

2025 General Legislative Session Budget and Policy Review

March 27, 2025



UTAH
SYSTEM OF
HIGHER
EDUCATION

2025 GS USHE Appropriations Summary

Operating Budget

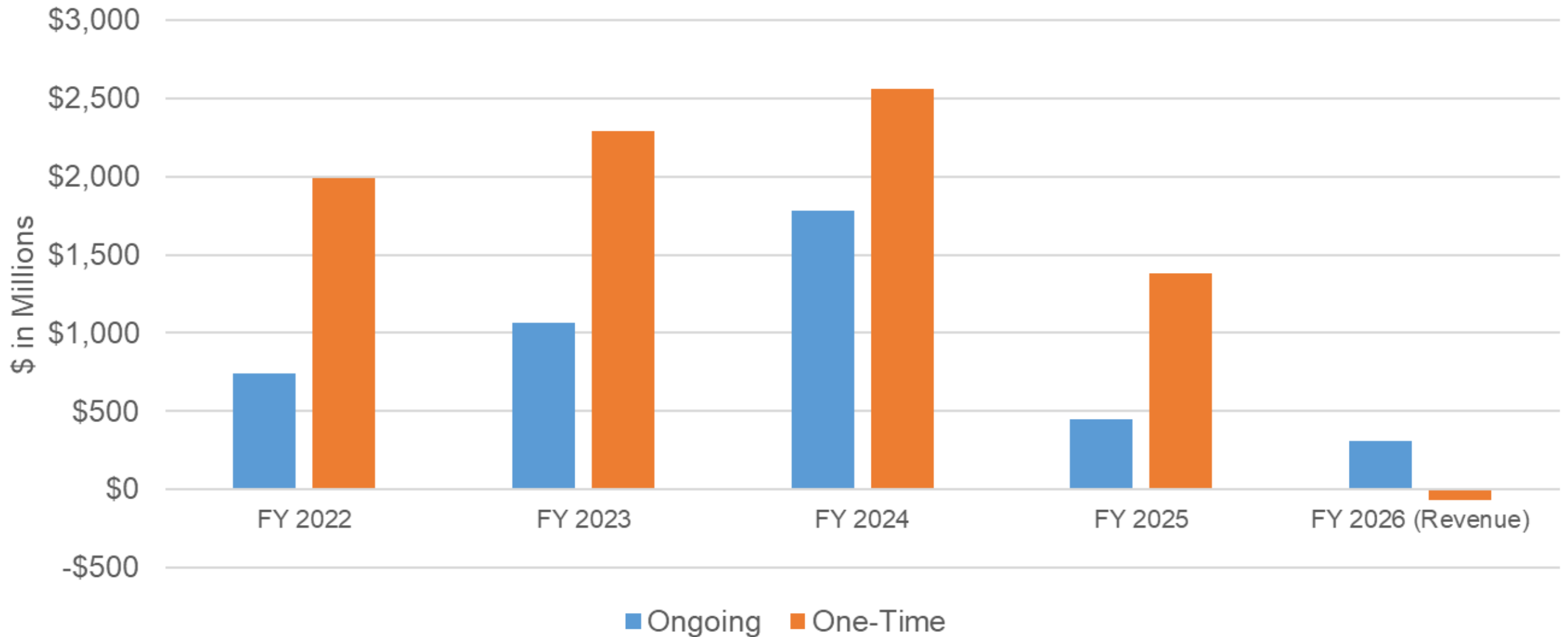
- \$98.9 Million in new ongoing GF/ITF Requested as UBHE Consensus Budget Items
- \$85.6 Million in new ongoing GF/ITF Appropriated (87%)
- \$79.1 million in new ongoing GF/ITF Appropriated for UBHE Consensus Budget Items (92% of Approps)

Capital Budget

- Appropriations to support all Dedicated Project Requests (over \$90 million)
 - \$8 million for DXTC Trades and Technology Building and \$3.5 million (Dedicated Portion) for USU MAIDAC
 - \$61.5 million reduction in ongoing appropriations to HECPF & TCCPF (most backfilled 1x)
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2025 GS Revenue Picture

New General Fund/Income Tax Fund Appropriations & FY 2026 Revenue



Select 2025 GS Operating Budget Appropriations

Compensation

- 2.5% discretionary salary increase for higher education employees
- Funding to support health and dental renewals at 5.0% and 6.9%, respectively

Performance Funding

- \$20 million ongoing to the Performance Funding Restricted Account
- \$11.9 million ongoing to institutions (including \$2.2 million in recoveries)

