Two Areas for Discussion

1. Budgeting in Utah

2. Budgeting for the System of Higher Education
Public Budgeting

Process of:

• Setting Goals
• Allocating Resources
• Measuring Progress
• Assigning Responsibility
• Controlling Activities
Budget as Policy

• All policy requires some form of a budget to accomplish
  • Personnel are one of the largest sources of government expenditure
  • Most policies require someone to implement and/or be responsible

• Follow the money to find an organization’s priorities
Who are the budget players involved in public budgeting?
Budget Players

• Public Organization
• Legislative Body
• Budget Office
• Executive Officer (Gov./Mayor)
• Lobbyists and Interest Groups
• Citizenry
Role of the Legislature

• Hold the purse — appropriate money
• More representative of geographically diverse areas than executive
• In states and local government — mostly part-time (hold other jobs)
• Budget committees
  • Appropriations committees
  • Executive committees
Role of the Chief Executive

• Set context for spending
• Important to balance the budget
  • Recession
  • Growth Economy
• Tactical concerns
  • Relationship with Federal and local governments
  • Relationship with the legislature
  • Citizen concerns with taxes and government services
Utah Budgeting Process
Utah Budget Cycle

- Current Year begins
- Next Year Internal Budget Discussions begin
- Finalize Next Year Budgets
- Submit to Governor
- Governor Budget Office Review and Analyze Budgets
- Governor Budget Recommendations
- Legislative Session Begins
- Legislative Committee Hearings
- Budgets Appropriated
- Current Year Appropriated
- Next Year
- Audits Begin Prior Year
- Audits End Prior Year
- Financial Closeout Reporting Prior year

July 1

Legislative Session Ends
Final Budgets
Appropriated
Current Year
Next Year

June 30

FY ends
Legislative Budget Committees

Each legislator assigned to a committee by legislative management (Speaker/President)

2. Executive Offices and Criminal Justice
3. Higher Education
4. Infrastructure and General Government
5. Natural Resources, Agriculture, and Environment
6. Public Education
7. Retirement and Independent Entities
8. Social Services

Executive Appropriations Committee oversees all committees
• Differentiate specific Legislative funding purposes
• Funds may not be moved between Line Items without Legislative approval

ITEM 32

To Utah Valley University - Education and General
From General Fund 59,301,600
From Education Fund 57,256,600
From Dedicated Credits Revenue 136,545,700
From Education Fund Restricted - Performance Funding Rest. Acct. 1,000,900
From Beginning Nonlapsing Balances 22,339,400
From Closing Nonlapsing Balances (22,339,400)

Schedule of Programs:
Education and General 249,522,300
Operations and Maintenance 4,582,500

• Provide flexibility as well as accountability
• Funds may be moved between Programs within a Line Item
USHE Systemwide Line Items

• Education and General
  • The principal line item that funds each higher education institution
  • Provides significant flexibility for the institution to fund instruction, student services, operations, and other mission-related programs
USHE Institution-Specific Line Items (Proposed)

- University of Utah
  - Medical
  - Hospital
  - Public Service
- Utah State University
  - Veterinary Medicine
  - Public Service
  - Research
  - Career and Technical Education
- Southern Utah University
  - Public Service
- Snow College
  - Career and Technical Education
- Utah Tech University
  - Public Service
- Salt Lake Community College
  - Career and Technical Education
Where it all comes from...

- General Fund: 26%
- Local Education: 28%
- Transportation Fund: 7%
- Dedicated Credits: 5%
- Income Tax Funds: 11%
- Federal Funds: 14%
- Transp. Investment: 3%
- Other: 6%

Total: $29.4 Billion
Where it all goes...

