



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

August 10, 2023

## Preliminary 2024-2025 Budget Process Guidelines

One of the primary statutory responsibilities of the Board is to recommend a unified budget request to the governor and legislature for the Utah System of Higher Education. The Board creates the budget request recognizing the multiple statutory, strategic, operational, and financial objectives of the system and its institutions. Above all, the requested level and distribution of appropriations to the system and its institutions must be justifiable in the context of the state's revenue environment and statewide master plan for higher education.

After years of experiencing double-digit year-over-state revenue growth rates, collection growth has moderated substantially in fiscal year 2023. This fiscal normalization, combined with the elevated risk of near-term economic recession, should temper institution expectations for the availability of new appropriations in the 2024 General Legislative Session.

The attached preliminary budget request guidance was distributed in order to assist institutions with budget development activities ahead of the Board's formal adoption of Fiscal Year 2024/2025 budget priorities.

The operating budget guidance tentatively contemplates the five budget categories required by statute: employee compensation, mandatory costs, performance funding, statewide priorities, and enrollment growth. Capital budget guidance tentatively contemplates institution dedicated projects and land bank requests, following action from the May 2023 meeting where the Board determined that non-dedicated capital project requests will not be newly reviewed and prioritized for Fiscal Year 2025. Finally, as required by statute starting this year, the budget recommendation will enumerate and prioritize all requests for appropriation (RFAs) directed to the Board or an institution of higher education. Institution guidance on the process and timing of institution RFA submissions to the Commissioner's office is forthcoming.

### Commissioner's Recommendation

The Commissioner recommends that the Board adopt the preliminary fiscal year 2025 budget guidelines and priorities as attached. These preliminary priorities will be presented to the lieutenant governor and

the Governor's Office of Planning and Budget in September, with the qualification that the Board's formal budget recommendation will be adopted in its November meeting.

## **Attachments**