Various

- \$4.7 million ongoing for Technical College Growth
 - \$4 million ongoing for Talent Ready Utah Engineering and Computer Science Initiatives
 - \$5 million one-time for Technical College Equipment
 - \$5.5 million ongoing for the UU Medical School in St. George
 - \$1 million one-time for Workforce Alignment and Accelerated Nursing Degrees at SUU
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2025 GS Performance Funding

			Access			Timely Completion			High-Yield			FY 2026 Total		
	FY 2025 PF	FY 2026	Eligible	Earned	Set-Aside	Eligible	Earned	Set-Aside	Eligible	Earned	Set-Aside	Eligible	Earned	Set-Aside
Institution	Recovered	Eligible												
BTC		\$507,600	\$169,200	\$0	\$169,200	\$169,200	\$169,200	\$0	\$169,200	\$169,200	\$0	\$507,600	\$338,400	\$169,200
DTC		\$708,600	\$236,200	\$0	\$236,200	\$236,200	\$192,100	\$44,100	\$236,200	\$236,200	\$0	\$708,600	\$428,300	\$280,300
DXTC		\$326,800	\$108,900	\$0	\$108,900	\$108,900	\$108,900	\$0	\$108,900	\$108,900	\$0	\$326,800	\$217,800	\$108,900
MTC	\$45,700	\$705,700	\$235,200	\$0	\$235,200	\$235,200	\$235,200	\$0	\$235,200	\$235,200	\$0	\$705,700	\$516,100	\$235,200
OWTC		\$585,800	\$195,300	\$0	\$195,300	\$195,300	\$195,300	\$0	\$195,300	\$195,300	\$0	\$585,800	\$390,600	\$195,300
SLCC		\$1,506,200	\$502,100	\$0	\$502,100	\$502,100	\$502,100	\$0	\$502,100	\$422,100	\$80,000	\$1,506,200	\$924,200	\$582,100
SLCC - Tech		\$336,400	\$112,100	\$0	\$112,100	\$112,100	\$0	\$112,100	\$112,100	\$0	\$112,100	\$336,400	\$0	\$336,300
Snow		\$441,300	\$147,100	\$0	\$147,100	\$147,100	\$147,100	\$0	\$147,100	\$54,500	\$92,600	\$441,300	\$201,600	\$239,700
Snow - Tech		\$121,600	\$40,500	\$0	\$40,500	\$40,500	\$40,500	\$0	\$40,500	\$40,500	\$0	\$121,600	\$81,000	\$40,500
SWTC		\$179,700	\$59,900	\$0	\$59,900	\$59,900	\$59,900	\$0	\$59,900	\$59,900	\$0	\$179,700	\$119,800	\$59,900
SUU		\$1,116,900	\$372,300	\$0	\$372,300	\$372,300	\$372,300	\$0	\$372,300	\$372,300	\$0	\$1,116,900	\$744,600	\$372,300
TTC		\$152,600	\$50,900	\$0	\$50,900	\$50,900	\$50,900	\$0	\$50,900	\$50,900	\$0	\$152,600	\$101,800	\$50,900
UBTC		\$204,200	\$68,100	\$0	\$68,100	\$68,100	\$68,100	\$0	\$68,100	\$68,100	\$0	\$204,200	\$136,200	\$68,100
USU	\$1,982,600	\$3,039,700	\$1,013,200	\$0	\$1,013,200	\$1,013,200	\$1,013,200	\$0	\$1,013,200	\$1,013,200	\$0	\$3,039,700	\$4,009,000	\$1,013,200
USU - Tech		\$171,000	\$57,000	\$0	\$57,000	\$57,000	\$57,000	\$0	\$57,000	\$57,000	\$0	\$171,000	\$114,000	\$57,000
UT		\$865,200	\$288,400	\$0	\$288,400	\$288,400	\$0	\$288,400	\$288,400	\$288,400	\$0	\$865,200	\$288,400	\$576,800
UU		\$4,770,900	\$1,590,300	\$0	\$1,590,300	\$1,590,300	\$0	\$1,590,300	\$1,590,300	\$1,590,300	\$0	\$4,770,900	\$1,590,300	\$3,180,600
UVU		\$2,605,700	\$868,600	\$0	\$868,600	\$868,600	\$868,600	\$0	\$868,600	\$115,700	\$752,900	\$2,605,700	\$984,300	\$1,621,500
WSU	\$152,500	\$1,654,100	\$551,400	\$0	\$551,400	\$551,400	\$551,400	\$0	\$551,400	\$0	\$551,400	\$1,654,100	\$703,900	\$1,102,800
Total	\$2,180,800	\$20,000,000	\$6,666,700	\$0	\$6,666,700	\$6,666,700	\$4,631,800	\$2,034,900	\$6,666,700	\$5,077,700	\$1,589,000	\$20,000,000	\$11,890,300	\$10,290,600

