



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

November 3, 2023

## Fiscal Year 2024-25 USHE Operating Budget Recommendation — Degree-Granting Institution Growth

The Fiscal Year 2024-25 USHE operating budget request for degree-granting institution growth was developed with consultation and discussion with each degree-granting institution's Council of Presidents, Business Vice Presidents, and Budget Officers. The degree-granting growth budget request complies with [Utah Code 53B-7-101 \(2\)\(v\), \*Combined Requests for Appropriations\*](#), and the preliminary budget guidance adopted by the Board in the August 2023 meeting.

### **Degree-Granting Institution Growth**

**\$0 Ongoing**

This growth formula is based on net full-time equivalent (FTE) student enrollment change and associated average direct instructional costs stratified by type and size of institution. During the 2023 General Session, the Legislature passed [Senate Bill 2, \*New Fiscal Year Supplemental Appropriations Act\*](#), which included the following intent language, "*The Legislature intends that the Utah System of Higher Education report to the Legislative Fiscal Analysts Office by December 1, 2023 estimates for growth funding based on net growth.*"

The growth funding formula used for degree-granting institutions was first developed in 2020 and uses calendar year 2019 annualized budget-related (courses funded by tax fund appropriations) resident FTE as a baseline, with any funded growth in subsequent years added to create an adjusted baseline. For example, if an institution's baseline was 10,000 FTE and it received growth funding for an additional 100 FTE, the adjusted baseline would be 10,100. The adjusted baseline by course level is then compared with the last available fiscal year data (in this case, FY 2022-23), with FTE growth of at least 100 FTE students by course level qualifying for the net calculation. The net calculation then totals growth across all course levels to determine the eligible funding amount.

The attachment contains the funding formula used and demonstrates that while some course level enrollment increased compared to the baseline, no degree-granting institutions qualified for FY 2024-25 growth funding on net.

**Commissioner's Recommendation**

The Commissioner does not recommend that the Board submit a budget request for degree-granting institution enrollment growth since degree-granting institutions did not experience net growth across program levels relative to baseline funding already provided.

**Attachment**

**USHE Degree-Granting Institution Growth Funding Model  
Fiscal Year 2024-25 Budget Request**

Adjusted Cost Expenditure per FTE		Proportion of Tax Funds				Adjustment for Size			
Course Level	Average	Course Level	Research Universities	Regional Universities	Community Colleges	FTE	Research Universities	Regional Universities	Community Colleges
Vocational	\$ 7,014	Vocational	50%	55%	70%	3,000-6,000			120%
Lower Division	\$ 6,417	Lower Division	50%	55%	70%	6,000-10,000		115%	
Upper Division	\$ 8,135	Upper Division	50%	55%	70%	> 10,000	100%	100%	100%

Adjusted Baseline - Calendar Year 2019 Annualized Budget Related Resident FTE Plus 2022- 24 Funded Growth								
Course Level	UU	USU	WSU	SUU	UT	UVU	Snow	SLCC
Vocational	-	352	3,633	660	894	4,630	553	4,742
Lower Division	8,159	8,224	5,814	3,497	3,312	10,296	2,381	8,642
Upper Division	9,810	6,698	3,516	2,272	1,745	6,617	74	-

Fiscal Year 2023 Annualized Budget Related Resident FTE								
Course Level	UU	USU	WSU	SUU	UT	UVU	Snow	SLCC
Vocational	-	381	3,655	851	1,314	4,185	577	4,336
Lower Division	7,930	7,835	4,819	3,248	2,711	9,651	2,378	6,556
Upper Division	9,050	6,978		2,309	1,685	6,550	64	-

FTE Growth (100 Student Threshold, 100 Student Increments)								
Course Level	UU	USU	WSU	SUU	UT	UVU	Snow	SLCC
Vocational	-	-	-	100	400	(400)	-	(400)
Lower Division	(200)	(300)	(900)	(200)	(600)	(600)	-	(2,000)
Upper Division	(700)	200	(100)	-	-	-	-	-
	-	-	-	-	-	-	-	-

Growth Funding										
Course Level	UU	USU	WSU	SUU	UT	UVU	Snow	SLCC		
Vocational	\$ -	\$ -	\$ -	\$ 386,000	\$ 1,774,000	\$ (1,543,000)	\$ -	\$ (1,964,000)		
Lower Division	\$ (642,000)	\$ (962,000)	\$ (3,176,000)	\$ (706,000)	\$ (2,435,000)	\$ (2,117,000)	\$ -	\$ (8,983,000)		
Upper Division	\$ (2,847,000)	\$ 813,000	\$ (447,000)	\$ -	\$ -	\$ -	\$ -	\$ -		
Net Growth Impact	\$ (3,489,000)	\$ (149,000)	\$ (3,623,000)	\$ (320,000)	\$ (661,000)	\$ (3,660,000)	\$ -	\$ (10,947,000)		
<b>Total Funding</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		

<b>Net Growth Request Amount</b>	<b>\$0</b>
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