

HB 265 Strategic Reinvestment Plan Guidance & Resources

March 27, 2025



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Bottom Line Up Front

- HB 265 from the 2025 General Legislative Session requires institutions to develop strategic reinvestment plans and the UBHE to approve these plans before June 30th, 2025.
 - Today's action includes UBHE approval of the FY 2026 Institutional Strategic Reinvestment Guidelines as a resource and framing document as institutions construct plans for UBHE approval in June.
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Enacting Legislation (Part 1)

HB 1 *Higher Education Base Budget* from the 2025 GS transferred 10% of each USHE degree-granting institution's E&G state tax funded instruction budget to the UBHE in Fiscal Year 2026 as follows:

ITEM 92 To Utah Board of Higher Education - Strategic Reinvestment

From Income Tax Fund	60,452,700
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Schedule of Programs:

Salt Lake Community College	5,246,800
Snow College	1,678,700
Southern Utah University	3,176,000
University of Utah	19,585,200
Utah State University	12,645,300
Utah Tech University	2,555,100
Utah Valley University	8,904,800
Weber State University	6,660,800

Enacting Legislation (Part 2)

HB 265 *Higher Education Strategic Reinvestment* from the 2025 GS includes a budgetary procedures act exception to allow UBHE to transfer the funding back to institutions upon securing the following approvals of institution strategic reinvestment plans:

- UBHE before June 30th, 2025
 - Higher Education Appropriations Subcommittee Favorable Recommendation in August, 2025
 - Executive Appropriations Subcommittee Approval in September, 2025
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Statutory Elements of a Strategic Reinvestment Plan

Strategic Reinvestment Plans are required to identify areas of institutional expenditures that merit further investment via the reallocation of state tax dollars away from internal areas of disinvestment over the three-year reinvestment period.

What data or criteria must these plans utilize?

- Demonstrated enrollment data
- Completion rate and timely completion data
- Discipline-related professional outcomes, including placement, employment, licensure, and wage outcomes
- Current and future localized statewide workforce demands
- Program-level costs
- Institutional mission and role within the System

What categories may be identified in the plan (either for disinvestment or reinvestment)?

- Programs
- Courses
- Degrees
- Departments, colleges, or other divisions of the institution
- Operational efficiencies
- Other components of the institution's instruction and administrative functions, including dean positions or other administrative positions

Timeline for Strategic Reinvestment Plans

FY 26 / AY 25-26

An institution may use no more than 70% of its total reinvestment funds for the reduced or eliminated items identified in the plan.

March 2025
Board issues guidance



June 2025

Institutions present plans to the Board for approval. Institutions must establish policies around reductions and elimination of personnel.



August 2025

Board presents plans to HEAS for approval



September 2025

Board presents plans to EAC for approval

FY 27 / AY 26-27

An institution may use no more than 30% of its total reinvestment funds for the reduced or eliminated items identified in the plan.

June 2026

Institutions present implementation details and any modifications for UBHE approval



August 2026

Board presents implementation details and any modifications to HEAS for approval



September 2026

Board presents implementation details and any modifications to EAC for approval

FY 28 / AY 27-28

An institution may only use state funds toward the reduced or eliminated items identified in the plan as necessary to allow for teach-out.

June 2027

Institutions present implementation details and any modifications for UBHE approval



August 2027

Board presents implementation details and any modifications to HEAS for approval



September 2027

Board presents implementation details and any modifications to EAC for approval

Other Statutory Elements of Strategic Reinvestment Plans

General Education: An institution must ensure their plan retains a core general education curricula that enables students to acquire critical thinking, problem solving, citizenship, communication, and other durable skills.

Tuition: An institution may not supplant or supplement the cost of a reduced or eliminated item through a tuition increase.

Budget Reductions: If an institution fails to reallocate resources in accordance with its reinvestment plan, EAC shall reduce appropriations for the institution's instruction and administration in an amount equal to the amount the institution failed to properly reallocate.

Select Elements of OCHE Guidance

- Strategic Reinvestments may occur in NACUBO categories of Academic Support, Institutional Support, Instruction, Student Services and Research (R1)
 - Reinvestments in areas outside of instruction should have a nexus to instruction
 - Institutions should provide sufficient explanatory detail on reinvestment/disinvestment areas for UBHE and legislative approval
 - Institutions should provide an accounting of strategic reinvestments that demonstrate how they are not supplanting disinvestment areas
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Select Elements of OCHE Guidance, Cont.

