Policy Updates

May 18, 2023

UTAH
SYSTEM OF
HIGHER
EDUCATION

R312 Roles and Missions

Motion

I move to approve the attached draft of Policy R312. I also move that after the completion of the NCHEMs Community College Study, the Board engage in detailed conversations about the changing demographic and workforce needs of the state and whether institutional roles as currently defined are adequate to meet them.

R315 Geographic Service Regions

Motion

I move to approve the attached draft of Policy R315. I also move to engage in future conversations to identify and address possible gaps in geographic access to higher education within the state.

R401 Approval of New Programs, Program Changes, Discontinued Programs, and Program Reports

Charge

Update Section 7 of Policy R401 in order to lift the moratorium on out-of-role program approvals.

Commissioner's Office Review

- **7.1.3** — The Commissioner's office will conduct a detailed review and analysis of the proposed program to assess labor market demand, the feasibility of partnerships with other USHE institutions with similar programs, regional need, and whether there is an adequate level of support for the new program.

- **7.1.4** — As part of its review, the Commissioner's office will also analyze:
  - **7.1.4.1** — How well the institution proposing the new program is performing in its primary institutional role as measured by: accreditation reviews, the financial feasibility of both the institution and the proposed program, USHE's performance metrics, and other metrics determined by the Board;
  - **7.1.4.2** — Whether the institution has an existing, well-performing program at a lower award level that can be built upon for the out-of-mission award;
  - **7.1.4.3** — Whether the newly proposed program involves transforming a well-performing program that has experienced a shift in the occupational or licensure demands for a higher-level credential requiring the existing program to be scaled up to remain relevant;
  - **7.1.4.4** — Whether existing programs at other USHE institutions can be made available online to students within the requesting institution's service region and/or whether additional seats are needed in existing programs to meet state needs; and
  - **7.1.4.5** — Whether the requesting institution has thoroughly explored partnership with a USHE institution authorized to provide the program and a partnership has been determined to be infeasible.

Board Review

- **7.1.5** — Once they have reviewed the proposed program, the Commissioner's Office will submit the full program proposal and all attendant issues to the Board for review. The Board will review the program proposal and request additional information or consultation as appropriate. The Board will determine whether or not to forward the program proposal to the Board of Higher Education for approval.
  - **7.1.5.1** — The Board may request more information or consultation.
  - **7.1.5.2** — When determining whether to approve a proposed program, the Board shall consider:
    - **7.1.5.2.1** — Whether such a program is the best use of state resources;
    - **7.1.5.2.2** — Whether the program would duplicate existing program(s); and
    - **7.1.5.2.3** — Whether all possibilities of partnership have been exhausted.
  - **7.1.5.3** — It is within the Board's discretion to ask another institution with the appropriate mission to develop a new program in partnership with the requesting institution instead of approving a new out-of-mission program.

Motion

I move to approve the update to Section 7 of Policy R401 in order to lift the moratorium on out-of-role program proposals.

Motion

I move to adopt the proposed amendments to Board Policies R208, *Resource and Review Teams,* and R209, *Evaluation of Presidents*.

Motion

I move to direct the Commissioner's office to prepare an amendment to Board Policy R203 for the Board's consideration at its next meeting. The amendment should generally prohibit an interim or acting president from applying to be a candidate in a USHE presidential search.

Motion

I move to include a priority for a systemwide research focus as part of the Board's strategic plan.

Motion

I move to adopt the Resolution on Freedom of Expression.

State Aid Policy Revision Summary Proposed New Policies (5)

New programs created by the Legislature:

- R627, First Responder Mental Health Services Grant

- R607, Prime Program Grant

- R617, Karen Mayne Public Safety Officer Scholarship Program

- R625, International Internship Scholarship Pilot Program

Existing program without Board policy:

- R628, WICHE Professional Student Exchange Program

State Aid Policy Revision Summary Proposed Revised Policies (8)

Programs modified by the Legislature:

- R611, Veterans Tuition Gap Program
- R614, Public Safety Officer Career Advancement Grant Program
- R620, Utah Promise Program Grant
- R624, Utah Promise Partners Program

Suggested clarifications:

- R606, USHE Employee Partner Scholarship
- R608 Opportunity Scholarship
- R616, Adult Learner Grant Program
- R621, Terrel H. Bell Education Scholarship Program

State Aid Policy Revision Summary Proposed Retired Policies (7)

Obsolete state aid programs:

- R603, Terrel H. Bell Teaching Incentive Loan Program
- R605, Higher Education Success Stipend Program
- R615, Talent Development Incentive Loan Program

Obsolete UHEAA programs:

- R612, Lender Participation
- R618, UHEAA Grant
- R626, Lender-of-Last Resort Program
- R650, Lender Certification of Obligations

Commissioner's Recommendation

The Commissioner recommends the Board of Higher Education approve the proposed creation, revision, or elimination of these 22 policies.

State Aid Policy Revisions
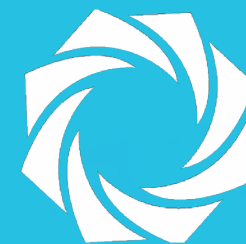
UTAH SYSTEM OF HIGHER EDUCATION

Motion

I move to approve the proposed creation, revision, or elimination of these 22 policies.

Promise Scholarship Allocation
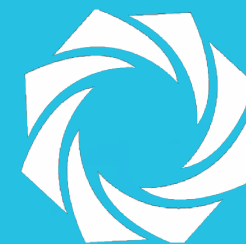
UTAH SYSTEM OF HIGHER EDUCATION

RY 2024 Promise Scholarship Funding

Funding Source	Estimated Amount
Utah Promise Program	$3,665,800
Student Financial Aid	$630,129
New Century (ongoing)	$1,983,900
New Century (one-time)	$6,000,000
Promise Partner	($750,000)
Administrative Expenses	($94,829)
Total	**$11,435,000**

Promise Scholarship Allocations (FY 24) USHE Degree-Granting

Institution	FY 24 Allocation (est.)	FY 23 Allocation	Difference
Salt Lake CC	$ 1,072,300	$ 365,050	$ 707,250
Snow College	293,200	99,800	193,400
Southern Utah University	828,700	282,100	546,600
University of Utah	1,290,800	439,500	851,300
Utah State University	1,541,300	524,700	1,016,600
Utah Tech University	617,600	210,250	407,350
Utah Valley University	2,476,800	843,300	1,633,500
Weber State University	1,291,900	439,900	852,000
Total	**$ 9,412,600**	**$ 3,204,600**	**$ 6,208,000**

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Utah Valley University	2,476,800	843,300	1,633,500
Weber State University	1,291,900	439,900	852,000
Total	**$ 9,412,600**	**$ 3,204,600**	**$ 6,208,000**

Promise Scholarship Allocations (FY 24) USHE Technical Colleges

Institution	FY 24 Allocation (est.)	FY 23 Allocation	Difference
Bridgerland	$ 27,500	$ 9,400	$ 18,100
Davis	56,000	19,100	36,900
Dixie	33,900	11,600	22,300
Mountainland	34,200	11,700	22,500
Ogden-Weber	52,000	17,700	34,300
Southwest	21,300	7,300	14,000
Tooele	16,100	5,500	10,600
Uintah Basin	9,400	3,250	6,150
Total	$ 250,400	$ 85,550	$ 164,850

Promise Scholarship Allocations (FY 24) Non-USHE Degree-Granting

Institution	FY 24 Allocation (est.)	FY 23 Allocation	Difference
Brigham Young University	$ 1,029,300	$ 364,400	$ 664,900
Ensign College	62,200	20,050	42,150
Western Governors Univ.	629,500	213,350	416,150
Westminster College	51,000	23,600	27,400
Total	**$ 1,772,000**	**$ 621,400**	**$ 1,150,600**

Commissioner's Recommendations

The Commissioner recommends the Board of Higher Education :

- Allocate both the ongoing appropriation for the New Century Scholarship and $6 million from the New Century Scholarship fund balance to the Utah Promise Program.

- Authorize institutions to carry forward allocations from the $6 million New Century fund balance until June 30, 2026.

Promise Scholarship Allocation
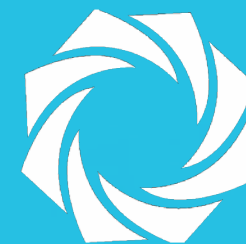
UTAH
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HIGHER
EDUCATION

Motion

I move to:

1. Allocate both the ongoing appropriation for the New Century Scholarship and $6 million from the New Century Scholarship fund balance to the Utah Promise Program.

2. Authorize institutions to carry forward allocations from the $6 million New Century fund balance until June 30, 2026.

Motion

I move to approve the proposed Authorizing Resolution to issue General Revenue bonds for Utah State University.

Motion

I move to approve the proposed Authorizing Resolution to issue General Revenue bonds for the University of Utah.

Motion

I move to adopt the proposed revisions to policies R701, R741, R742, R744, and R745.

Motion

I move the Board does not newly review and prioritize institution non-dedicated project requests for Fiscal Year 2025.

Motion

I move to adopt the proposed revisions to policies R821 and R824.

Motion

I move to approve the Consent Calendar.

Motion

I move to approve the Resolution of Appreciation for the Utah Board of Higher Education.

How We Measure Workforce Outcomes

- **Attainment Goal—Workforce Alignment**
  - Assesses degree and award alignment to workforce needs
  - Workforce needs measured by DWS, using methodologies developed by BLS
  - Workforce need is signaled by occupational growth and wages
- **Workforce Outcomes**
  - Match Utah wage records from DWS to graduation records at USHE
  - Student earnings and industry of employment
- **Census Bureau's PSEO Project**
  - Same approach as workforce outcomes
  - National coverage
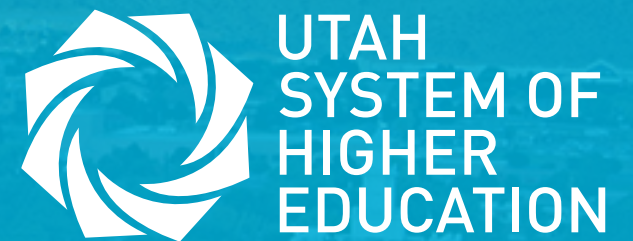
Mission & Purpose

Talent Ready Utah was legislatively created in 2018 in the Governor's Office of Economic Opportunity to be an industry-facing department to collaborate with industry, education, and government to align educational programs to workforce demands.

Our role is to engage with and convene industry, education, and other stakeholders to create, expand, and align short-term and long-term workforce training & education solutions.

