

FY 2025-26 Operating Budget Guidance

July 12, 2024



UTAH
SYSTEM OF
HIGHER
EDUCATION

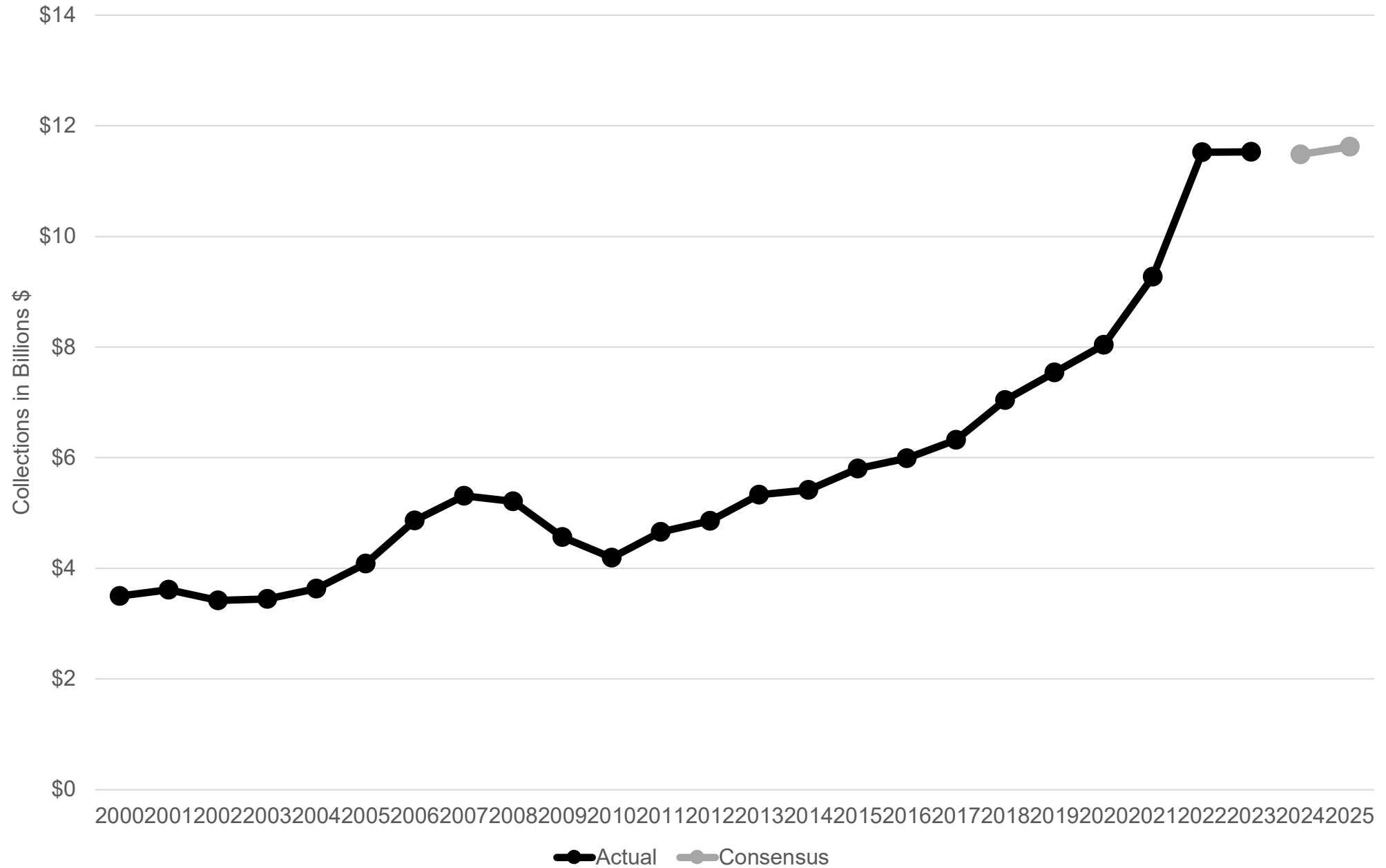
FY 2025-26 Operating Budget Guidance

Action Requested to Adopt Guidance

Key Areas

- The Board's operating budget recommendation must be sensitive to state revenue environment.
- Guidance includes system-level requests for compensation, performance funding, and growth funding.
- Institutions should submit all RFAs for Board consideration. RFAs not recommended by the Board will not be authorized for advancement to the Legislature.