- Institutional partnerships and collaborations for new programs or institutional service delivery are allowable strategic reinvestment activities.
 - Recognizing out-year uncertainty, less detail is required on FY 2027 and FY 2028 reallocation areas at the institution discretion.
 - OCHE/Institutional collaboration on plan development and refinement is highly encouraged, with possible adjustments and iterative improvement to guidance as experience is gained.
 - OCHE providing resources for institutional consideration, including workforce analytics, market data, industry perspectives and financial reports.
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Strategic Reinvestment Resources

Workforce/Program Evaluation Dashboard

Dashboard displays programs ranked by various dimensions, and considers not just point-in-time status of programs, but also trends over the most current 5-year window. For reference purposes, programs can also be compared across institutions.

Strategic Reinvestment Resources

Gray DI Market & Program Data

The Commissioner's Office has procured a system-level license to a Program Evaluation System (PES) from the vendor GRAY DI. This license allows the Commissioner's Office to produce and share data that describe the market environments for institutional programs across key metrics such as student demand, competitive intensity and post-graduation employment ratings.

Strategic Reinvestment Resources

Gray DI Market & Program Data

CIP Q									Total Percentile	Student Demand Percentile	Competitive Intensity Percentile	Employment Percentile
51.3801 Registered Nursing									100	100	91	99
45.0601 Economics (incl. Quant Econ and Econometrics)									99	99	97	94
14.1901 Mechanical Engineering									99	99	96	99
52.0201 Business Admin. and Mgmt, General									99	99	96	88
11.0701 Computer Science									99	99	86	99
52.0801 Finance, General									99	99	73	94
52.0301 Accounting									99	99	59	99
11.1003 Cyber Security/ Info. Assurance									99	99	59	96
14.1001 Electrical/Electronics Engin'g									99	98	86	100
14.0801 Civil Engineering, General									99	98	73	99
11.0103 Information Technology									99	98	67	99
30.7101 Data Analytics and/or Data Science									99	98	59	99
14.0901 Computer Engineering, General									99	97	59	99
11.0401 Information Science/ Studies									99	95	99	96
14.0501 Bioengineering and Biomedical Engineering									99	95	98	99
14.0701 Chemical Engineering									99	94	98	99
44.0701 Social Work									98	99	88	84
30.7102 Business Analytics									98	99	72	95
Total Percentile	0	20+	40+	70+	90+	95+	98+	100				
Total Score	-20	-17	0	12	26	34	42	64				

Strategic Reinvestment Resources

Talent Ready Utah Priority Occupations




Talent Ready Utah engaged with industry leaders across the state to identify occupations of interest for accelerated workforce development efforts using data on projected growth, wage levels, and hires-to-opening ratios provided by the Utah Department of Workforce Services.

Through hundreds of engagements, the Talent Board, Talent Ready Utah team, and Talent Advisory Councils further validated this list of occupations by nominating more than half of them as a top priority for workforce development to fill industry needs.

Higher Education Strategic Reinvestment

Occupation Prioritization Methodology

Performed in consultation with DWS Chief Economist, Talent Ready Utah & OCHE Experts

-  Establish criteria to prioritize state occupations.
-  Identify variables and scoring criteria.
-  Provide an Occupation Prioritization ranking.

Strategic Reinvestment Resources

Talent Ready Utah Priority Occupations

First Quartile Occupations: Scores 18 - 15



<i>Financial Managers</i>	Personal Service Managers; Entertainment & Recreation Managers	<i>Radiologic Technologists</i>
Marketing Managers	<i>Computer Occupations, All Other</i>	<i>Electronics Engineers, Except Computer</i>
Sales Managers	<i>Operations Research Analysts</i>	Buyers and Purchasing Agents
Human Resources Managers	<i>Data Scientists and Mathematical Science Occupations, All Other</i>	Training and Development Managers
Medical and Health Services Managers	<i>Civil Engineers</i>	<i>Information Security Analysts</i>
<i>Electrical Engineers</i>	<i>Diagnostic Medical Sonographers</i>	<i>Purchasing Managers</i>
<i>Industrial Engineers</i>	Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	<i>Construction Managers</i>

