



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

March 21, 2024

2024 Legislative Session Report

The following report on the 2024 General Legislative Session summarizes funding for operating and capital budgets, outlines new statutory responsibilities, and provides other insights to help facilitate discussion at the March 21 Board meeting.

Operating Budget

The Legislature approved a \$124,354,300 increase (7.2%) for the System's operating budget.

Compensation & Internal Service Fund Rate Impacts

- **Salary and Benefits:** Funding to support a 3.0% cost-of-living adjustment for higher education employees and parity with state employees for health and dental benefits increases.
- **Internal Service Fund Rate Impacts:** Funding to support cost increases for state-billed insurance, attorney general services, and other mandatory costs. Additionally, \$21,750,000 in one-time funding was appropriated to the Department of Government Operations to defray the costs of property insurance premium increases in Fiscal Year 2025.

Performance Funding

- **2023 GS Performance Funding:** \$31,434,000 of the \$35,000,000 in degree-granting institution performance funding from the 2023 General Session was appropriated ongoing to institutions, with the balance appropriated to the performance funding restricted account for future recovery.
- **New 2024 GS Performance Funding:** \$9,845,000 of \$20,000,000 in new performance funding was appropriated ongoing to institutions, with the balance appropriated to the performance funding restricted account for future recovery.
- **Senate Bill 192, Higher Education Amendments:** Establishes a new legislative transfer mechanism for annual deposits to the performance funding restricted account beginning in FY 2027. Given baseline projections for income tax withholdings, we estimate that this new earmark will generate approximately \$20,000,000 in new performance funding each year.

Select Systemwide and Institutional Highlights

- Technical College Growth: \$6,657,000 in ongoing funding
- Technical College Equipment: \$5,000,000 in one-time funding

- Technical College Attorney General: \$255,600 in ongoing funding
- Talent Ready Utah – Life Science Workforce Initiative: \$2,000,000 in ongoing funding, \$2,000,000 in one-time funding
- Talent Ready Connections: \$1,000,000 in one-time funding
- USHE Commercialization Shared Service: \$1,750,000 in one-time funding and \$500,000 in ongoing funding
- Utah Innovation Lab: \$15,000,000 in one-time funding
- Northstar Enterprise System: \$1,500,000 in one-time funding
- Prime Expansion: \$2,500,000 in one-time funding
- Application Fee Waiver Revenue Offset: \$2,706,500 in one-time funding
- USHE Marine Sciences Laboratory Partnership: \$1,500,000 in one-time funding

University of Utah

- Medical School Expansion: \$800,000 in one-time funding
- Presidential Debate: \$2,500,000 in one-time funding
- Hunstman Cancer Institute Vineyard Cancer Research: \$75,000,000 in one-time funding

Utah State University

- Statewide Energy Education & Workforce Initiative: \$2,100,000 in ongoing funding and \$450,000 in one-time funding
- Utah Forest Restoration Institute: \$765,000 in ongoing funding and \$55,000 in one-time funding
- Utah-MEP Alliance Funding: \$1,000,000 in ongoing funding and \$884,000 in one-time funding

Utah Valley University

- Civic Thought and Leadership Initiative: \$1,500,000 in one-time funding
- Utah Fire & Rescue Academy – Mobile ARFF Training Prop: \$125,000 in ongoing funding and \$750,000 in one-time funding
- Jobs CEO Council: \$300,000 in one-time funding
- Gary R. Herbert Policy Institute: \$250,000 in ongoing funding

Weber State University

- Educating High-Temperature Materials Engineers for Hypersonics: \$1,450,000 in one-time funding

Utah Tech University

- Digital Forensics Crime Lab Training Expansion: \$100,000 in ongoing funding
- Higher Education for Incarcerated Youth Program: \$150,000 in one-time funding

Salt Lake Community College

- Math Foundations: \$250,000 in ongoing funding

Snow College

- Rural Student Scholarship Initiative: \$250,000 in one-time funding

Dixie Technical College

- Shared Access and Outreach for Technology Careers: \$170,000 in one-time funding

