance funding)
3. \$3,000,000 for Utah College Access Advisors (UCAC)

Additional information on the operating budget request is found in the attachment. Supplementary detail for each of the institutional requests is available upon request from the Commissioner's Office. USHE institutions were also permitted to submit additional needs and priorities outside of the performance funding allocation to be funded through tuition increases. These priorities are also included in the attachment.

Commissioner's Recommendations

The Commissioner recommends the Board approve the FY2021 USHE Budget Request and authorize the Commissioner to make any subsequent technical adjustments, including rounding, necessary to finalize the budget prior to submitting to the Governor and Legislature.

Attachment

USHE – FY2021 Regent and Institutional Priorities

Section 1: Compensation & Mandatory Increases (estimated) \$36,165,000

Faculty and staff are the backbone of the Utah System of Higher Education and salary and benefits represent the single largest expenditure for USHE institutions. In order to reward performance and continue to attract world-class faculty and staff, USHE requests parity with state employees in salary and benefit adjustments provided by the state legislature. Exact increases will be determined during the 2020 legislative session; however, a 2.5 percent salary increase and a 5 percent health insurance increase was calculated for current employees. Typically, the legislature funds compensation increases with 75 percent state funds leaving 25 percent to be covered by institutional tuition increases (\$10,272,000 for the proposed scenario). For those institutions with statutory responsibility to provide Career and Technical Education (Snow College, Salt Lake Community College, USU-Eastern/Blanding) Compensation for CTE faculty will be requested at 100 percent. USHE will also request parity to state agencies in mandatory cost increases including a known rate increase to the cost of liability and property insurance premiums.

- 2.5 percent faculty and staff salary increases \$26,060,000
 - 5 percent faculty and staff health and dental insurance increases \$ 6,805,000
 - Risk management liability and property insurance rate increases \$ 3,300,000
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Section 2: Performance Funding Priorities \$34,850,000

The FY 2021 budget request for performance funding is \$34,850,000 (\$29.5 million requested from the state legislature plus revenue growth in targeted jobs estimated at \$5.35 million). USHE institutions were provided a target funding amount for their institutional needs based on the statutory allocation of performance funding (50 percent FTE and 50 percent budget). Actual performance funding allocations will be determined by legislative appropriations for performance funding, updated enrollment numbers, and final budget appropriations.

Institutional plans for how they would use their portion of the performance funds are listed below with additional detail available upon request. Additional institutional needs and priorities beyond the funds allocated for performance funding are listed in section 4.

University of Utah \$10,350,000

- Career “Ready to Work” \$1,000,000
- Workforce/Graduates \$4,875,000
- Economic Development/Research Initiatives \$2,000,000
- Campus Safety and Awareness \$1,350,000
- Growth and Capacity \$1,125,000

Utah State University \$ 6,900,000

- Stabilize Tuition Budget \$2,500,000

- Student Persistence and Completion \$2,500,000
- Workforce Development \$1,000,000
- Campus Safety \$ 900,000

Weber State University **\$ 3,827,000**

- Next-Gen Workforce \$ 802,000
- Need-based Scholarships & Tuition Realignment \$ 900,000
- Salary Equity and Faculty Promotions \$1,250,000
- Faculty in High Demand Areas \$ 575,000
- IT Infrastructure \$ 200,000
- IT Security \$ 100,000

Southern Utah University **\$ 1,871,800**

- Competency Based Education \$ 320,000
- Career & Major Advisement \$ 149,300
- Student Support Services \$ 202,400
- Online Development: Online Student Success Coaches \$ 854,300
- Online Development: Instructional Design Capacity \$ 345,800

Snow College **\$ 1,007,000**

- 1 Year Associates Degree \$ 150,000
- Bottleneck Courses (2 FTE's) \$ 165,000
- Advisors (1 FTE) \$ 70,000
- Predictive Analytics Software \$ 70,000
- CTE Director \$ 115,000
- CTE Programs \$ 87,000
- Competency-based Education \$ 200,000
- IT Support for Online \$ 150,000

Dixie State University **\$ 1,683,200**

- Full-time Faculty \$1,230,000
- Public Safety and Cybersecurity \$ 350,000
- Academic Staff/Operations/Facilities \$ 103,200

Utah Valley University **\$ 5,405,300**

- Faculty & Staff to Support Enrollment Growth \$1,312,000
- Retention and Completion Analytics and Interventions \$1,226,300
- Flexible Educational Offerings for Timely Completion \$1,195,000
- Engineering Tech, IT, and Computer Sci. Program Expansions \$ 919,000
- Cybersecurity Infrastructure \$ 753,000

Salt Lake Community College **\$ 3,805,700**

- Academic Success Initiatives \$1,126,800
 - Student Support Services and Programs \$1,344,000
 - Secure Institutional Sustainability \$1,165,000
 - Workforce \$ 169,900
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Section 3: Regents Priorities – College Access Advisors **\$ 3,000,000**

The primary mission of the State Board of Regents is to ensure Utahns have successful access to affordable college opportunities that best fits their needs and interests. This request will expand its Utah College Access Advisors program from 34 high schools to every high school in Utah by fall 2022, for a total of \$7 million on-going funding (\$1 million internal reallocations, \$3 million in FY21, and \$3 million in FY22).

- Utah College Access Advisors Expansion \$3,000,000
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Section 4: Technical Education Funding Priorities **\$ 1,754,200**

The FY 2021 Budget Development Process Guidelines allow USHE schools of applied technology to submit non-credit career and technical education budget requests separately from other requests. The Commissioner's Office intends to work with the legislature to fund these budget requests in connection with UTech institutional budget requests rather than USHE priorities.

Utah State University - Blanding **\$268,900**

- CTE Welding Program \$268,900

Snow College **\$617,300**

- CTE Tuition Offset \$266,300
- Existing CTE Programs (Diesel, CIS, Manufact., Machine, Auto.) \$128,000
- New CTE Programming (Coding, GIS, Information Tech.) \$ 98,000
- CTE Director \$125,000

Salt Lake Community College **\$ 868,000**

- Workforce Development through School of Applied Technology \$868,000
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Section 5: Tuition Funding Priorities **\$ 8,564,700**

The FY 2021 Budget Development Process Guidelines allow institutions to submit needs and priorities beyond the performance funding allocations described in the preceding section. This section describes those institutional priorities which would be funded through tuition increases in the Spring of 2020. These requests will not be forwarded to the governor or legislature, but are provided as information for the Board.

These priorities do not include tuition increases necessary to cover the portion of compensation and mandatory cost increases not covered by state funds.

University of Utah	\$ 3,200,000
▪ Salary Increases/Faculty and Staff Equity and Retention	\$3,200,000
Utah State University	\$ 1,600,000
▪ Campus Safety B	\$ 600,000
▪ Faculty Promotion & Tenure	\$1,000,000
Weber State University	\$ 1,401,000
▪ Retention and Student Success Initiatives	\$ 901,000
▪ Administrative Support	\$ 250,000
▪ Mandated Costs	\$ 250,000
Southern Utah University	\$ 0
Snow College	\$ 150,000
▪ Advancement & Tenure	\$ 150,000
Dixie State University	\$ 1,625,000
▪ Academic Staff/Operations/Facilities	\$ 466,800
▪ Continue Transition to Division I Athletics	\$ 650,000
▪ Student and Administrative Support	\$ 508,200
Utah Valley University	\$ 588,700
▪ Faculty Merit/Rank/Tenure Promotion	\$ 465,000
▪ Risk Management Rate Increases (54%)	\$ 123,700
Salt Lake Community College	\$ 0