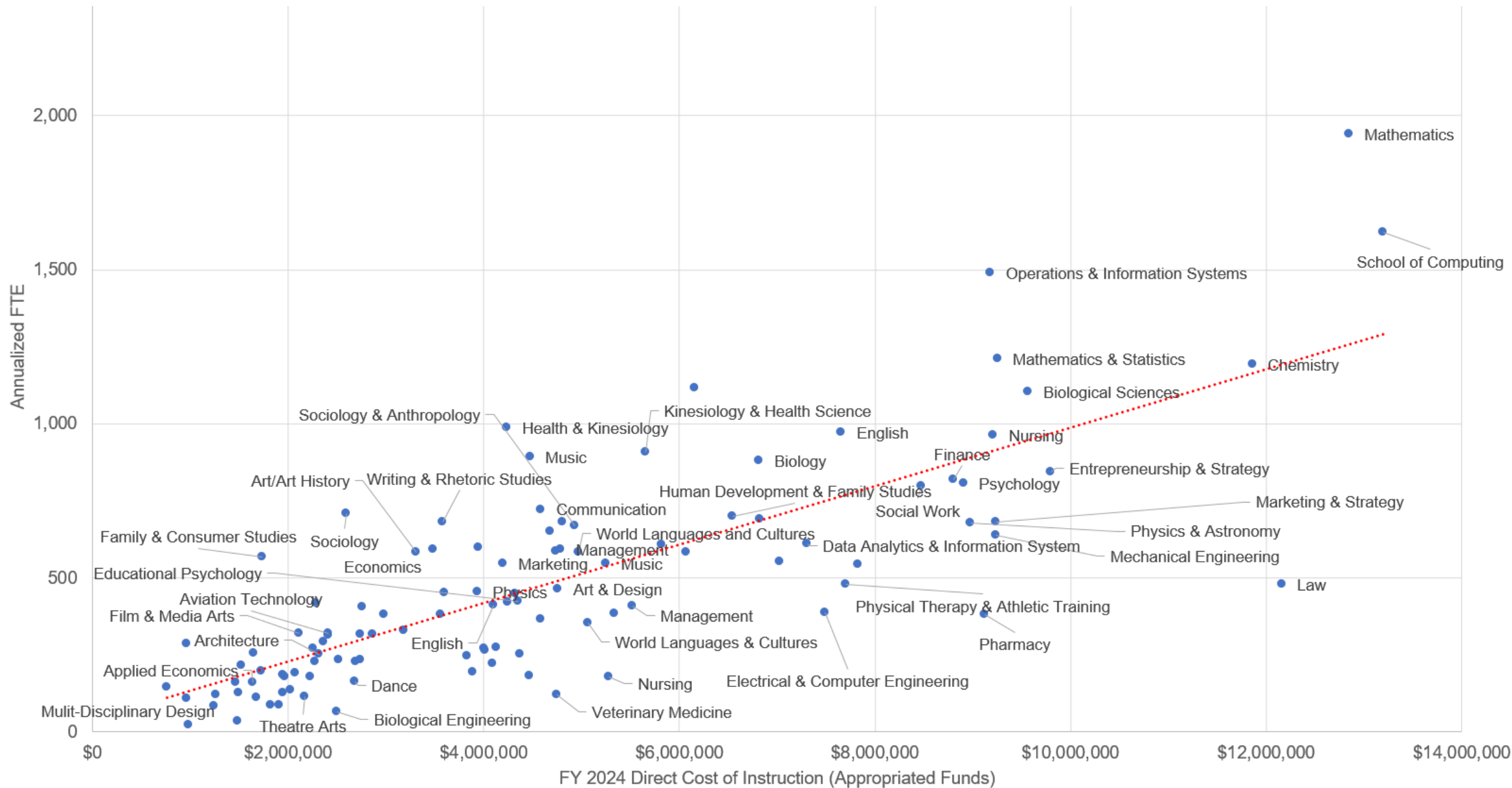
Strategic Reinvestment Resources

FY 2024 Cost Study

The USHE Cost Study provides cost of instruction estimates for each degree-granting institution by college, department and program, with different levels of aggregation depending on institutional reporting ability. Institutions can use these data to evaluate instructional activities on an average cost per full-time-equivalent student basis and average cost per completion (using standard years-to-completion estimates) in the development of strategic reinvestment plans

Strategic Reinvestments in Higher Education

R1 Direct Cost of Instruction & FTE by Department/Program (2024 Cost Study)



MOTION

I move to adopt the proposed FY 2026
Institutional Strategic Reinvestment Guidance.



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