

As Approved by Regents

Utah System of Higher Education	13-Sep-13
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Operating Budget Request Summary

ESTIMATED FY 2014-15 STATE TAX FUNDS ADJUSTED BASE BUDGET \$ 726,843,200

USHE BUDGET PRIORITIES TOWARD THE 66% GOAL (On-Going Increase) 126,852,300

1.	Compensation ¹		\$30,300,100
	A. 3% Performance Based Compensation ²	20,978,700	
	B. 9.5% Health & Dental ³	9,321,400	
2.	Mission Based Funding		\$79,705,000
	A. Acute Equity	69,705,000	
	B. Distinctive Mission (Participation, Completion, Economic Development)	10,000,000	
3.	Performance Based Funding	2,000,000	\$2,000,000
4.	Operational Imperatives		\$7,047,200
	A. O & M for Non-State Funded Projects ⁴	1,947,200	
	B. University of Utah Utility Infrastructure	3,900,000	
	C. Higher Education Technology Initiative (HETI)	1,200,000	
5.	Statewide Programs		\$7,800,000
	A. Student Access		
	1. Regents' and New Century Scholarships	6,000,000	
	2. Success Stipends (Need Based Financial Aid)	1,000,000	
	3. Engineering & Computer Science (STEM) Scholarships	250,000	
	B. Collaborations		
	1. Utah Data Alliance (UDA)	150,000	
	2. Technology Intensive Concurrent Enrollment (TICE)	150,000	
	3. Utah Academic Library Consortium (UALC)	250,000	
Total USHE Budget Priorities			126,852,300
USHE Budget Priorities Percent Increase			17.5%

STATE INITIATIVES (On-Going Increase) \$10,400,000

1.	USU Veterinary Medicine & Graduate Program Support	3,000,000	
2.	SLCC Student Access Support & Completion	3,400,000	
3.	Dixie State University Implementation	2,500,000	
4.	Snow College Rural Superintendents Concurrent Enrollment	1,500,000	

¹ USHE dedicated credits portion of compensation increase (25%) is \$6,560,400 for salary & related benefits and \$2,883,250 for a total of \$9,443,650. A 1% dedicated credits increase will generate an additional \$6,553,290, which would require 1.44% (\$9,443,650 / \$6,553,290) to fund the total compensation increase.

² State Portion, 75% of 1% Salary & Salary Related Benefits increase is \$6,992,900.

³ State Portion, 75% of 1% Health & Dental increase is \$981,200. PEHP estimates 9.5% increase.

⁴ The full O&M amount of need is \$5,841,500. Funding is requested in three equal payments over three years.

UTAH SYSTEM OF HIGHER EDUCATION 2014-15 OPERATING BUDGET REQUEST
SEPTEMBER 13TH 2013

This funding request is to support the missions of Utah's public colleges and universities in meeting the educational and economic goals of the State of Utah. The proposed Utah System of Higher Education (USHE) 2014-15 Operating Budget Request calls for an on-going State appropriation increase of \$126,852,300, which represents a 17.5 percent increase above the fiscal year 2013-14 base budgets. The budget request also includes state initiatives that total on-going increases of \$10,400,000.

The State Board of Regents established budget priorities for FY 2014-15 that comply with the statutory obligations prescribed in Utah Code 53B-7-101. The USHE Budget Request consists of two on-going components - USHE Budget Priorities and State Initiatives. The State Board of Regents requests that the Legislature provide funds to support the request and allow the Regents and institutions flexibility to prioritize and manage institutional needs. The following provides a brief description of the request.

USHE Budget Priorities **\$126,852,300**

USHE Budget Priorities for 2014-15 fall into five categories: (1) Compensation (2) Mission Based Funding (3) Performance Based Funding (4) Operational Imperatives; and (5) Statewide Programs.

1. Compensation: **\$30,300,100**

A. Base Compensation Package **\$20,978,700**

The Regents ask that Higher Education receive a 3% Performance Based compensation pool, including retirement rate adjustments. USHE competes in a national market for many of its personnel and must be sensitive to market salary levels to ensure that the institutions are able to recruit and retain well qualified faculty and staff members. The state portion (75%) of a 1% salary and salary related benefits increase is \$6,992,900.