2025 GS Capital Projects

2025 General Session USHE Capital Project Funding Items

Non-Dedicated Degree-Granting Project Requests

Institution	Project	ITF/GF 1x	HECPF 1x	Other Funds 1x	Total Project Cost	1x O&M	Ongoing O&M
USU	Math, Artificial Intelligence, Data and Analytics Center (MAIDAC)	\$0	\$3,500,000	\$0	\$46,584,700	\$0	\$0
SUU	Engineering Building Planning	\$0	\$500,000	\$20,000,000	\$79,997,400	\$0	\$0

Non-Dedicated Technical College Project Requests

Institution	Project	ITF/GF 1x	TCCPF 1x	Other Funds 1x	Total Project Cost	1x O&M	Ongoing O&M
DXTC	Trades & Technology Building	\$0	\$8,000,000	\$0	\$66,800,000	\$0	\$0

Dedicated Degree-Granting Project Requests

Institution	Project	ITF/GF 1x	HECPF 1x	Other Funds 1x	Total Project Cost	1x O&M	Ongoing O&M
UTU	McDonald Building Renovation & Addition	\$0	\$27,367,000	\$0	\$27,367,000	-\$425,900	\$425,900
SUU	Business Building West Cost-Escalation	\$0	\$1,365,000	\$17,344,300	\$18,709,300	\$0	\$0
SUU	South Edge of Campus Landbank	\$0	\$6,635,000	\$0	\$6,635,000	\$0	\$0
UVU	Health Professions 2 Building - Design	\$0	\$8,711,000	\$0	\$8,711,000	\$0	\$0
UVU	Student Athlete Building	\$0	\$14,500,000	\$18,000,000	\$32,500,000	-\$329,600	\$329,600
WSU	Student Services Support Center Renovation	\$0	\$8,204,500	\$2,500,000	\$10,704,500	-\$244,100	\$244,100
WSU	Allied Health South Building Remodel	\$0	\$4,679,000	\$0	\$4,679,000	-\$489,500	\$489,500
SLCC	South City Campus Seismic Upgrade	\$0	\$9,426,800	\$28,279,800	\$37,706,600	\$0	\$0
Snow	Washburn Building Entrance Addition	\$0	\$5,931,100	\$523,900	\$6,455,000	-\$49,100	\$49,100
	Total	\$0	\$98,819,400	\$86,648,000	\$346,849,500	-\$1,538,200	\$1,538,200

Preliminary Capital Project Fund Balances

2025 GS - Higher Education Capital Project Fund	UU	USU	WSU	SUU	Snow	UT	UVU	SLCC	Total
FY 2025 Beginning Balance	\$22,980,900	\$2,029,900	\$12,158,700	\$5,964,200	\$0	\$20,234,000	\$28,418,300	\$9,426,600	\$101,212,600
FY 2026 Allocation	\$20,169,400	\$16,292,700	\$8,776,600	\$10,500,800	\$5,630,700	\$8,387,300	\$15,792,000	\$10,040,100	\$95,589,700
FY 2026 Appropriated for Projects	\$0	-\$3,500,000	-\$12,883,500	-\$8,500,000	-\$5,931,100	-\$27,367,000	-\$23,211,000	-\$9,426,800	-\$90,819,400
Previous Interest Earnings	\$685,200	\$13,300	\$221,200	\$2,100	\$995,000	\$679,300	\$985,100	\$373,400	\$3,954,600
FY 2026 Balance	\$43,835,500	\$14,835,900	\$8,273,000	\$7,967,100	\$694,600	\$1,933,600	\$21,984,400	\$10,413,300	\$109,937,400
FY 2027 Allocation (Estimated)	\$10,793,000	\$8,718,500	\$4,696,500	\$5,619,200	\$3,013,100	\$4,488,200	\$8,450,500	\$5,372,600	\$51,151,500
FY 2027 Balance (Estimated)	\$54,628,500	\$23,554,400	\$12,969,500	\$13,586,300	\$3,707,700	\$6,421,800	\$30,434,900	\$15,785,900	\$161,089,000

2025 GS - Technical College Capital Project Fund	Tech Colleges
FY 2025 Beginning Balance	\$0
FY 2026 Allocation	\$17,910,300
FY 2026 Appropriated for Projects (DXTC)	-\$8,000,000
Previous Interest Earnings	\$245,500
FY 2026 Balance	\$10,155,800
FY 2027 Allocation (Estimated)	\$7,310,300
FY 2027 Balance (Estimated)	\$17,466,100