State General Fund/Income Tax Fund Revenue



MONTHLY STATE REVENUE SNAPSHOT

JUN 2024


based on the Utah State Tax Commission Monthly Revenue Summary (Report TC-23)

General Fund	Projected Growth Rate - February Estimates (Annual)	YoY Growth Rate	Projected Range in Collections Through 11 Months	FY 2024 Actual Collections	FY 2024 Year-End Forecast	Feb-24	Mar-24	Apr-24	May-24
Sales & Use Tax	2.0%	2.0%	\$3,027,000,000 - \$3,143,000,000	\$3,089,630,854	\$3,328,957,000	1.1%	1.2%	1.5%	2.0%
All Other Sources*	6.3%	9.8%	\$732,000,000 - \$895,000,000	\$844,506,187	\$887,359,333	16.0%	14.6%	12.9%	9.8%
Subtotal General Fund	2.9%	3.6%		\$3,934,137,041	\$4,216,316,333	3.6%	3.7%	3.7%	3.6%
Sales & Use Tax Set-Asides	1.8%	3.0%	\$1,003,000,000 - \$1,226,000,000	\$1,098,347,572	\$1,216,311,626	2.7%	3.1%	4.3%	3.0%
Income Tax Fund/Uniform School Fund									
Individual Income Tax	-2.6%	-4.1%	\$5,760,000,000 - \$5,860,000,000	\$5,787,721,625	\$6,267,591,333	-2.9%	-3.7%	-3.9%	-4.1%
Withholding		2.1%		\$4,702,983,454		2.3%	1.9%	2.3%	2.1%
Final Payments (plus SALT Passthrough)		-24.3%		\$1,084,738,171		-27.1%	-33.6%	-22.7%	-24.3%
Corporate Tax	-0.8%	4.4%	\$712,000,000 - \$799,000,000	\$770,505,960	\$863,316,667	6.1%	0.9%	5.3%	4.4%
All Other Sources	3.9%	2.6%	\$68,000,000 - \$92,000,000	\$79,197,629	\$136,540,000	11.4%	7.2%	6.9%	2.6%
Subtotal Income Tax Fund	-2.2%	-3.2%		\$6,637,425,213	\$7,267,448,000	-2.0%	-3.2%	-2.8%	-3.2%
Subtotal GF/ITF/USF	-0.4%	-0.8%		\$10,571,562,254	\$11,483,764,333	0.2%	-0.5%	-0.5%	-0.8%
Transportation Fund									
Motor Fuel Tax	6.6%	8.6%	\$343,000,000 - \$420,000,000	\$403,135,376	\$450,819,000	10.4%	10.3%	9.4%	8.6%
Special Fuel Tax	4.4%	6.0%	\$145,000,000 - \$177,000,000	\$169,025,780	\$189,953,333	9.7%	8.0%	6.2%	6.0%
Other	14.1%	19.1%	\$120,000,000 - \$146,000,000	\$140,761,135	\$169,405,667	21.7%	18.7%	19.9%	19.1%
Subtotal Transportation Fund	7.5%	9.9%		\$712,922,291	\$810,178,000	12.2%	11.2%	10.5%	9.9%
Total, GF/ITF/USF/TF	0.1%	-0.1%		\$11,284,484,545	\$12,293,942,333	0.9%	0.2%	0.1%	-0.1%

Last Year's Operating Budget Recap

2024 GS Operating Budget Appropriations	One-Time	Ongoing	Total
System Requests	\$3,121,300	\$104,262,800	\$107,384,100
RFAs Submitted to Board	\$38,665,100	\$43,467,000	\$82,132,100
<i>Total Presented to Board</i>	<i>\$41,786,400</i>	<i>\$147,729,800</i>	<i>\$189,516,200</i>
Final 2024 GS Operating Budget New Appropriations	\$52,914,000	\$81,595,300	\$134,509,300

55% of what was submitted to the Board



+~8% increase in System funding over beginning base budget of \$1.73 Billion



FY 2025-26 Operating Budget Guidance

Compensation & Mandatory Costs

- Parity with state entities, including maintenance of existing employee cost sharing.

Performance Funding

- \$20 million in new funding and any recovered previous year ongoing funding.

Growth Funding

- Results of net growth calculations from degree-granting and technical college formulas.

Everything Else

- All institution and identified externally-originating requests.

FY 2025-26 Operating Budget Guidance

Budget Request Initial Prioritization Factors

- \$ amount and scalability
- Alignment with System strategic plan objectives and institution missions
- Alternative funding options, anticipated outcomes, and other budget request features

Board of Higher Education operating budget recommendation scheduled for adoption on October 4.

MOTION

I move to approve the Operating Budget Process Guidelines.