Education

Government

Industry

UTAH SYSTEM OF HIGHER EDUCATION
TALENT READY UTAH
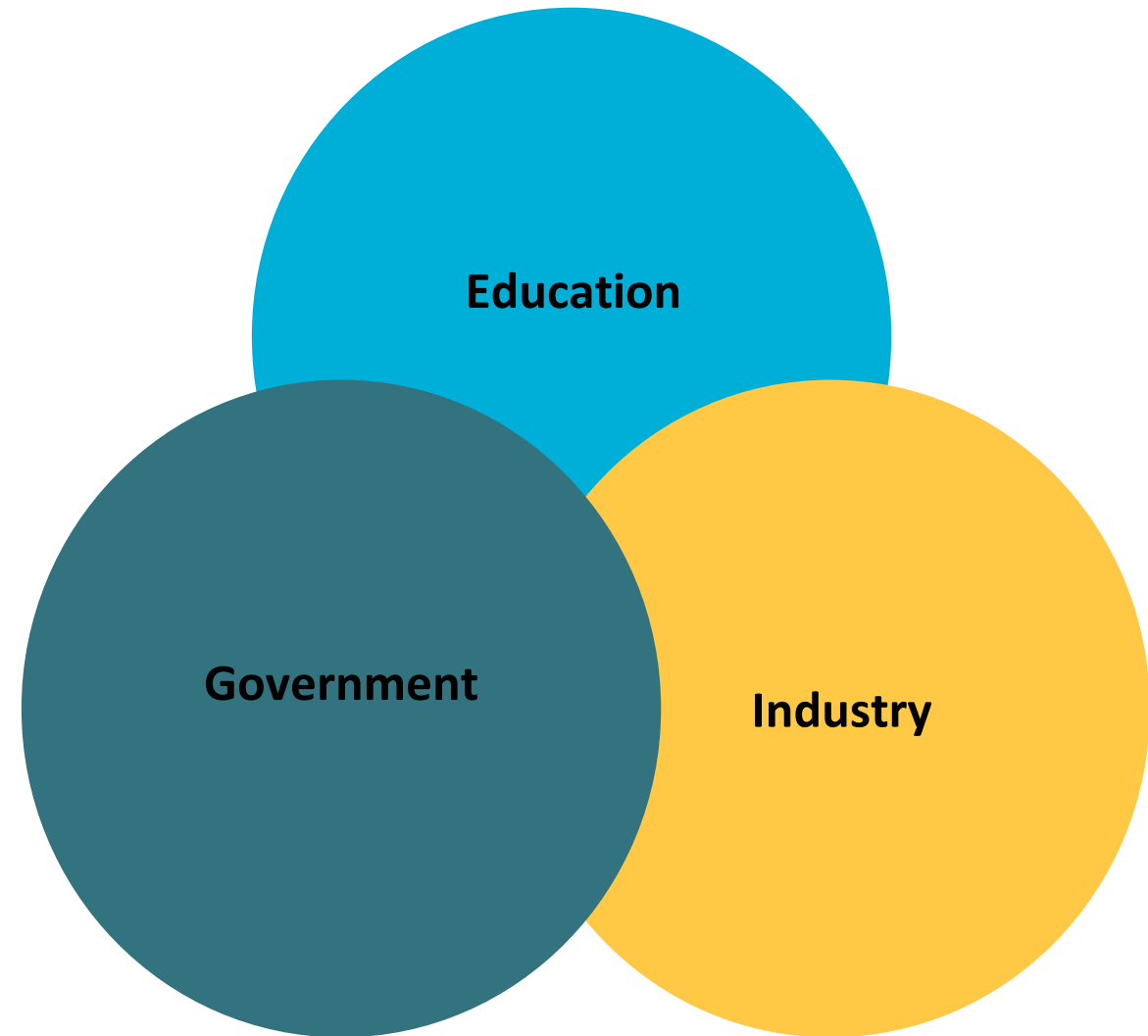
The Talent Ready Utah Story

- Senator Ann Millner, Chair
- Representative Jefferson Moss
- Brittney Cummins - Gov's Education Advisor
- Ryan Starks - GOEO Executive Director
- Casey Cameron - DWS Executive Director
- Margaret Busse - Commerce Executive Director
- Dave Woolstenhulme - Commissioner of USHE
- Syd Dickson - Superintendent of USBE
- Jim Moss - State School Board
- Joshua Aikens - Zonos, Chief of Staff
- Chuck Taylor - SyberJet, CEO
- Jake Hinkley - Sunroc, Director of Workforce
- Erin Casale - Qualtrics, Director of Customer
- Rick Allen - BAE, VP
- Heather Brace - Intermountain Health, SVP
- Aaron Skonnard - Pluralsight, CEO
- Trina Eyring - ZBC, VP
- Sidni Shorter - CEO Black Chamber
- Derek Miller - CEO SLC Chamber
- Juan Pascua - CEO Hispanic Chamber

Strategic Plan - Workforce Pillar Strategies

1. Engage industry to align education with workforce demands that result in career placements.

2. Initiate industry feedback loops with the Utah Board of Higher Education.

3. Develop legislative priorities, policies, and funding requests for workforce development programs.

4. Increase stakeholder collaboration to develop and promote workforce programs.

5. Increase student participation in high-quality Work-Based Learning.

UTAH SYSTEM OF HIGHER EDUCATION
TALENT READY UTAH

Results of a Talented Workforce

Best Economic Outlook

Utah ranked #1 for the 16th year in a row

Rich States Poor States — April 2023

Best Economy

Utah ranked the nation's best economy and #3 overall

U.S. News & World Report — April 2023

#1 State for GDP Growth

Utah #1 for GDP Growth (2021)

Forbes — August 2021

Best State to Start a Business

Utah is the #1 best state to start a business

WalletHub — January 2023

#2 Best Employment

Utah was determined the #2 best state for job opportunities

U.S. News & World Report — August 2022

#1 State Economy

Utah ranked #1 for best economy

WalletHub — June 2021

Results of a Talented Workforce

Best-Performing Large Cities

Best-Performing Cities 2022

#1 — Provo-Orem
#3 — Salt Lake City
#13 — Ogden-Clearfield

Milken Institute — March 2022

Best-Performing Small Cities

Best-Performing Cities 2022

#1 — Logan
#2 — St. George

Milken Institute — March 2022

#1 State for the Middle Class

Utah #1 for the middle class

SmartAsset — April 2022

#3 State with the Most Civic Engagement in Racial Equality

Utah #3 for racial equality

WalletHub — June 2022

Stakeholders

Customers

Education

Students

Industry

UTAH SYSTEM OF HIGHER EDUCATION
TALENT READY UTAH

Customer Value Stream

Students

Education

Industry
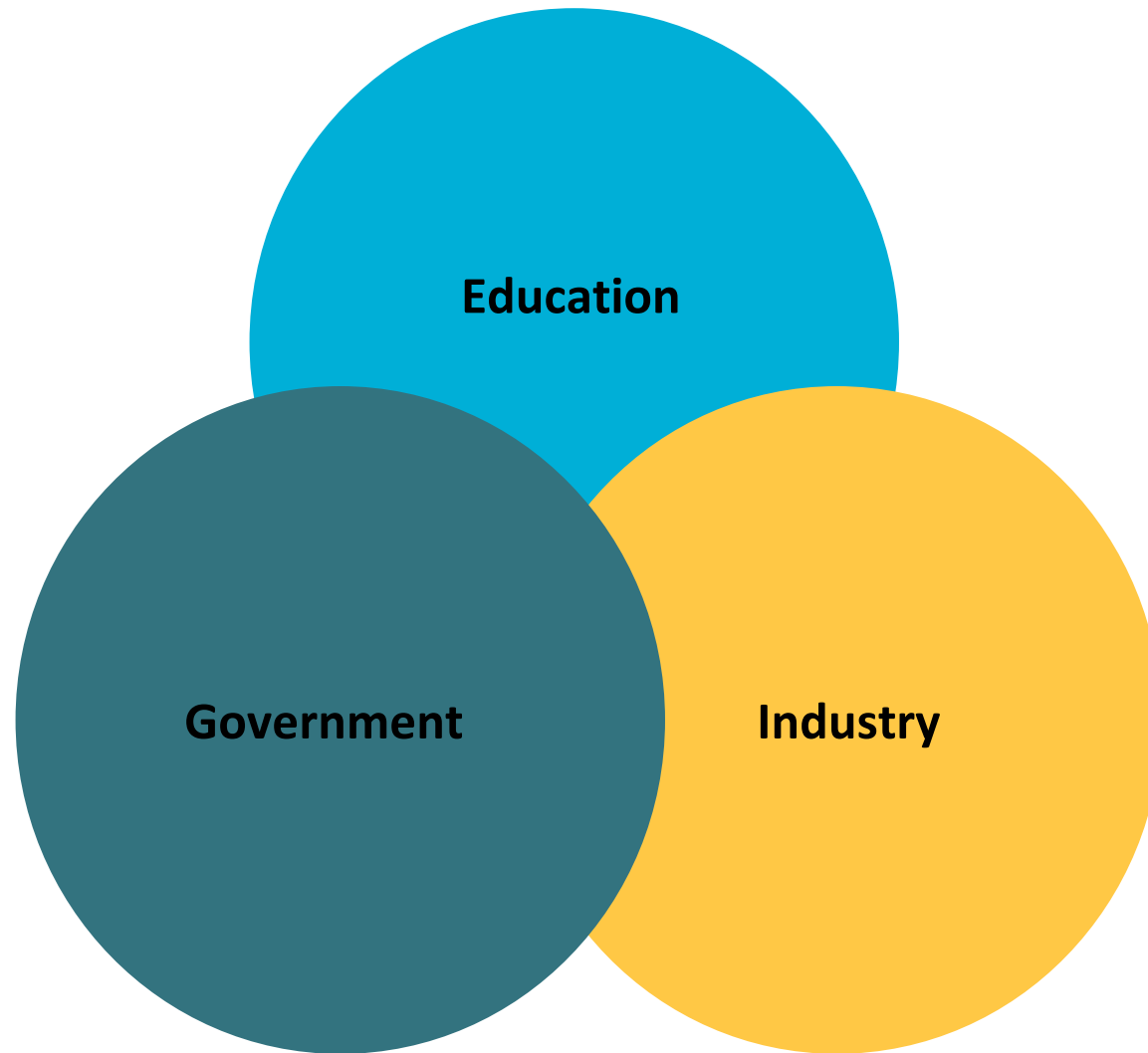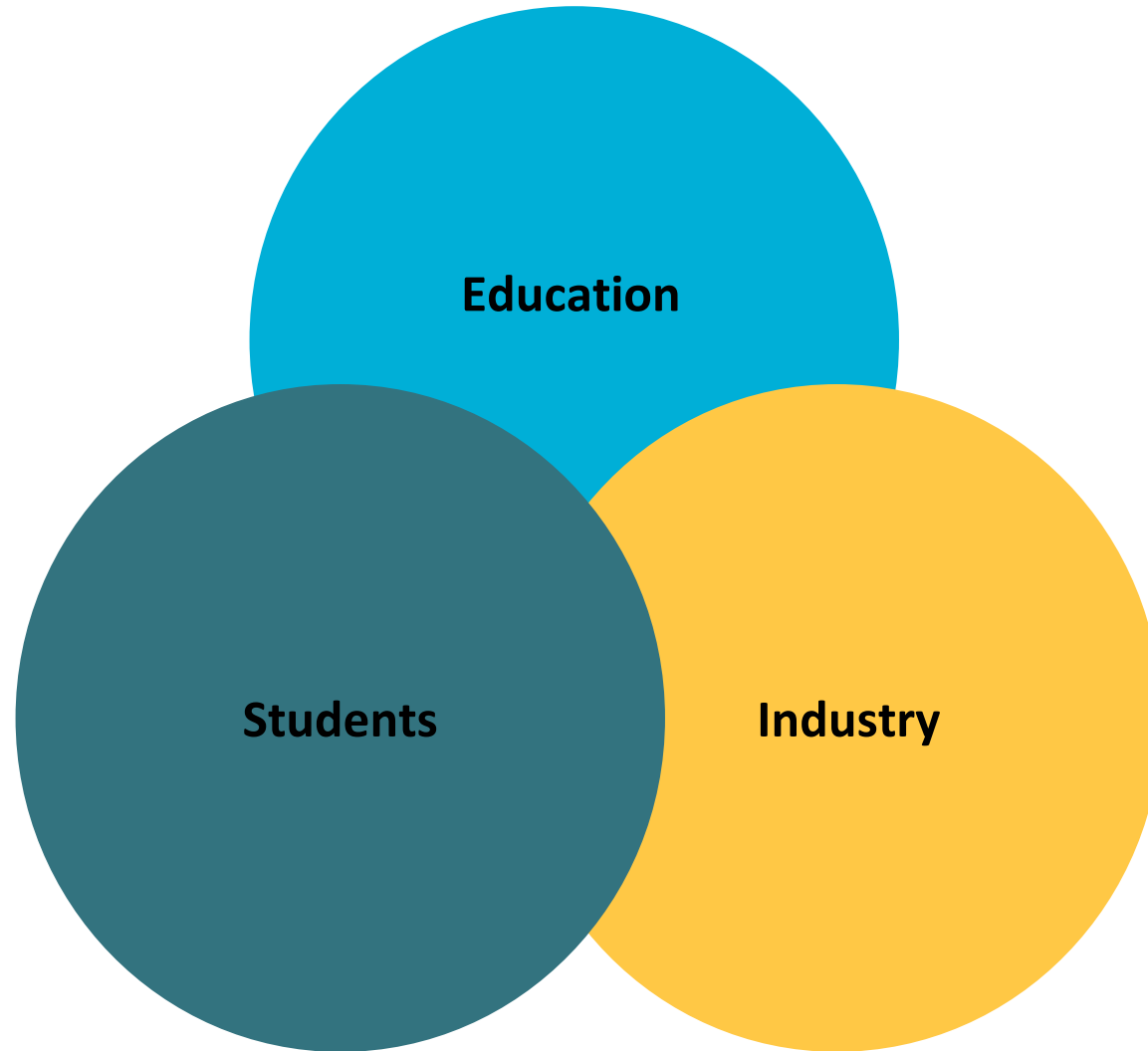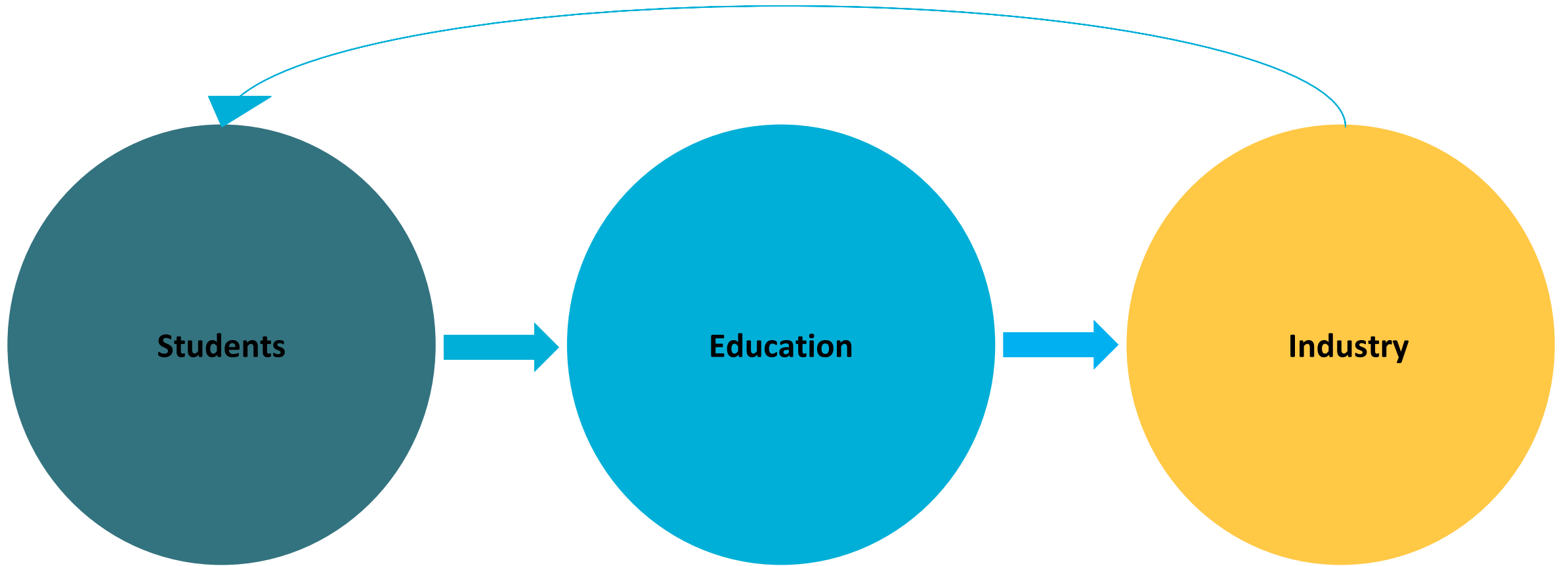
Input Customers