TECHNICAL COLLEGE EQUIPMENT FUNDING

USHE FY 2026 ELIGIBLE TECHNICAL EDUCATION EQUIPMENT FUNDING AMOUNT								
				\$5,000,000				
DISTRIBUTION 50% ENROLLMENT 50% APPROPRIATIONS								
Institution	2023-24 Adult & Secondary FTE (1)	% of Total	50%	2024-25 Total State Funded Appropriations (2)	% of Approps	50%	Eligible Equipment Funding Amount	% of Total
			\$			\$		
			2,500,000			2,500,000		
BTC	1,439	14.36%	\$358,900	\$24,512,100	13.04%	\$326,000	\$684,900	13.70%
DTC	1,968	19.64%	\$490,900	\$29,297,900	15.59%	\$389,700	\$880,600	17.61%
DXTC	704	7.03%	\$175,700	\$15,164,700	8.07%	\$201,700	\$377,400	7.55%
MTC	2,028	20.23%	\$505,800	\$31,978,000	17.01%	\$425,300	\$931,100	18.62%
OWTC	1,731	17.27%	\$431,700	\$26,284,600	13.98%	\$349,600	\$781,300	15.63%
SLCC ⁽²⁾	290	2.89%	\$72,300	\$13,342,900	7.10%	\$177,500	\$249,800	5.00%
Snow ⁽²⁾	237	2.37%	\$59,300	\$5,312,500	2.83%	\$70,700	\$130,000	2.60%
SWTC	426	4.25%	\$106,300	\$10,565,300	5.62%	\$140,500	\$246,800	4.94%
TTC	333	3.32%	\$83,100	\$9,006,100	4.79%	\$119,800	\$202,900	4.06%
UBTC	554	5.52%	\$138,100	\$14,492,600	7.71%	\$192,800	\$330,900	6.62%
USU ⁽²⁾	312	3.12%	\$77,900	\$8,003,200	4.26%	\$106,400	\$184,300	3.69%
Total	10,022	100.0%	\$2,500,000	\$187,959,900	100.0%	\$2,500,000	\$5,000,000	100.0%

(1) FTE's include certificate seeking, occupational, and secondary 2023-24 students.

(2) Technical education FTE and appropriations (CTE and Custom Fit) are removed from the degree granting calculation and included in the technical education calculation.

The Legislature intends that the \$5,000,000 appropriation in this item for Technical College Equipment be distributed equitably to the institutions by the Board of Higher Education. The Legislature further intends that the board report electronically to the Higher Education Appropriations Subcommittee regarding the distribution methodology before distributing the funds.

MOTION – FY 2027 Non-Dedicated Capital Project Requests

Pursuant to Board policies R742 and R744, I move to adopt the non-dedicated capital project rankings as prioritized in the October 4, 2024 Board meeting for the FY 2027 budget cycle.

MOTION – Tech College Equipment

I move to approve the proposed FY 2026 technical college equipment funding allocation as presented and instruct the Commissioner's Office to report the distribution methodology to the Higher Education Appropriation Subcommittee prior to disbursing the funding.

HB 265: Higher Education Strategic Reinvestment

Rep. Karen Peterson, Sen. Ann Millner

HB 265: Higher Education Strategic Reinvestment

- **Strategic Reinvestment:** Outlines requirements for the development and execution of strategic reinvestment plans at degree-granting institutions.
- **Funding Models:** Requires studying a redesign of performance and enrollment growth funding models during the 2025 interim.
- **Program Review:** Moves statutorily required program reviews from a 7-year cycle to a 5-year cycle and requires the Board to adopt qualitative and quantitative standards for program reviews.
- **Credit Hour Limits:** Caps bachelor's degrees at 120 credits, with the option for the Board to grant exceptions if more credits are required by accreditors or licensing bodies.
- **Sub-120 Bachelor's Degrees:** Requires the Board to develop a process to grant conditional approval of accelerated three-year degrees to allow for the implementation of these programs upon accreditation.

HB 260: First Credential Program

Rep. Val Peterson, Sen. Ann Millner

HB 260: First Credential Program

- Repeals the PRIME Program and establishes the First Credential Program.
- Requires the Commissioner, State Superintendent, and Governor's Education Advisor to establish a **First Credential Oversight Committee**.
- Requires the First Credential Oversight Committee to establish a **First Credential Master Plan**.
- Creates a grant program for LEAs.
- Creates a scholarship for students who complete the First Credential certificate.