B. Health & Dental Package **\$9,321,400**

In order to maintain current health and dental programs, medical insurance is projected to increase 9.5% in 2014-15 (PEHP early estimate). The state portion (75%) of a 1% health and dental premium increase is \$981,200.

2. Mission Based Funding: **\$79,705,000**

During the 2011 session, the Utah State Legislature passed Senate Bill 97 entitled Higher Education Mission Based Funding. This bill directed the USHE to include Mission Based Funding in the consolidated budget request. Further, the bill requires that USHE address enrollment growth, strategic priorities (Distinctive Mission) and funding equity. This year the request is focused on Acute Equity and Distinctive Mission.

A. Acute Equity **\$69,705,000**

The Commissioner and Presidents have agreed to make a bold but targeted focus in the FY 2015 budget request with equity funding for those institutions with the most acute equity needs, based on *budget-related full-time-equivalent resident student*, and using *end of semester for enrollment counts*. In July and August the Commissioner's Office and Presidents considered a number of models and scenarios to implement these principles. Ultimately it was agreed that for the 2014 legislative session we would seek to establish a *minimum floor of state funding for resident undergraduate* students of \$4,800 annually. This would bring the most acute equity needs within the system more in line with sister USHE institutions. Additionally, it was agreed that in future year's equity will still be considered across *all* institutions as outlined in statute.

B. Distinctive Mission **\$10,000,000**

To support the Regents' Strategic Plan of increasing participation, completion, and economic development, and to promote distinct institutional missions, the campuses will be proposing distinctive mission initiatives for presentation to the State Board of Regents at the November 15th meeting. The proposal for each institution will include the description, rationale, outcome, assessment criteria in which to measure success, and budget implementation plan.

3. Performance Based Funding: **\$2,000,000**

USHE recommends funding core performance measures which emphasize completions to reach the 66% goal. Institutions submit specific measures (metrics), current data, and benchmarks for evaluation, to receive allocations based on achievement or significant progress. Institutions may select from the following measures or propose their own according to mission and student mix.

- 1st year to 2nd year retention
- Increased completion rates
- Acceleration in fulfilling the general education math requirement
- Increase graduate education
- Transition from developmental math to successful completion of college math course

4. Operational Imperatives **\$7,047,200**

A. O&M for Non-State Funded Projects: **\$1,947,200**

For state funded buildings, the O&M costs are budgeted for funding at the time the building is approved. For non-state funded buildings, since it is often unclear how soon these buildings will open after legislative approval, funding is not budgeted until the building is complete and enters service. *Only projects previously approved by the Legislature as eligible for O&M funding are included.* This request is for one-third of the total O&M amount of \$5,841,500 funded in three equal amounts over three years.

A. Student Access

1. Regents' and New Century Scholarships \$6,000,000

It is estimated that \$6,000,000 in new money will be necessary to fully fund new 2014 awardees and those continuing recipients with remaining eligibility. In 2013 new applications for the Regents' Scholarship grew by 30% and qualified recipients increased by 48% over 2012. New Century's applications remained flat. The budget estimate is based on the number of students with remaining eligibility from 2010-2013, deferral and leave of absence return dates, and expected new student recipient growth for the 2014 cycle based on 2013 growth. Under state law, applicants are advised that actual award amounts are adjusted annually to the amount of funding provided by the Legislature and number of qualified recipients. Budget estimates will be updated in February 2014 taking into account applications for the new-year which are due February 3, 2014.

2. Success Stipends (Need Based Financial Aid) \$1,000,000

The Regents request \$1,000,000 to help support need-based student aid. A \$1 million increase would assist approximately 1,200 additional students with work-study or small grants to enable them to attend or complete college (based on an average award of \$850).

3. Engineering & Computer Science (STEM) Scholarships \$250,000

Scholarships are part of the 2001 Engineering Initiative (SB 61) which provides funds to be used by institutions for students in computer science and engineering as defined by the initiative and distributed as recommended by the Technology Initiative Advisory Board.