They pay to be educated to change their ability to have economic mobility

Output Customers

They pay for an educated student that can add value to an organization

Alignment
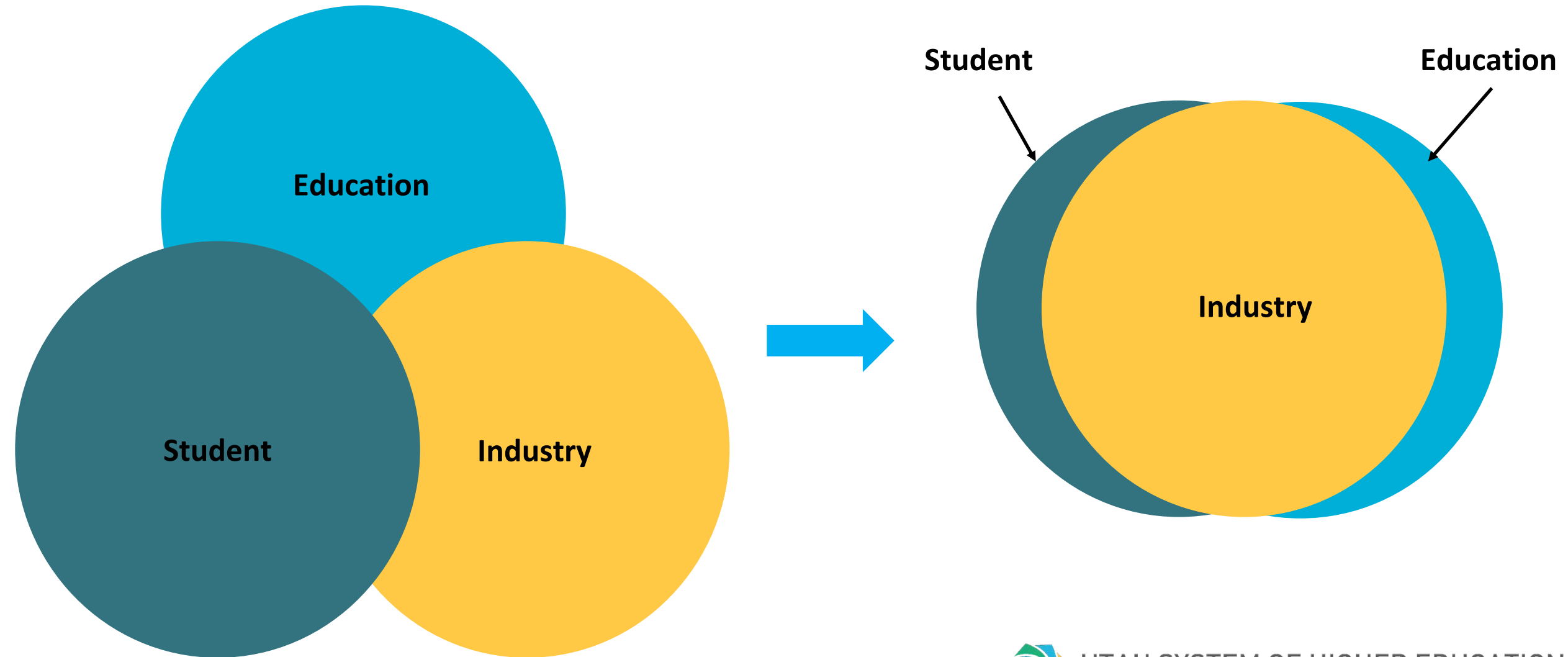
Targeted Workforce Development

FY24 Legislative Session

2023 Legislative Session

Targeted Workforce Development – Computer Sciences - 42% Growth
 - $5.5M ongoing – Governor's Budget
 - $4.5M ongoing – Higher Ed Appropriations
 - $4.5M ongoing - EAC

Targeted Workforce Development – Healthcare Programs – 27%
 - $6M ongoing – Governor's Budget
 - $4.5M ongoing – Higher Ed Appropriations
 - $4.5M ongoing - EAC

2023 Legislative Session

HB 555 – Talent Ready Utah Modifications

- Workers' Compensation Medical Benefit & Liability
- Provides funding for a Talent Ready Utah position
  - USHE to serve as Apprenticeship Intermediary
  - Position focused on expanding and sustaining programs

Computer Science for Utah

$8M ON-GOING requested

$3M ON-GOING $5M ONE-TIME approved

Representative Moss

Vic Hockett – Talent Ready Utah
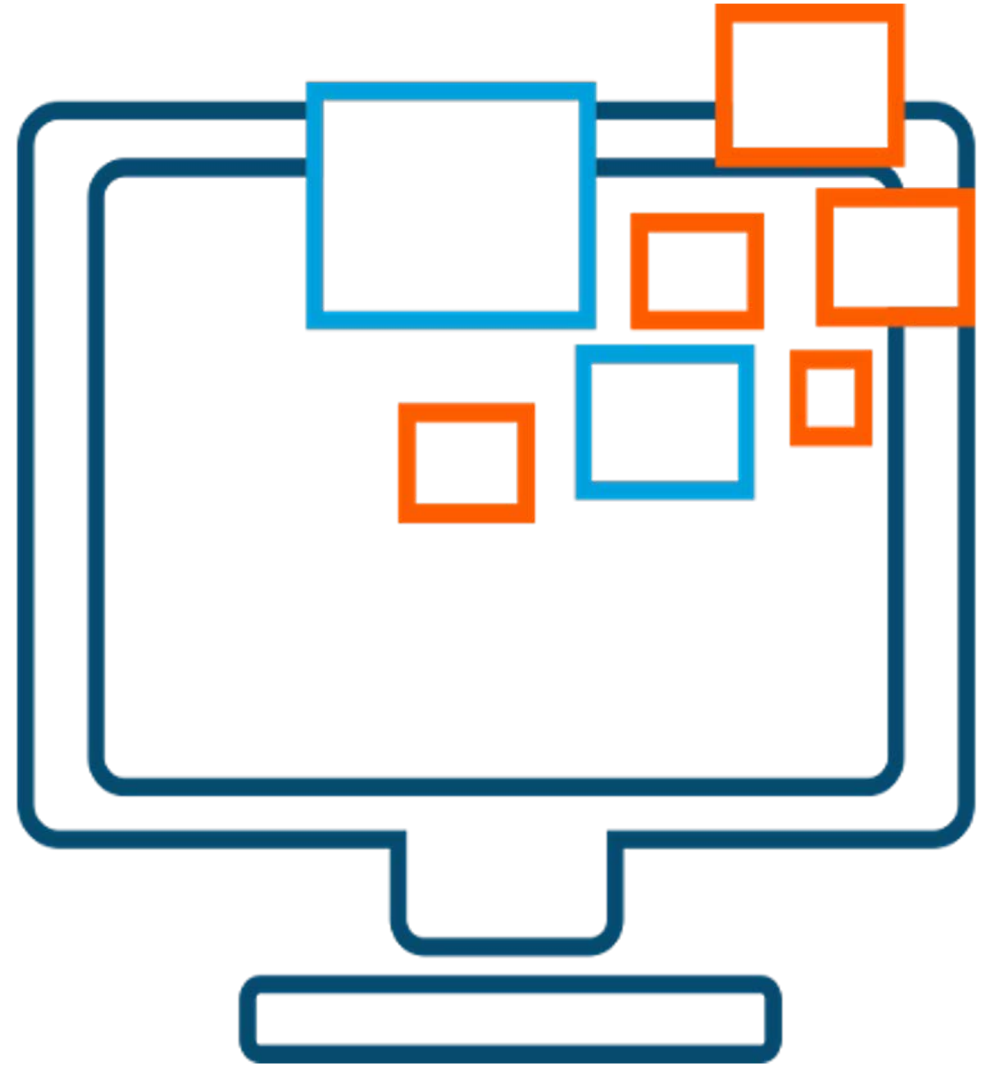
FEDERAL INITIATIVES

- BioMADE and DoD
- Hydrogen Hubs
- NSF Engines / ASPIRE USU
- EDA / TRU Recompete
- EDA / TRU & Innovation Point
- DOE State Energy Program
- Pell Grant Eligibility
- Congressional HC Funding