$29.4 Billion

- Public Education: 26%
- Social Services: 35%
- Debt Services: 1%
- Law Enforcement: 1%
- Higher Education: 10%
- Capital Facilities: 8%
- General Gov't: 11%
- Transportation: 5%
- Other: 4%
Fiscal Year 2024
Budget Recommendations
Gov. Spencer J. Cox

FY 24 BUDGET HIGHLIGHTS

$1B TAX RELIEF FOR UTAHNS

$1.52B PUBLIC AND HIGHER EDUCATION

$200.7M teacher salaries—$4,600 + benefits every year
(total $6,000 in compensation)

$38.3M policies to support families

$54M mental health resources

$53.5M domestic violence prevention & victim support

$561M WATER & CONSERVATION

$132.9M Great Salt Lake

$150M housing

$27.1M air quality

$177.1M STATE EMPLOYEE COMPENSATION

$200M agricultural water optimization

$100M statewide trail network

$202.5M earthquake, flood, & wildfire resilience

$100M corridor preservation & greenfield development

$246M Space Master Plan projects

18% compensation increase for DCFS frontline employees
## 2023-24 Operating Budget Comparison (Tax Funds Only)

<table>
<thead>
<tr>
<th>Budget Priorities</th>
<th>USHE</th>
<th>Governor</th>
<th>Legislature</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>On-going Adjustments</strong></td>
<td></td>
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<tr>
<td>Compensation</td>
<td>180,170,000</td>
<td>150,040,400</td>
<td>2,905,400</td>
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<td>0.67% Discretionary Increase (FY23)</td>
<td>119,730,000</td>
<td>119,020,400</td>
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<td>7.0% Health for 0.9% Dental Insurance</td>
<td>13,380,000</td>
<td>13,837,000</td>
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<td>12.5% Medicaid State Share</td>
<td>18,048,000</td>
<td>18,377,000</td>
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<td>Technical Education Priorities</td>
<td>13,697,100</td>
<td>13,200,000</td>
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<td>Growth and Capacity</td>
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<tr>
<td>Equipment</td>
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<td>3,000,000</td>
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<tr>
<td>Custom Fit</td>
<td>500,000</td>
<td>(500,000)</td>
<td>(500,000)</td>
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<tr>
<td>Degree-granting Priorities</td>
<td>48,580,000</td>
<td>46,551,000</td>
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<tr>
<td>Performance</td>
<td>90,000,000</td>
<td>35,000,000</td>
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<tr>
<td>Growth</td>
<td>3,691,000</td>
<td>3,691,000</td>
<td>3,691,000</td>
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<tr>
<td>Equipment</td>
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<td>3,000,000</td>
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<tr>
<td>Operation and Maintenance</td>
<td>1,875,000</td>
<td>1,891,000</td>
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<td>Systemwide</td>
<td>8,550,000</td>
<td>8,400,000</td>
<td>(250,000)</td>
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<td>Cybersecurity</td>
<td>2,940,000</td>
<td>2,490,000</td>
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<td>Student Mental Health</td>
<td>3,025,000</td>
<td>1,875,000</td>
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<td>Student, Youth and Community Services Managers</td>
<td>975,000</td>
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<td>Technical Education Vice President and Degree-granting Inst.</td>
<td>890,000</td>
<td>890,000</td>
<td>890,000</td>
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<td>Other</td>
<td>9,200,500</td>
<td>20,127,100</td>
<td>10,926,600</td>
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<td>Internal Service Funds (ISF)</td>
<td>5,500,000</td>
<td>5,290,200</td>
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<td>Funding Support for Fee Supported Positions</td>
<td>3,691,700</td>
<td>(3,817,900)</td>
<td>(3,817,900)</td>
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<tr>
<td>USHE Targeted Workforce Development</td>
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<td>12,000,000</td>
<td>(3,000,000)</td>
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<tr>
<td>USHE ASEP/EI Electric Vehicle Infrastructure</td>
<td>2,071,000</td>
<td>2,071,000</td>
<td>(3,000,000)</td>
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<tr>
<td>UT Innovation Lab</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
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<tr>
<td>SUU Utah Rural Leadership Academy</td>
<td>155,650</td>
<td>155,650</td>
<td>(560,000)</td>
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<td>SUU Utah Women and Leadership Project</td>
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<td>110,000</td>
<td>110,000</td>
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<td>USU Behavioral Health Workforce Initiative</td>
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<td>1,180,000</td>
<td>1,180,000</td>
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<td>WSU/LCC Rocky Mountains On Pathways</td>
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<td>WSU/LCC Utah Language Education Amendments</td>
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<td>WSU Utah School Based Class</td>
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<td>WSU Center for Medical Informatics Research</td>
<td>600,000</td>
<td>600,000</td>
<td>600,000</td>
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<td>WSU Prime Hook Program Amendments</td>
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<td>WSU Native American Excellence Opportunity</td>
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<td>WSU/USU Responder Mental Health Services Program</td>
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<td>SUU Shakespeare Recital</td>
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<td>SUU James Lottley Institute for Land, Water, and Air</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
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<tr>
<td>SCC Salt Lake Technical College Scholarships</td>
<td>250,000</td>
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<td>250,000</td>
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<tr>
<td>SUU Support for Medical and Community Service Interp.</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
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<tr>
<td>SUU Law School Refugee Clin</td>
<td>200,000</td>
<td>200,000</td>
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<tr>
<td>SC Rural Technical Training Outreach</td>
<td>175,000</td>
<td>175,000</td>
<td>175,000</td>
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<tr>
<td>USU Uintah Basin Quality Research</td>
<td>150,000</td>
<td>150,000</td>
<td>150,000</td>
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<tr>
<td>USU Tele Rodeo, Utah Program Modifications</td>
<td>140,000</td>
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<td>140,000</td>
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<td>WSU Higher Ed Governance Amendments</td>
<td>124,000</td>
<td>124,000</td>
<td>124,000</td>
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<td>UT Higher Education for Incarcerated Youth Programs</td>
<td>83,000</td>
<td>83,000</td>
<td>83,000</td>
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<td>SUU Utah Summer Games</td>
<td>45,000</td>
<td>45,000</td>
<td>45,000</td>
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<tr>
<td>WSU Utah Data Research Center Amendments</td>
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<td>44,000</td>
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<tr>
<td>WSU Higher Education Funding Amendments</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
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<tr>
<td>Utah Medical Education Council</td>
<td>(2,050,000)</td>
<td>(2,050,000)</td>
<td>(2,050,000)</td>
</tr>
</tbody>
</table>