B. Collaborations

1. Utah Data Alliance (UDA) \$150,000

In order to maintain minimum participation levels with the Utah Data Alliance, USHE requires the funding of one FTE to provide the data management, data validation and reporting requirements that correspond to higher education data within the Utah Data Alliance data base. The 150,000 request will cover the salary, benefits and other associated costs of one FTE to be housed in the Office of the Commissioner.

2. Technology Intensive Concurrent Enrollment (TICE) \$150,000

This funding will support TICE course maintenance, upgrades and teacher professional development. Consultation with the disciplinary faculty attending the annual majors meetings with faculty and K-12 teachers teaching the courses will help course articulation and the on-line/open courseware portion of the content current.

3. Utah Academic Library Consortium (UALC) \$250,000

As Utah adds new majors and programs, such as engineering and medicine, library resources must expand and meet the needs of those initiatives. UALC must continually shape the electronic collections to meet the needs of students and faculty. This funding would be used to purchase Academic Search Complete, a database that would provide access to more than 7,900 full text journals in a wide range of subject areas. This database would provide greater access, value, coverage and support of both current programs and new programs as they evolve. Statewide purchase would prevent added costs of each institution replacing individual journal titles on their own or spending additional monies by using a fee-based service to obtain articles from these titles. In addition, the funding would be used to re-subscribe to important databases where resources have not been sufficient to continue subscription for all institutions and to support hardware and software needs for UALC.

State Initiatives

\$10,400,000

1. USU Veterinary Medicine & Graduate Program Support

\$3,000,000

USU is requesting \$1.5 million for its Veterinary Medicine program. When the Board approved the program in December 2010, an important budget component was a legislative appropriation that would be needed beginning with the 2014-15 academic year. The funding will cover the differential tuition charged to Utah residents attending years 3 and 4 of the program on the campus of Washington State University.

Secondly, the University seeks to strengthen its general graduate offerings. The legislature provided one-time funding for FY2013-14. This request will make those funds permanent. The University will use the funds for scholarships and instruction.

2. SLCC Student Access Support & Completion

\$3,400,000

SLCC will use these funds to create additional sections of gateway and high demand general education courses (including college math, English, chemistry, biology, and key health science courses), enhance and expand career and technical education training programs to prepare students for entry to or advancement in the workforce, and provide the necessary advising and student support services to ensure clear pathways and timely goal completion beginning with admission through graduation.

- Hire 15 new student advisors, who will focus on supporting students throughout their educational experience. These advisors will be specifically trained in addressing specific milestones associated with the college student experience including: college transition, first semester (0-15 credit hours), selecting a major, program advising, and graduation transition.
- Hire 25 additional faculty members to expand the number of gateway transfer courses and high demand career and technical education programs at the college.

- SLCC will update and enhance instructional equipment in its CTE and general education courses to reflect current and relevant equipment being used in business and industries to better prepare SLCC completers for entry to and advancement in the workforce.

3. Dixie State University Implementation \$2,500,000

The current request is intended to provide infrastructure to transform the institution from its traditional instructional formats into a cutting-edge, innovative and sustainable institution. At the heart of the transformation is a center for teaching and learning that will assist, train, create, and evaluate instructor and department-led initiatives designed to increase efficiency and expediency of instructional delivery.

One major innovation of the center's activities will be developing capacity partnerships with other institutions. Based on its successful University of Utah partnership, Dixie State hopes to expand student access and compress time to graduation through capacity at sister institutions by contracting with departments to adjunct instruction on an as-needed, space-available basis. The center will house a team of support personnel to design, negotiate, administrate, and evaluate instructional activities of this modality along with other innovative approaches on campus.

Although the benchmarks for university status are met, defining a transformational and competitive approach to the future requires development of resources to support the instruction and the physical supports needed throughout the institution for the transformation.

4. Snow College Rural Superintendents Concurrent Enrollment \$1,500,000

Establish a concurrent enrollment program administered by Snow College that provides courses and support to rural secondary school districts. Proposal includes salary, benefits, and expenses for 11 full-time equivalent (FTE) instructors, 2 FTE facilitators, 2 FTE academic advisors, and 3 FTE administrators consisting of a Director and two technicians. Two classrooms will be remodeled and outfitted as smart classrooms for video and audio communication. Anticipated offerings include 96 sections of 41 different courses.