Talent Ready Utah Programs

Higher Education Programs
- Learn & Work
- Utah Works
- Return-To-Work
- Talent Ready Connections
- Healthcare Workforce Initiative
- Emerging Tech / Deep Tech
- Targeted Workforce Development*
  - Healthcare
  - Computer Sciences

K-12 Programs
- Utah Adopt-A-School
- Talent Ready Pathways
  - Utah Aerospace Pathway
  - Utah Rotor Pathway
  - Utah Diesel Tech Pathway
  - Medical Innovation Pathway
  - Utah's Architecture, Engineering, & Construction Pathway
- Computer Science Master Plan
- Computer Science for Utah Grants

Talent Ready Utah
K-12 Initiatives

Rachelle Ackley, Program Director

UTAH SYSTEM OF HIGHER EDUCATION

Computer Science Master Plan & Grant Program

Kristina Yamada, CTE Education Specialist, Utah State Board of Education

K12 Computer Science for Utah

Kristina Yamada
Kristina.Yamada@schools.utah.gov

Updates on our journey to Computer Science for all students K-12

Currently in Year 2:

- We received $8M One-time funds
- 33 School Districts + 19 Charter Schools currently participating
- *+1 - Salt Lake City School District has just been approved to participate
- USBE Board Rule R277-473 will be revised this year
  - This is the rule that put a maximum amount that all LEA's could apply for
- Teacher endorsements are up

For SY24:

- We have received $3M On-going and $5M One-time Funds
- We are EXCITED to receive a portion of On-going Funds
- We hope the last seven school districts will come on board next school year

Talent Ready Utah Pathways

Work-Based Learning Partnerships

Program	Student Participants
UAP	467
UDTP	784
MIP	187
UAEC	288
URP	32 Schools, 13 Counties
TSP	9 - Launched 2021

Utah Aerospace Pathways Program

Jordan Hill, UAP Chair, Global Leader of Learning & Talent Development, Boeing Company

Tech Sales Pathway Program

Danette Pulley, Vice President of Community Growth, Foundation Executive Director, MarketStar

Work-based Learning Partnership

Enrollment

Launched Spring '22
- 32 students
- 3 semesters
- 3 school districts
- 9 high schools

29 of 32 students have express interest in seeking employment at MarketStar upon graduation

- **Program:** Tech Sales Pathway

- **Industry Partner:** ★ MarketStar.

- **Purpose:** Prepare for sales careers in social media, SAAS, Digital Ads, IT & Cloud Services

- **Education Partners:** Davis, Ogden and Weber School Districts, Ogden-Weber and Davis Technical Colleges, Weber State University

- **Collective Student Experience:**
  - **845** hours of sales education
  - **790** hours of hands-on industry skill instruction
  - **560** hours receiving mentorship and coaching
  - **170** hours of professional / career development with talent recruitment

- **Industry Mentorship: MarketStar employees provided**
  - **90** hours per student with industry coaching and mentorship
  - **2,880** industry hours spent training our future leaders

- **Program Evolution:** Due to feedback from students in the first two semesters, the program was redesigned to a project-based learning format that included six unique industry projects with client teams
  - 15 new sales email templates generated | Google Cloud ISV
  - 5 new customer personas identified | Pinterest
  - 6 new sales training videos developed | PagerDuty
  - 5 new sales reference resources produced | Veritas Technologies & Commvault
  - 2 new approaches identified to selling a product | Reddit
  - 1,749 leads identified for a client

Sara-Ashley Adkins
Senior, Weber High School
Weber School District
TSP Spring 2023 Graduate

TECH SALES PATHWAY
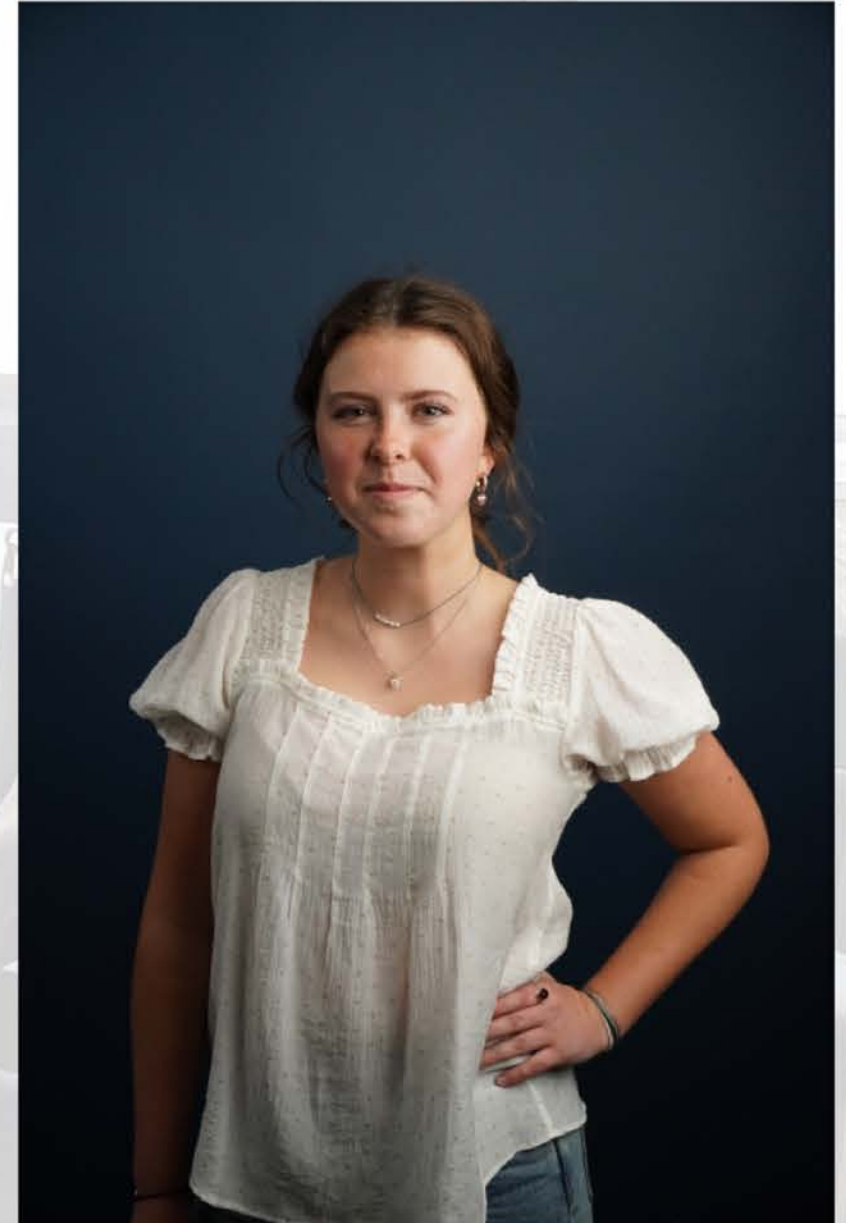
★ MarketStar.

A Student Perspective: What I learned at MarketStar

Dyson Haven, Junior
Woodscross High School, Davis School District

FY 24 Continuous Improvement
Statutory Role

Developing Work-Based Learning Partnerships
- LifeSciences
- Financial Services

Emerging Talent Needs
- Bioindustrial Manufacturing
- Partnership with BioMADE and Utah STEM Action Center

Talent Ready Apprenticeship Connections (TRAC)
- Increasing Youth Apprenticeships through HB 555
- Systemwide Intermediary

FY 24 Continuous Improvement
Strategic Plan

Strategy: Increase student participation in high-quality Work-Based Learning.

    A.   Develop a process to create and expand TRU K-12 workforce programs to increase access of WBL in underserved communities.

    B.   Expand the Utah Adopt-A-School program assigned by Governor Cox to increase K-12 student access to work-based learning.

    C.   Create a framework and processes to define system-wide practices for increased participation and reporting of work-based learning activities.

Work-Based Learning Partnerships

Processes for Development & Expansion

- Leveraging K-12 Educational Training Programs

- Utilizing K-12 Work-Based Learning Programs

- Engaging Industry for Program Alignment

- Creating On and Off Ramps to Careers and Continued Education
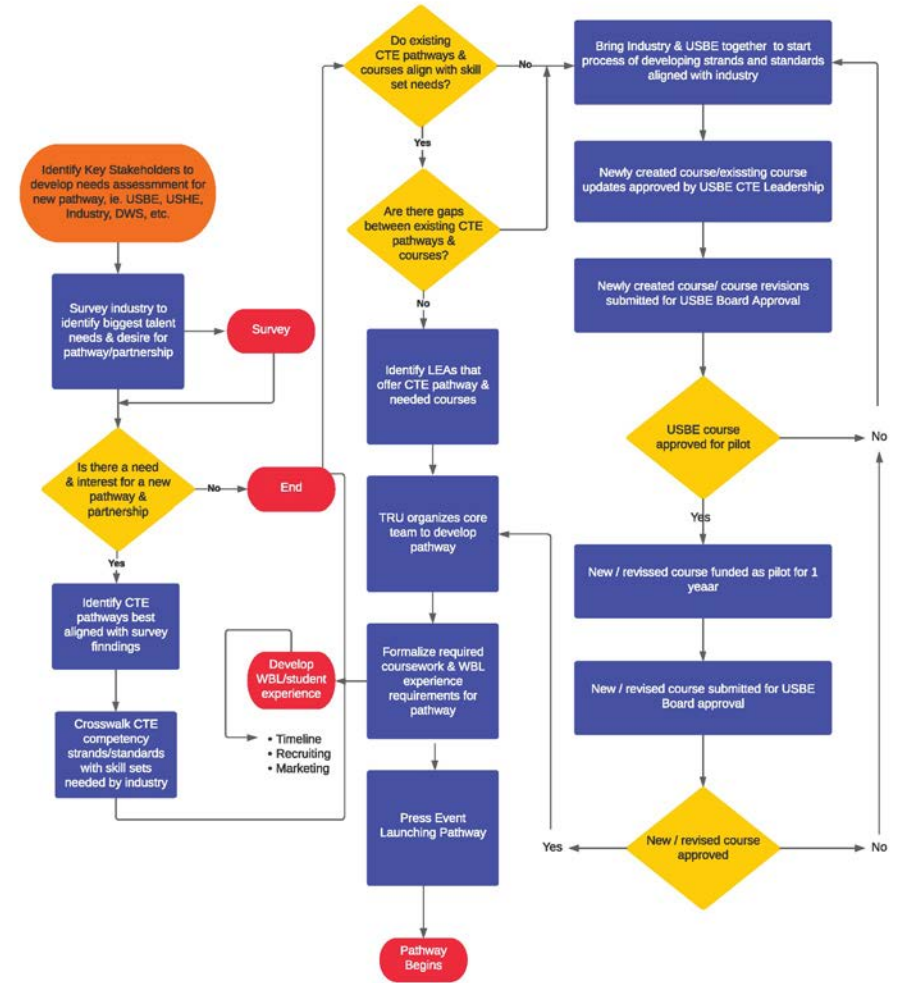
Utah Adopt-A-School

Increasing Access to Opportunity

How it Works

STEP 1

Sign up in minutes

Schools and Businesses can get access in just a few easy steps.

STEP 2

Find programs

Businesses can browse schools and connect with specific needs.

STEP 3

Approve connections

Schools approve connections with local businesses.