| Subtotal: USHE Priority On-going Adjustments | 228,300,000 | 221,850,500 | 6,450,500 |
| USHE Budget Priorities Percent Adjustment | 15.2% | 15.4% | 0.4% |

| Subtotal: One-time Adjustments | (11,314,000) | 2,937,000 | 2,937,000 |
| USHE Budget Priorities Percent Adjustment | -0.8% | 0.9% | 0.9% |

| Total Appropriation (On-going and one-time) | 214,174,000 | 223,910,500 | 19,736,500 |
| USHE Budget Priorities Percent Adjustment | 14.5% | 15.1% | 0.6% |
U.S. News & World Report 2023 Rankings – Best State in America based on economy and fiscal stability

### Utah Rankings

<table>
<thead>
<tr>
<th>Category</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crime &amp; Corrections</td>
<td>#15</td>
</tr>
<tr>
<td>Economy</td>
<td>#1</td>
</tr>
<tr>
<td>Education</td>
<td>#5</td>
</tr>
<tr>
<td>Fiscal Stability</td>
<td>#1</td>
</tr>
<tr>
<td>Health Care</td>
<td>#7</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>#4</td>
</tr>
<tr>
<td>Natural Environment</td>
<td>#46</td>
</tr>
<tr>
<td>Opportunity</td>
<td>#20</td>
</tr>
</tbody>
</table>

Overall Rank: #1

#3 out of 50 in 2021

Read our methodology to see how the scores and rankings were calculated.
Utah System of Higher Education Budgeting
USHE Budget Timeline

**Legislative Session**
- Jan - Mar

**Board Budget Development**
- Mar - Sept

**Governor Budget Recommendation**
- Sept - Dec

**Step 0 (July)**
- Review prior year
- Discussion

**Step 1 (August)**
- Establish Priority Guidelines

**Step 2 (August)**
- Submission of Requests
- Review
- Compilation

**Step 3 (September)**
- Presentations
- Board Review
- Adoption
FY 2024-25 Budget Development Process Guidelines

Six budget categories:

- Compensation
- Mandatory Increases
- Performance
- Equipment
- Growth Funding
- Board Priorities