



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB B

July 14, 2022

2023-2024 Budget Process Guidelines

One of the primary statutory responsibilities of the Board is to recommend a unified budget request to the governor and legislature for the Utah System of Higher Education. The Board creates the budget request with the dual objective of justifying appropriations for the system consistent with institutional needs and equitably distributing funds to USHE institutions. The budget request includes five categories required by statute: employee compensation, mandatory costs, performance funding, statewide priorities, and enrollment growth. Institutions will use the budget guidelines to develop funding requests for review and approval by the Board in the September 2022 meeting.

Commissioner's Recommendation

The Commissioner recommends the Board approve the budget guidelines and budget framework for the Utah System of Higher Education operating budget requests for the fiscal year 2023-24.

Attachment

USHE 2023-2024 Budget Process Guidelines

The Commissioner's Office developed the following budget guidelines for institutions to follow in creating FY 2023-2024 budget requests for approval by the Board in the September meeting.

Budget Request Alignment with Tuition-Setting Process: The intent of the Board's budget-setting process is to review and account for potential institutional needs such that tuition may be held to minimum or no increases. The Board intends that tuition and fee increases for the 2023-2024 academic year will be minimal and that budget requests will be justifiable.

Mandatory cost increases: The Board will request funding for mandatory cost increases to insurance premiums and other state-provided internal service funds as well as employee health insurance premium increases comparable to state employees. The Board will further request that all mandatory increases be funded entirely from state funds without an obligatory tuition match.

Compensation: The Board will request funds for the same compensation increases to salaries and retirement benefits as other state employees. Institutions may also submit requests for 2023-2024 faculty promotion and tenure adjustments. The Board will request that all compensation increases be funded entirely from state funds without an obligatory tuition match.

Degree-Granting Performance Funding: The Board will request performance funding for degree granting institutions commensurate with state revenues in addition to any revenue available from growth in targeted jobs. Degree-granting institutions shall submit detailed plans for how they will use their portion of the performance funds based on estimates provided by the Commissioner's Office. The Board will make a final budget recommendation for the amount of performance funding in the September meeting.

Growth Funding: The Board will request growth funding for degree-granting institutions as calculated by the Board's growth funding model. Calendar year 2019 annualized end-of-term, budget-related resident FTE will be used as the base to calculate growth in degree-granting enrollment for Calendar year 2022. FTE growth will be adjusted for funding provided by the legislature for FY 2023. Fall 2022 3rd week enrollment numbers will be used in the submission to the Governor's office.

Technical Education Program Growth: The Board will request funding for technical education program growth. USHE institutions with technical education programs shall submit detailed funding requests for programs experiencing significant demand and growth that cannot be accommodated through reductions in programs experiencing decreased demand. The Commissioner's Office will review the requests and, working with the institutions, will refine the requests commensurate with projected state revenues.

Technical Education Equipment: The Board will request funding for technical education equipment that is needed for growing programs. USHE institutions with technical education programs shall submit detailed funding requests for equipment needs that are necessary due to increased program demand. The Commissioner's Office will review the requests and, working with the institutions, will refine the requests commensurate with projected state revenues.

System Priorities: The Board will identify and prioritize strategic initiatives which are administered by the Board and the Commissioner's Office that will further the Board's strategic plan and may impact multiple institutions or benefit the System as a whole.