STEP 4

Begin your partnership

Schools and Businesses work together to create lasting benefit.
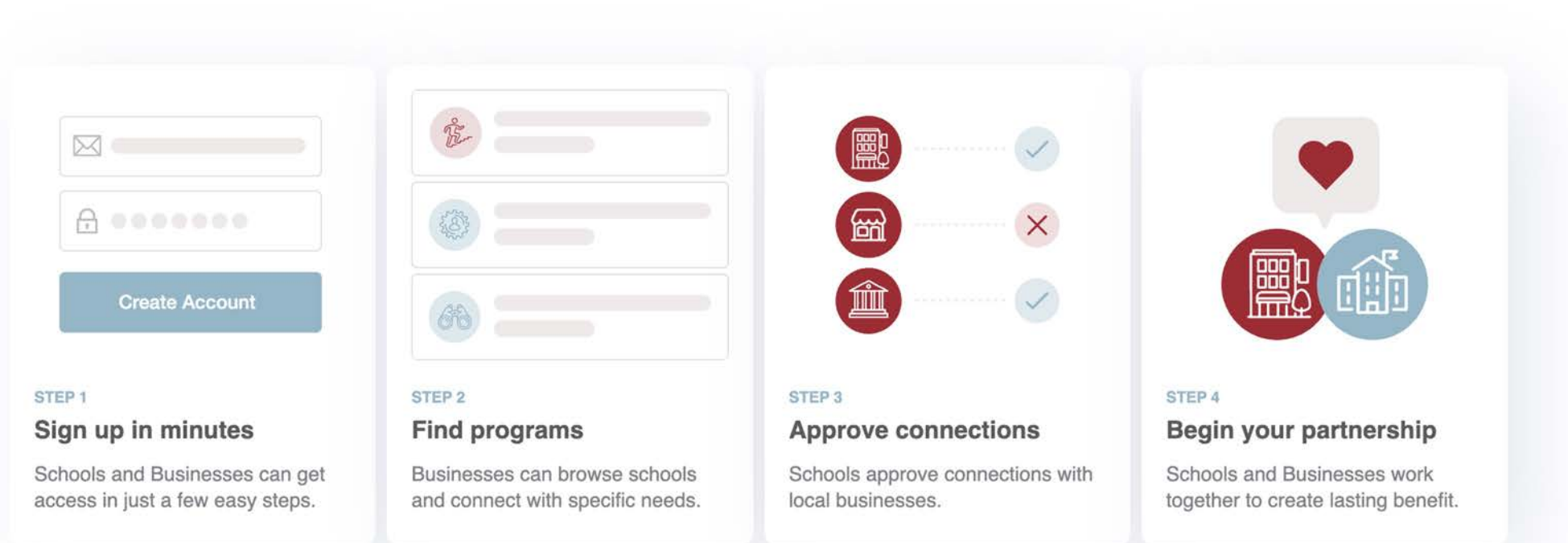
GET STARTED

Work-Based Learning Policy Preview

Strategic Goal: Increase the completion rate of graduates in high-demand, high-wage programs by 7% in 5 years. Increase the completion rate of underrepresented groups in programs aligned with high-wage, high-demand jobs by 8% in 5 years.

Strategy: Increase student participation in high-quality Work-Based Learning

Tactic: Create a framework and processes to define systemwide practices for increased participation and reporting of work-based learning activities.

Talent Ready Utah
Higher Education Initiatives

Peter Reed, Program Manager

UTAH
SYSTEM OF
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EDUCATION

Learn and Work

Funds Invested: **$36.5M**

Programs Funded: **395**

Students Served: **12772**

Healthcare Workforce

Funds Invested: **$2M**

Programs Funded: **13**

Students Served: **2497**
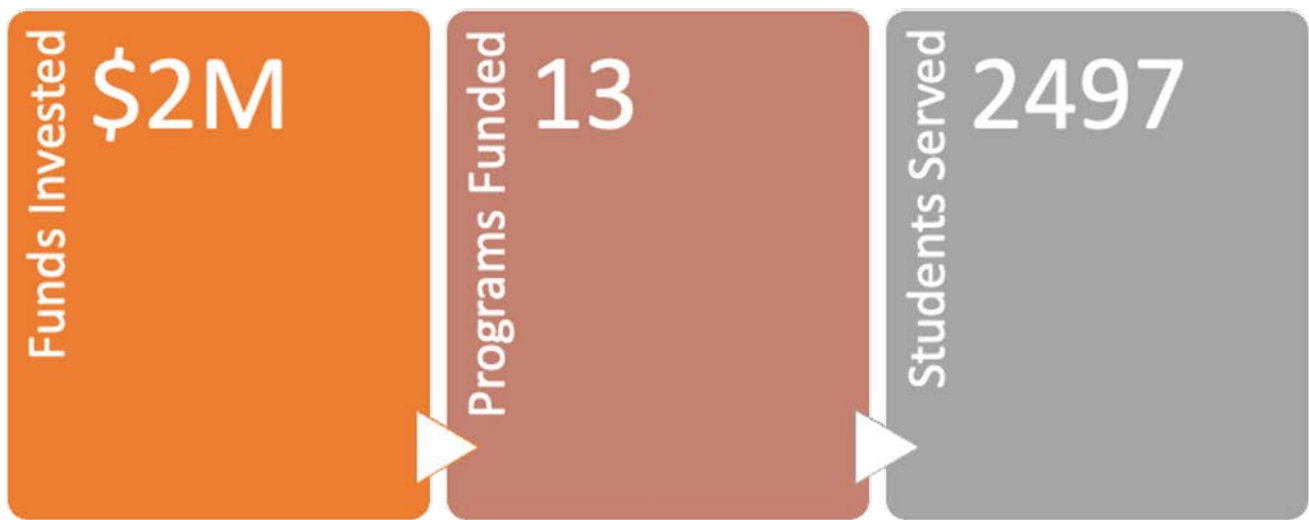
Healthcare Workforce Initiative

"The Nursing Assistant Program at **Dixie Tech** is wonderful. I had been out of school for more than 26 years. I was so afraid to enter the program because I thought I might not be capable of retaining and learning new information. Fortunately, it has been a great experience for me. I have been surrounded by excellent instructors that have helped me succeed and spent extra time to help me understand. Everyone is so kind and helpful. I love **Dixie Tech**."

-Maria Mendez, NA Student

Utah Works

Rick Bouillon, Associate Vice President
Workforce & Economic Development
Salt Lake Community College

Funds Invested $8M

Programs Funded 18

Students Served 976

MODEL AND OUTCOMES

TYPES OF TRAINING

- Aerospace Assembly Composites
- Aerospace Assembly Metals
- Certified Nursing Assistant
- Composites Technician
- Electric Rail Tech
- ESL for Manufacturing
- Injection Molding
- Mechanical Rail Tech
- Thermoforming Technician

INDUSTRY PARTNERS

MERIT MEDICAL

BOEING

ALBANY
Engineered Composites

BIOMERIEUX

STADLER

BIOMERICS

KADDAS
ENTERPRISES INC®

icu medical

KIHOMAC

NAMMO

AEROVAC
COMPOSITES ONE

UTAH WORKS

STUDENTS SERVED

Utah Works Enrollment - **Race & Ethnicity**

Amer Indian	Asian	Black	Not Identified	Pac Isl/Nat Haw.	Two or More Races	White	Hispanic
2%	5%	3%	12%	1%	8%	70%	25%*
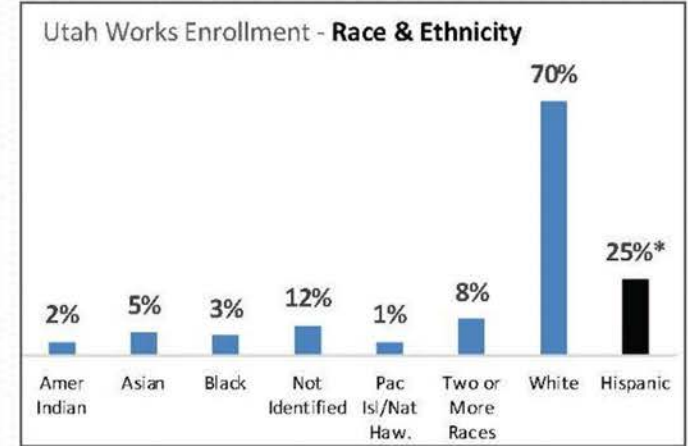
* Please note Utah Works has reached a 25% Hispanic population, as this is the minimum threshold required to be classified as a Hispanic Serving Institution in our area.

Utah Works Enrollment - **Gender**

- Male 78%
- Female 20%
- No answer 2%
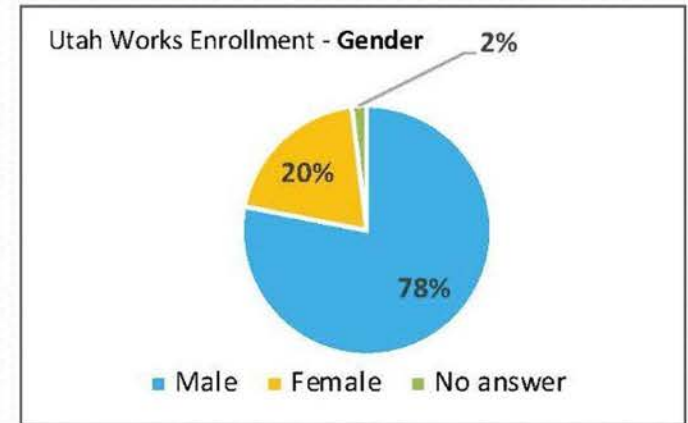
IMPACT

Utah Works programs have served more than **650** students since the **2021** award. In an environment of extremely low unemployment, that is a notable number. A highlight of the program is the recent addition of English as a Second Language training for Merit Medical employees. This program has trained more than **280** employees since its development in the last year, addressing critical language skills that ensure safety and productivity.

Workforce &
Economic Development
SALT LAKE COMMUNITY COLLEGE

Talent Ready Connections

President Taggart, Ogden-Weber Technical College
Beth Rhodes, Weber State University

Funds Invested **$6M**

Programs Funded **15**

Students Served **899**
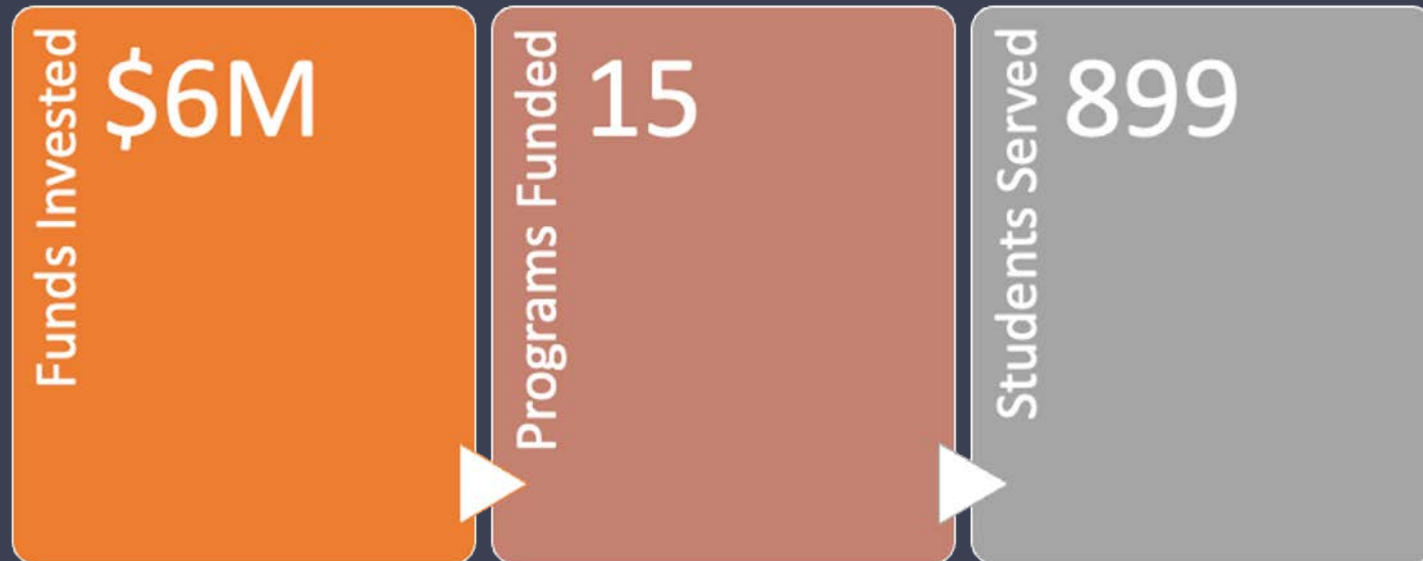
Deep Technology Talent Initiative