Southern Utah University

- Cultural Tourism Stabilization: \$300,000 in one-time funding

Budget Reductions and Structure Modifications

- ***Budget Reductions:*** \$20,728,2000 in ongoing funding was clawed back from institutions, with a one-time offset in FY 2025. The reductions amount to a 1.5% reduction for degree-granting institutions and a 0.5% reduction for technical colleges, including Salt Lake Community College, Snow College, and the Utah Board of Higher Education. Reductions were applied proportionally to line items and programs that receive General Fund and Income Tax Fund.
- ***Budget Structure Modifications:*** Consistent with recommendations from the LFA/USHE interim workgroup, the 2024 General Session Appropriations Act converted Education and General line item programs to NACUBO categories, as well as introduced new special projects line items. A new student success program was also established within the special projects line item, with the following intent language: *The Legislature intends that funding allocated to Student Success be used to provide access and assistance to all students regardless of race, color, ethnicity, sex, sexual orientation, national origin, religion, or gender identity. The Legislature further intends that the Board of Higher Education report to the Higher Education Appropriations Subcommittee on the status and allocation of these funds before July 1, 2025.*

Capital Budget

The Legislature appropriated over \$146,000,000 in new capital development funding, along with nearly \$64,000,000 in new dedicated project fund spending authority. All of the Board's capital development priorities were funded, in addition to the Huntsman Cancer Institute Vineyard Research Project and additional bonding authority for the West Valley Health and Community Center. Specific funding items include:

- Snow College - Social Science Classroom & Lab Building
- Ogden Weber Technical College – Pathway Building
- Degree-Granting Institution Dedicated Projects
- University of Utah – Huntsman Cancer Institute Vineyard Research Project
- University of Utah – West Valley Health and Community Center Bonding Authority

2024 General Session capital project appropriations were generally accompanied by the following intent language: *The Legislature intends that before commencing construction of a capital development project funded for an institution of higher education during the 2024 General Session, the Division of Facilities Construction and Management (DFCM) and the institution shall report to the Infrastructure and General Government Appropriations Subcommittee and the Higher Education Appropriations Subcommittee on the status and cost of the project and that DFCM and the institution shall seek feedback from the committees before committing funds for demolition or construction. The Legislature further intends that before committing funds for construction that DFCM, the institution, and the Board of Higher Education shall certify to the committees that the institution (1) has developed a plan that will utilize each classroom space in the building an average of 33.75 hours of instruction per week for spring and fall semesters with 66.7 percent seat occupancy, and will work to increase utilization of classroom space during the summer; and (2) has presented a plan to implement space utilization of non-classroom areas as per industry standards.*

Enacted Laws with Substantive Impacts for the Board, Office of the Commissioner, and USHE

Attachment A details bills that passed during the 2024 General Session that affect higher education. The attachment contains a brief description of each bill and, where relevant, outlines near-term action items required of the Board, the Interim Commissioner, the Office of the Commissioner, and USHE institutions.

Other Developments from the 2024 Legislative Session

Senator John Johnson sponsored [SB 226, School of General Education Act](#), which established a School of General Education at the University of Utah and specified duties, authority, course requirements, and reporting requirements for the new school. The Board unanimously opposed the bill because it would fundamentally shift several long-established executive functions of higher education from the Board and institutions to the Legislature. While SB 226 failed in the Senate Business and Labor Committee on February 21, the bill signals valid concerns about issues surrounding general education. The March 21 Board meeting will include a discussion on how the System can work to proactively address these concerns.

Commissioner's Recommendation

This is an information item only; no action is required.

Attachments

Passed Bills

Tax Fund Appropriations by Institution

Higher Education Capital Project Fund Allocations and Balances

Ongoing Performance Funding Appropriations and Budget Cuts

Proposed FY 2025 Technical College One-Time Funding Distribution

One-time Application Fee Waiver Revenue Offset Distribution