First Credential Oversight Committee Makeup

- **Industry** representatives, including:
 - Representatives from professional associations or trade groups
 - Employers from high-demand sectors
- **Education** partners, including:
 - Members of the Utah State Board of Education (USBE)
 - Local Education Agency (LEA) administrators
 - Professionals from higher education institutions
 - Career and Technical Education (CTE) specialists
 - Talent Ready Utah (TRU)
- **Workforce development** experts, including:
 - Representatives from Department of Workforce Services (DWS)

First Credential Master Plan Components

1. Framework for developing and maintaining a Master Credential List and corresponding weighted system
2. Comprehensive needs assessment framework
3. Credential approval processes
4. Methods for ensuring industry demand alignment
5. Wage considerations for occupations associated with approved credentials
6. Clear definitions of industry-recognized credentials
7. Strategies for promoting stackability and sequencing of credentials
8. Approaches to ensure regional relevance of credentials
9. Mechanisms for collaboration between education, workforce development agencies, and industry
10. Strategies for continuous evaluation and improvement
11. Creation of a credentials review committee, including membership and duties
12. Framework for planning, implementation, and student outcome performance funding for LEAs
13. Guidelines for LEAs to procure industry-recognized certification program licenses

HB 447: Statewide Catalyst Campus Model

Rep. Mike Schultz, Sen. Ann Millner

HB 447: Statewide Catalyst Campus Model

Establishes a grant program for LEAs to create or expand Catalyst Centers.

- Opportunities for collaboration with higher education:
 - Requires that an LEA applying for the grant shall outline steps to establish or enhance partnerships with local industries or higher education institutions to support students' postsecondary transition.
 - Requires the grant director at USBE to prioritize an LEA that collaborates with local postsecondary institutions.
 - Provides that the grant director may collaborate with USHE and the First Credential Oversight Committee, and that an LEA that receives a grant may collaborate with USHE and individual higher education institutions.
 - Allows for colocation of a Catalyst Center on a higher education institution's campus.

HB 269: Privacy Protections in Sex-Designated Areas

Rep. Stephanie Gricius, Sen. Brady Brammer

HB 269: Privacy Protections in Sex-Designated Areas

- Specifies that an institution may only place an individual in a dwelling unit that is sex-designated if the individual's sex corresponds with that sex-designation.
- If an accusation is made that an individual is incorrectly assigned, the individual being accused may use their unamended birth certificate that corresponds with the dwelling's sex-designation as evidence against the allegation.
- Does not apply to intersex individuals or to student housing units that are unisex or single occupancy.
- Requires the Board to make policies or issue guidance.

HB 530: Utah Innovation Lab Modifications

Rep. Karen Peterson, Sen. Kirk Cullimore

HB 530: Utah Innovation Lab Modifications

Reorganizes the Utah Innovation Lab into the Nucleus Institute with the following governance structure (similar to my529):

- Executive Director appointed by the Commissioner
- Seven-member Nucleus Institute Board of Directors
- Five-member investment committee for the Utah Innovation Fund
- OCHE to provide, through contract and reasonable fees, administrative support, space, etc.

SB 282: Higher Education Hiring Amendments

Sen. Chris Wilson, Rep. Doug Fiefia

SB 282: Higher Education Hiring Amendments

Alters the presidential search process:

- Retains existing stakeholder group representation on search committees, but specifies the search committee is not subject to the Open and Public Meetings Act and codifies confidentiality requirements.
- Requires the search committee to forward three prioritized finalists to the Board, but removes the previous statutory requirement that finalists be publicly named.

SB 334: Center for Civic Excellence at Utah State University

Sen. John Johnson, Rep. Karianne Lisonbee

Center for Civic Excellence at Utah State University

- Establishes the Center for Civic Excellence as a pilot program responsible for providing general education at USU.
- Requires the Vice Provost of the Center to report to the Commissioner annually, and requires the Commissioner to report to the Education Interim annually.
- Requires the Center to provide the Board a final report on the pilot outcomes by July 1, 2029.

Additional Bills That Support Strategic Plan Priorities

Additional Bills That Support Strategic Plan Priorities

Access and Affordability

- HB 142: Service Member and Veteran Amendments
Rep. Teuscher, Sen. Weiler
- SB 17: Services for Department of Defense Civilian Employees
Sen. Millner, Rep. V. Peterson
- HB 479: Student Athlete Revisions
Rep. Hayes, Sen. McKell

Completion and Affordability

- SB 162: Talent Connect
Sen. Millner, Rep. J. Moss

Additional Bills That Support Strategic Plan Priorities

Affordability

- SB 129: Higher Education Development Areas
Sen. Wilson, Rep. Eliason

Economic Development

- HB 157: Energy Education Amendments
Rep. Jack, Sen. Owens