Curtis Pendleton, Utah Valley University
Aaron Davis, Utah Tech University

Funds Invested **$15M**

Programs Funded **11**

Students Served **260**
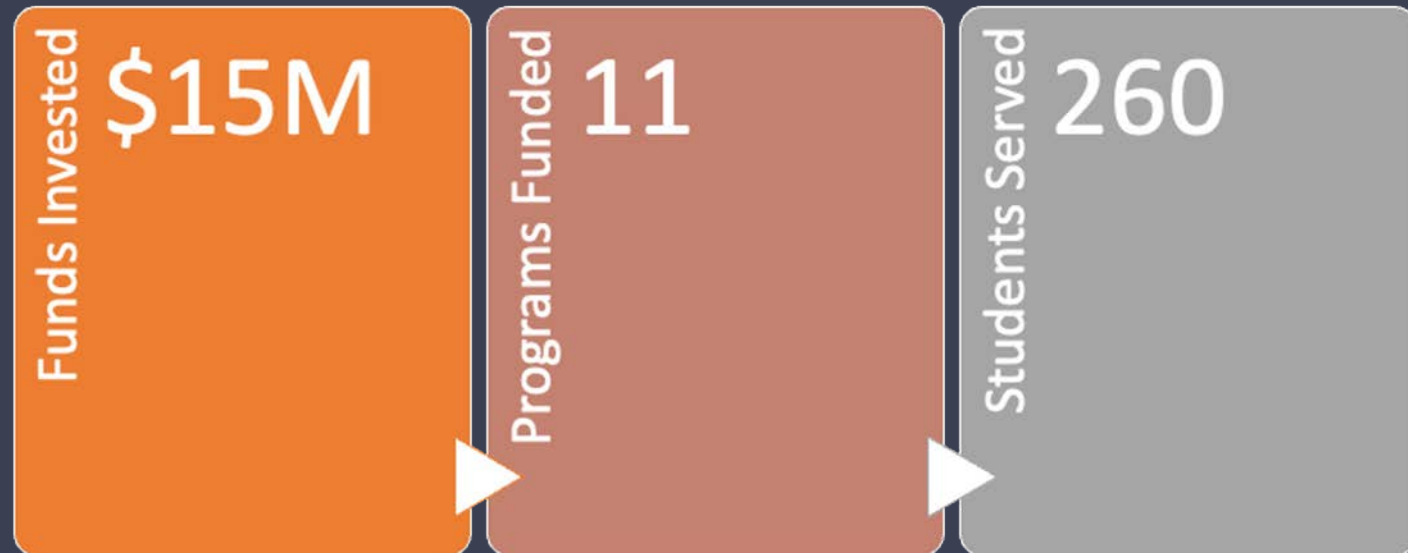
Return to Work

Aimee Edwards, BioHive, Women in Technology and Science

UTAH
SYSTEM OF
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EDUCATION

FY 24 Continuous Improvement

Define
- Industry Feedback
- What is the workforce need

Measure
- Industry Feedback
- How many positions/and where are they needed

Analyze
- Is there current capacity
- Gap Analysis

Improve
- Initiative
- Funding
- Create/Expand Programs

Control
- Performance Reporting
- Industry Feedback
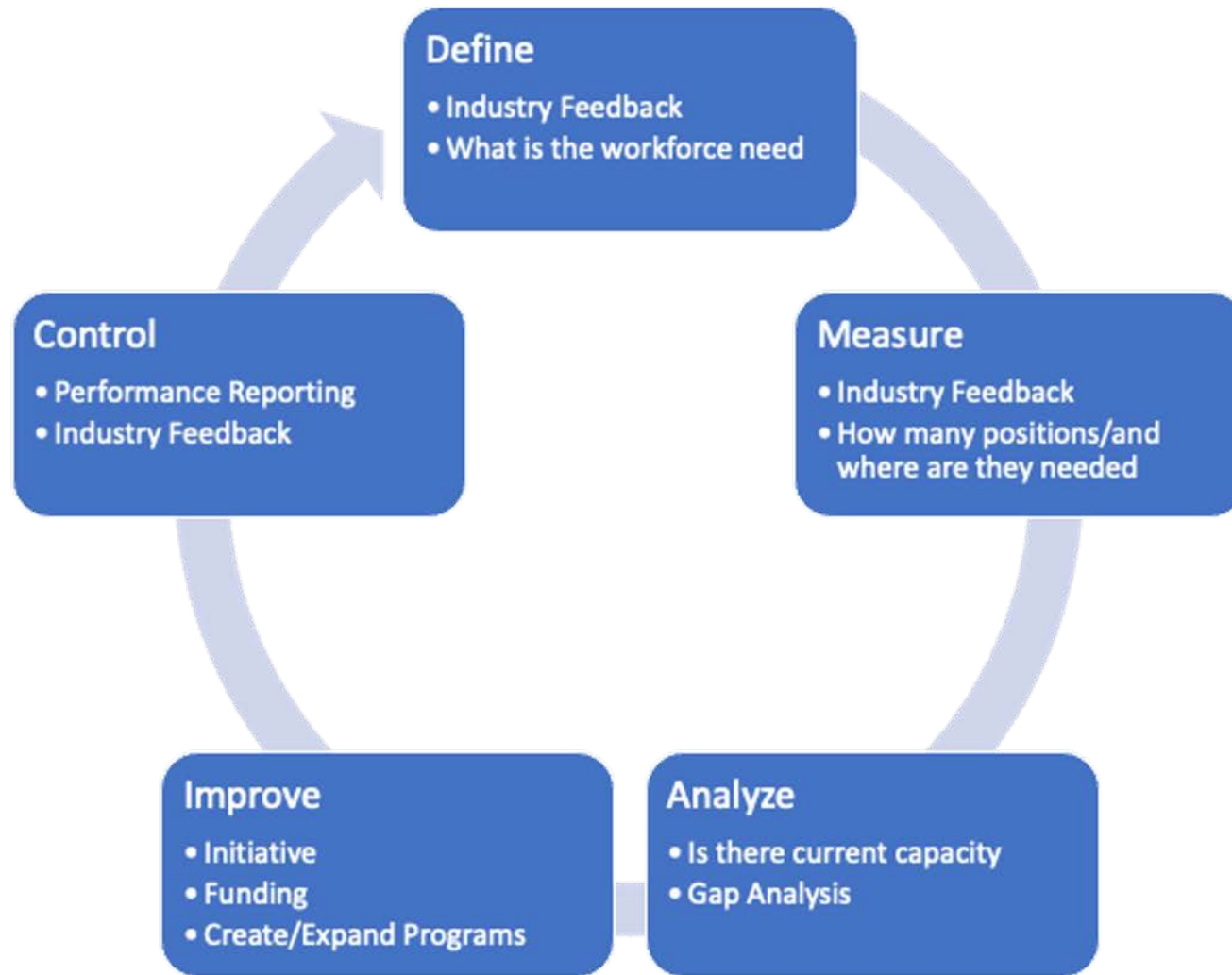
Targeted Workforce Development Initiatives

Healthcare

Computer Science

Grants and Initiatives Process Map

Project Charter | RFP Development | Technical Assist | Proposal Review | Awards | Reporting | Evaluation

DMAIC - Improve and Control

Talent Dashboard

Education Panel

Dave Woolstenhulme

Commissioner, Utah System of Higher Education

Sydney Dickson

Superintendent, Utah State Board of Education

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President, Davis Technical College

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President, Southern Utah University

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Chief Economist, Utah System of Higher Education

Government Panel

Natalie El-Deiry

Director of Immigration & New American Integration, Governor's Office of Economic Opportunity

Greg Paras

Deputy Director, Department of Workforce Services

Stephanie Frohman

SVP of Strategy and Partnerships, Economic Development Corporation of Utah

Jeff Shumway

Director of the Office of Professional Licensure, Department of Commerce

Industry Panel

Rick Allen & Scotty Nowlin

Vice President of ASFA Strategic Systems, BAE Systems

Marguerite Samms

Vice President & Chief Learning Officer, Intermountain Health

Jake Hinkley

Director of Workforce Development, Sunroc

Sidni Shorter

CEO, Black Chamber of Commerce

THANK YOU

UTAH SYSTEM OF HIGHER EDUCATION
TALENT READY UTAH

Institution Budget Stress Testing

May 18, 2023

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SYSTEM OF
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EDUCATION

Assessing Institution Fiscal Health

Scale for Charting Comprehensive Financial Index Performance: Strategic Financial Analysis for Higher Education
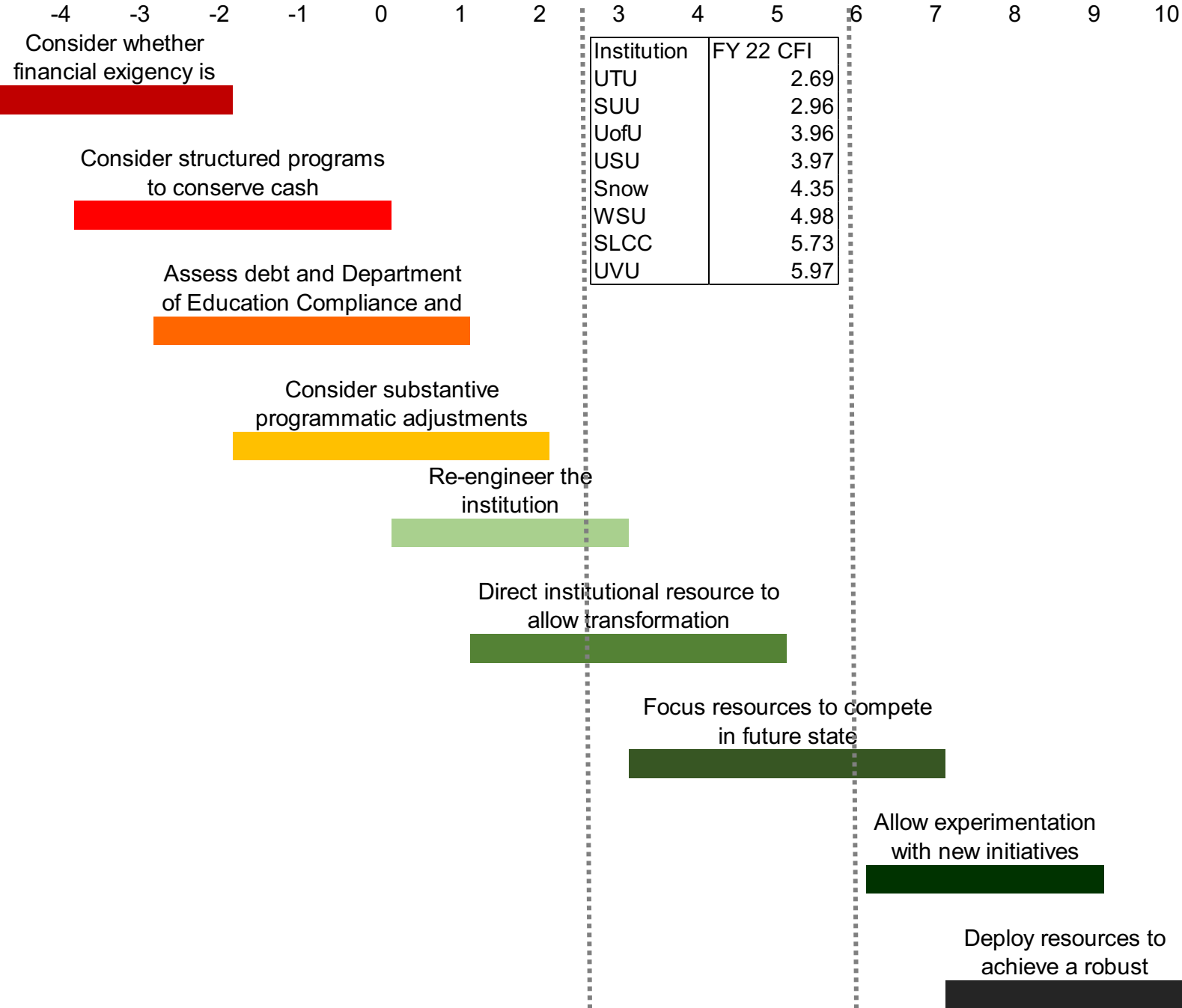
Institution	FY 22 CFI
UTU	2.69
SUU	2.96
UofU	3.96
USU	3.97
Snow	4.35
WSU	4.98
SLCC	5.73
UVU	5.97

Scale (-4 to 10):

- **Consider whether financial exigency is** (≈ -4 to -2)
- **Consider structured programs to conserve cash** (≈ -3 to 0)
- **Assess debt and Department of Education Compliance and** (≈ -2.5 to 1)
- **Consider substantive programmatic adjustments** (≈ -1.5 to 2)
- **Re-engineer the institution** (≈ 0 to 3)
- **Direct institutional resource to allow transformation** (≈ 1 to 5)
- **Focus resources to compete in future state** (≈ 3 to 7)
- **Allow experimentation with new initiatives** (≈ 6 to 9)
- **Deploy resources to achieve a robust** (≈ 7 to 10)

Why Stress Testing?

- Several states use budget stress testing methods to simulate changes to revenue, expenditures, and reserves in the event of a recession or other economic shocks.

- Useful in identifying potential sources and magnitude of budget risks in scenario-based models

- Serves as a complement to existing financial health metrics and data sources
  - historic/single-year actuals <- baseline out-year projections <- range around baseline out-year projections <- range of out-year projections related to specific risk factors

State of Utah Budget Stress Testing Examples

Utah's stress testing process

- Use regionalized and aged-forward Moody's Analytics economic scenarios over five-year timeframe

Scenario	Peak-to-trough decline in output	Peak unemployment	Return to full employment
Baseline	n/a	3.5%	Imminent
Moderate recession	1.4%	6.4%	2025 Q1
Severe recession	4.2%	9%	2032
Stagflation	3.3%	9%	Indefinite

Stress Testing the Utah State Budget | Legislative Fiscal Analyst

5

State of Utah Budget Stress Testing Examples

Revenue at risk

Scenario	Five-year revenue at risk
Moderate recession	$409 million
Severe recession	$3.7 billion
Stagflation	$2.2 billion

Stress Testing the Utah State Budget | Legislative Fiscal Analyst

11

State of Utah Budget Stress Testing Examples

Expenditures at risk

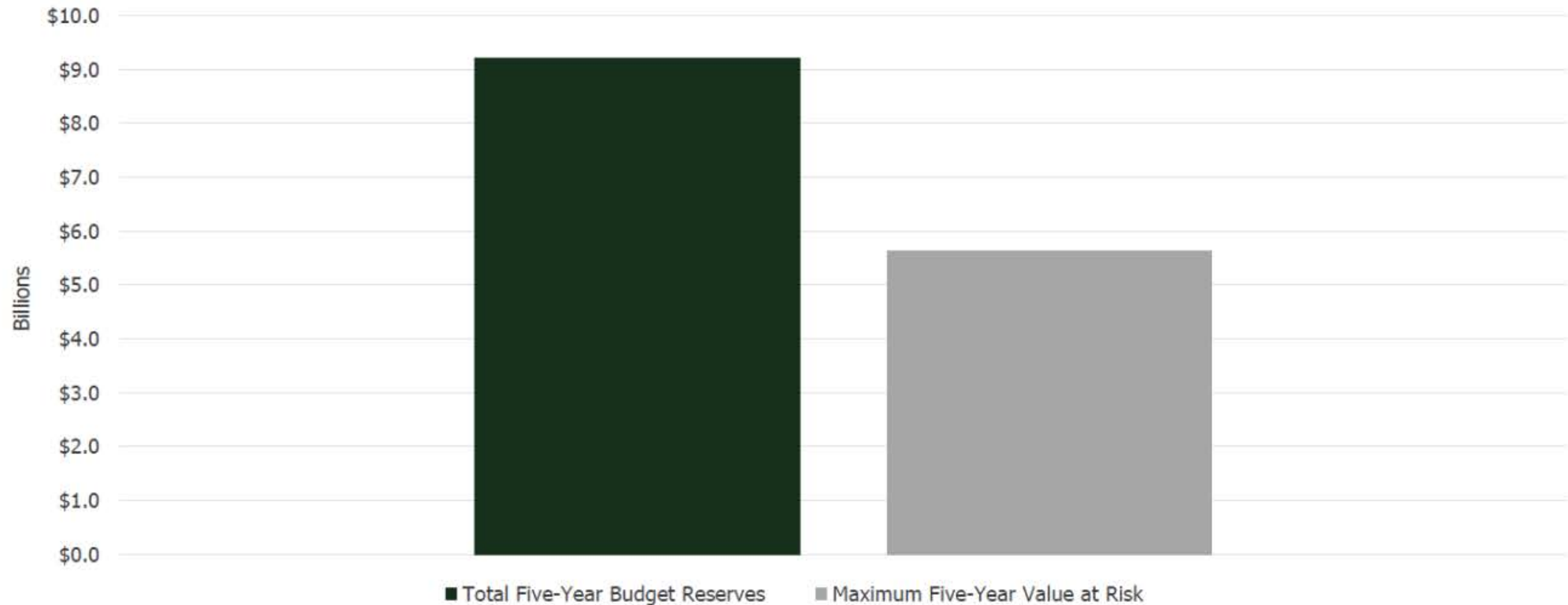| Scenario	Public education	Higher education	Medicaid	Retirement	Five-year expenditures at risk
Moderate recession	$627.8 million	$409.5 million	$403.0 million	$55.9 million	**$1.5 billion**
Severe recession	$625.4 million	$602.9 million	$598.3 million	$74.8 million	**$1.9 billion**
Stagflation	$651.2 million	$550.3 million	$448.3 million	$35.7 million	**$1.7 billion**

State of Utah Budget Stress Testing Examples
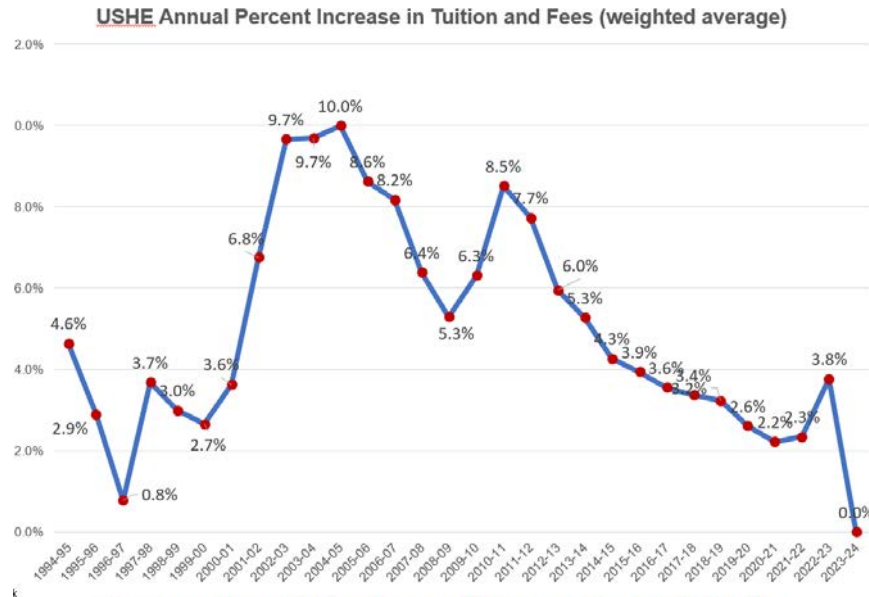

Inventory of buffers

Legend: Easy to Access · Moderately Easy to Access · Somewhat Difficult to Access · Difficult to Access
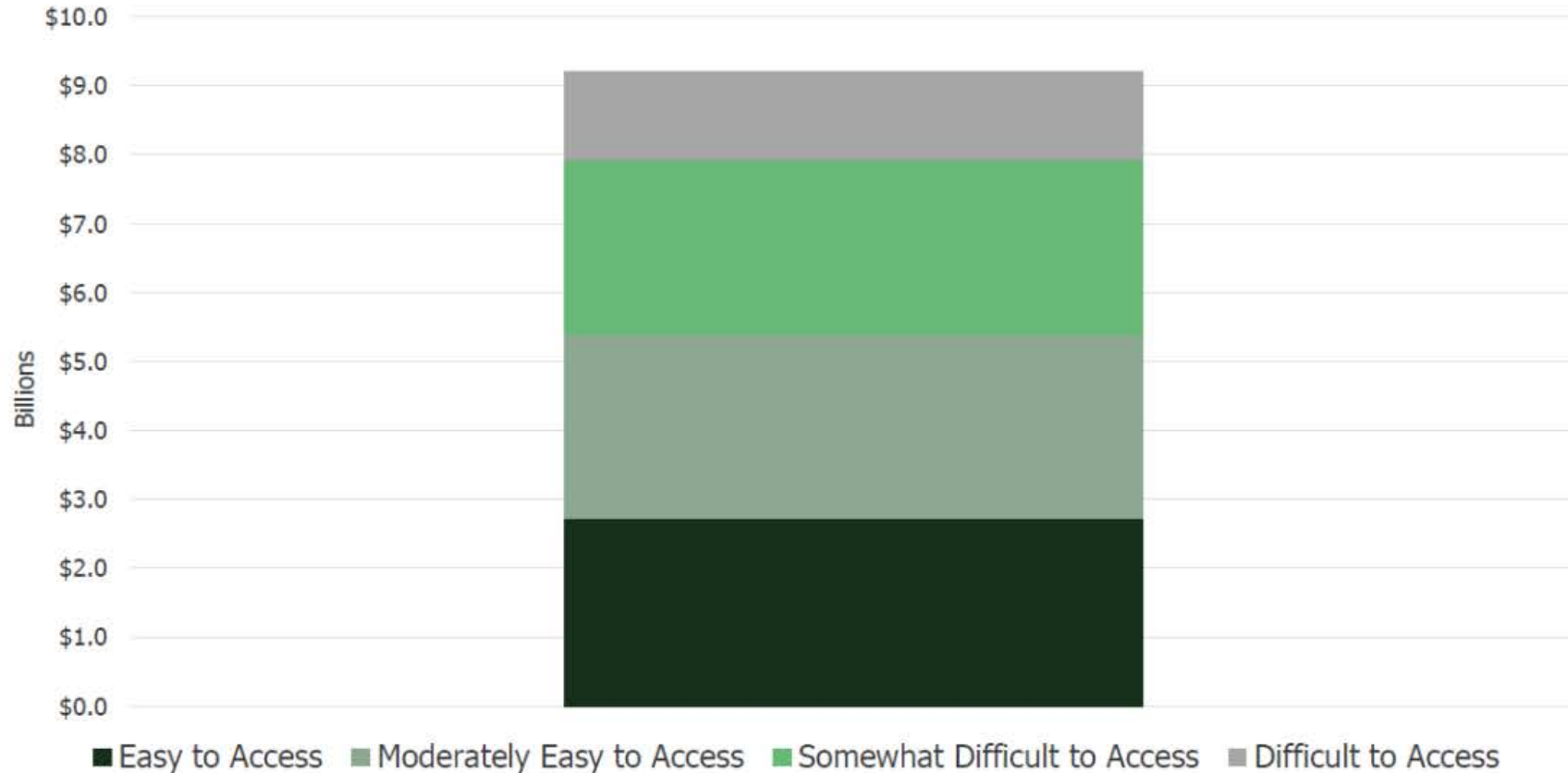
State of Utah Budget Stress Testing Examples

Risks vs buffers

Bar chart with y-axis labeled "Billions" ranging from $0.0 to $10.0.

- Total Five-Year Budget Reserves: approximately $9.2 billion
- Maximum Five-Year Value at Risk: approximately $5.6 billion

Higher Education Revenue Risk Scenarios

Tuition Freeze
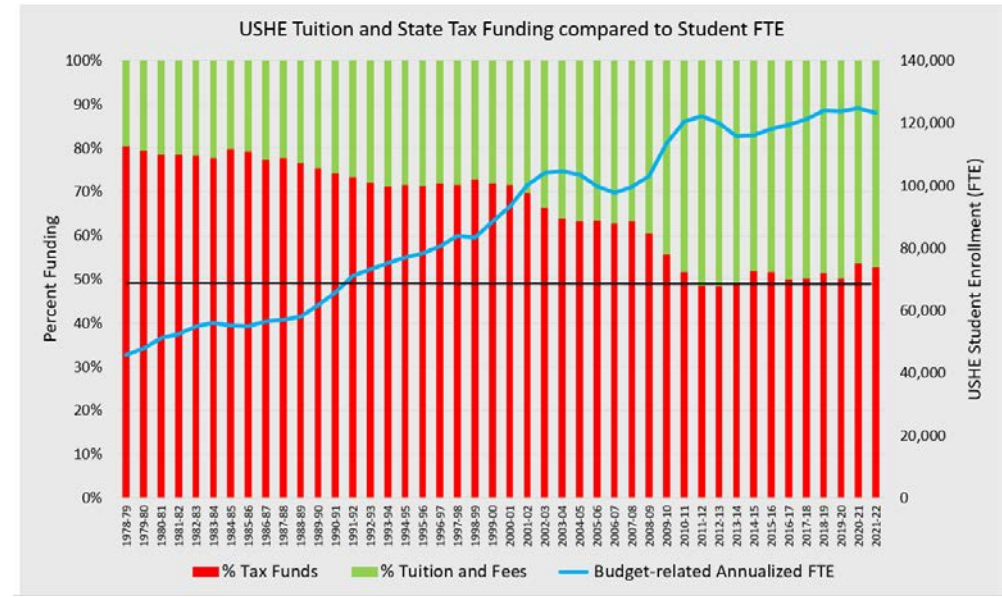
USHE Annual Percent Increase in Tuition and Fees (weighted average)

Reduced State Funding

USHE Tuition and State Tax Funding compared to Student FTE

Demographic Trends

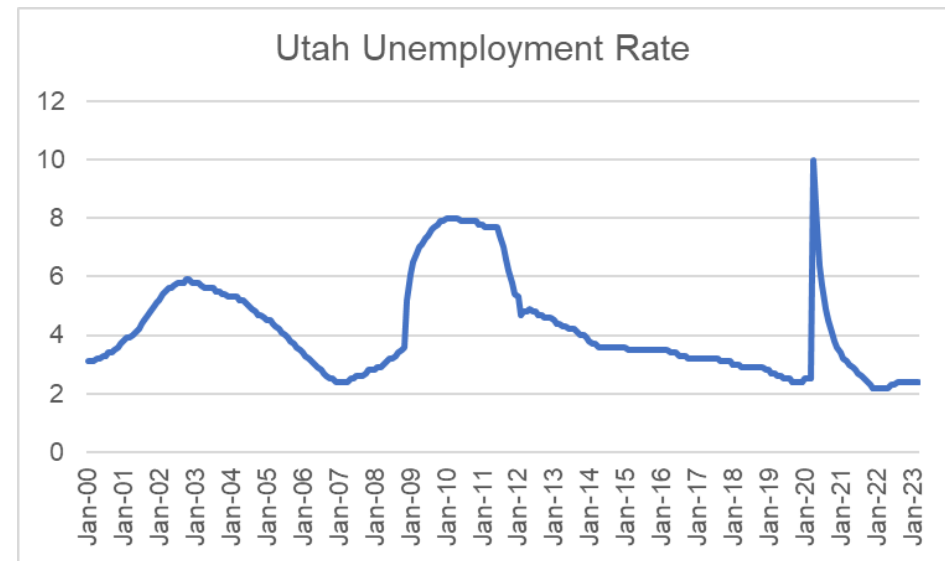

Figure 6: Annual Absolute and Percent Change in Utah College-Age Population, 2010-2060

Persistently Tight Labor Market

Utah Unemployment Rate
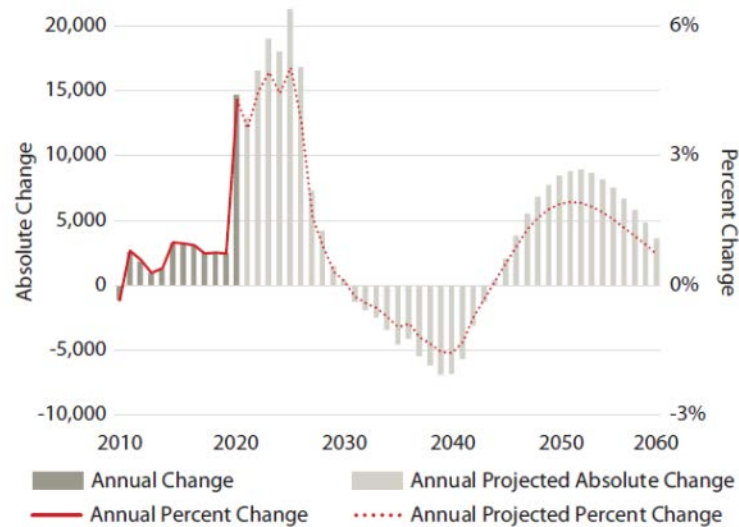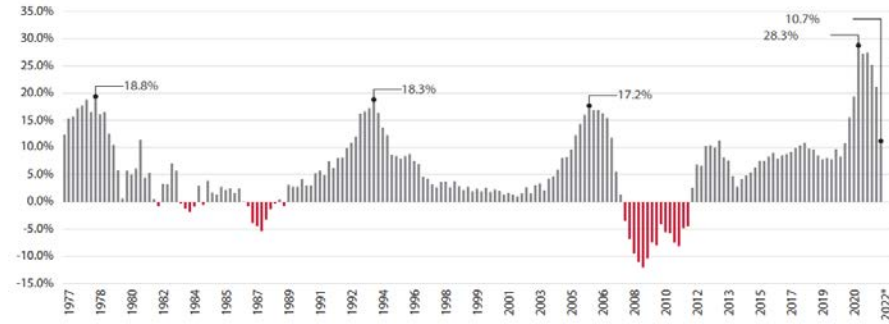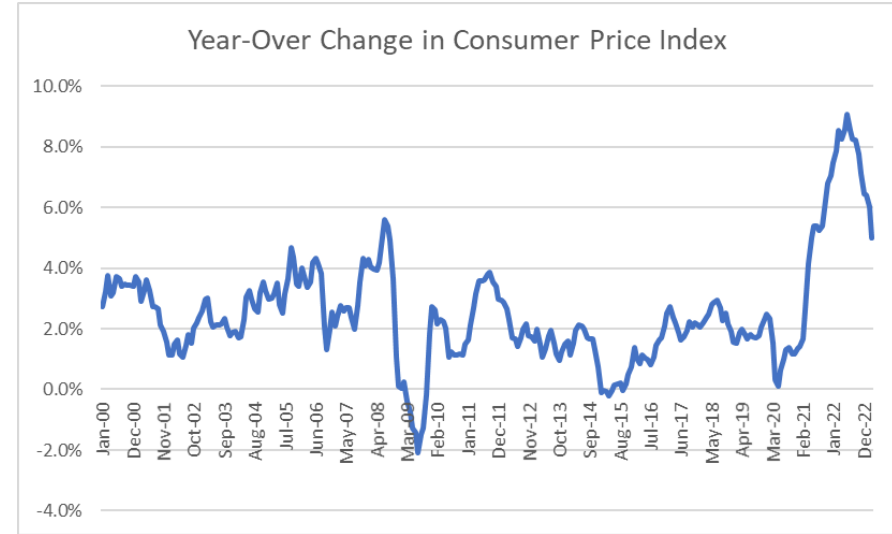
Higher Education Expenditure Risk Scenarios

Student Housing

Figure 2: Year-Over Quarterly Nominal Increase in Housing Price Index, 1977–2022*

Note: * Data through Q3 2022
Source: Federal Housing Finance Agency
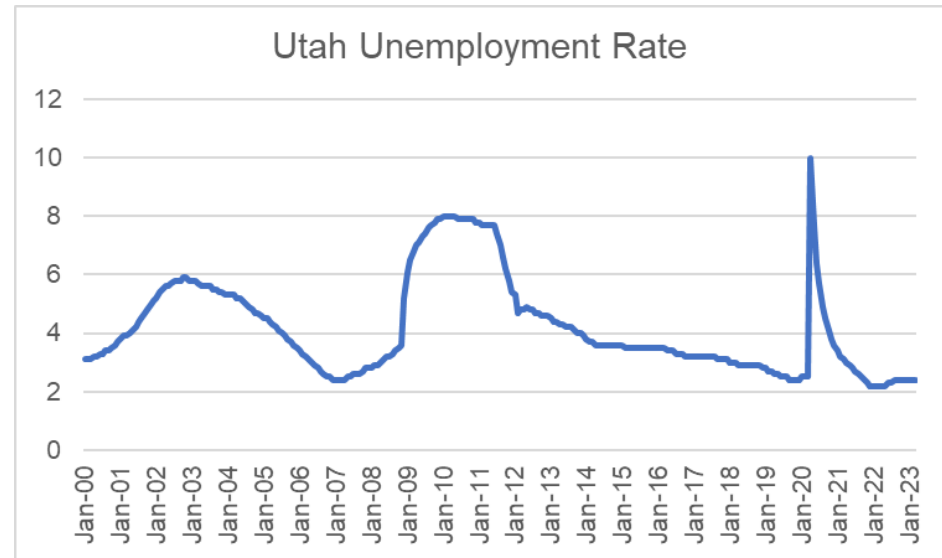
Episodes of Rapid Cost Acceleration

Year-Over Change in Consumer Price Index

Demographic Trends

Figure 6: Annual Absolute and Percent Change in Utah College-Age Population, 2010-2060

Persistently Tight Labor Market

Utah Unemployment Rate
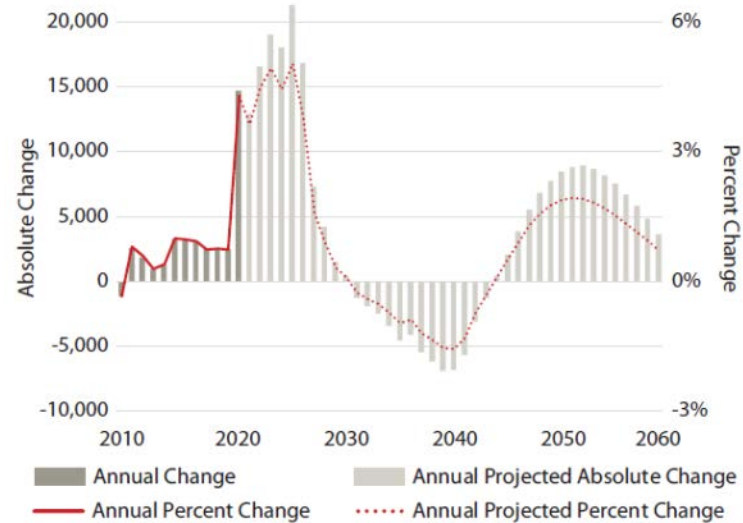
Next Steps

- Further research how central concepts of budget stress testing can be extended to higher education budgets throughout the system.

- Identify necessary data infrastructure, existing data sources, stress testing scenarios, and primary revenue and expenditure areas most relevant to evaluation.

- Determine timeline, resource requirements, and project management structure.