



MEMORANDUM

October 4, 2024

Fiscal Year 2025-2026 USHE Operating Budget Recommendation – Technical Education Growth

The Fiscal Year 2025-2026 USHE operating budget request for technical education growth was developed with consultation and discussion with the Council of Presidents, Business Vice Presidents, and Budget Officers for each technical college and degree-granting institution with a technical education mission. The technical education growth budget request complies with Utah Code [53B-7-101](#) (2)(v) Combined Requests for Appropriations, and the budget guidance adopted by the Board in the July 2024 meeting.

Technical Education Growth

\$4,707,000 Ongoing

The growth funding request of \$4,707,000 supports operating cost increases for four institutions that have demonstrated significant enrollment growth. This growth formula is based on actual net full-time equivalent (FTE) student enrollment increases and associated direct instructional costs stratified by small and large institutions.

▪ Bridgerland Technical College	\$ 850,000
▪ Davis Technical College	\$ 1,530,000
▪ Dixie Technical College	\$ 1,052,000
▪ Ogden-Weber Technical College	\$ 1,275,000

The technical education growth funding model was newly introduced in the previous budget cycle in an effort to align technical education funding formulas and requests with those of degree-granting institutions. FY 2025 was the first year in which performance funding was allocated to degree-granting institutions and technical colleges under common performance metrics. As such, OCHE developed the technical education growth funding model to mirror the degree-granting institution growth funding model to extend standardization to growth funding requests. The technical education growth formula uses Fiscal Year 2022 as the base year and captures net growth in certificate-seeking, occupational, and secondary FTE through Fiscal Year 2024, adjusted for growth funded by the legislature since the base year. This is similar to the degree-granting institution growth funding model, which is isolated to growth in budget-related FTE and focuses on core mission activities. The growth threshold is 25 FTE per institution (i.e., an institution must experience a 25 FTE increase to be growth funding eligible), and the growth funding increment is 10 FTE per institution (i.e., institutions are funded in blocks of 10 FTE). For

the degree-granting institutions with a technical education mission, the base year has been adjusted due to new data-gathering processes aimed at separating degree-granting activities from technical education activities in these dual mission institutions. Consequently, next year (FY 2027) will be the first year that degree-granting institutions with a technical college mission will be considered for technical education growth funding.

During the 2023 General Session, the Legislature passed Senate Bill 2, New Fiscal Year Supplemental Appropriations Act, which included the following intent language, *“The Legislature intends that the Utah System of Higher Education report to the Legislative Fiscal Analysts Office by December 1, 2023 estimates for growth funding based on net growth.”* Accordingly, the technical education growth funding model shows a net growth funding request of \$4,707,000, which reflects the impact of net growth across eligible student populations.

Four technical colleges qualify for growth funding budget requests.

- *Bridgerland Technical College \$850,000* – Increased 100 student full-time equivalents (FTE). Funds will be used to transition full-time non-benefited employees to full-time benefits-eligible employees.
- *Davis Technical College \$1,530,000* – Increased 180 student full-time equivalents (FTE). Funds will be used to hire six faculty in high-yield and regionally important programs, and six staff in student enrollment, student services, student advising, compliance and data privacy, facilities project management, and campus security. Funds will also be used to reduce student fees, cover increased costs for software licensing, and expand Salesforce software contracting.
- *Dixie Technical College \$1,052,000* – Increased 90 student full-time equivalents (FTE). Funds will be used to hire two additional academic support personnel and increase the pay of college employees to assist with employee retention.
- *Ogden-Weber Technical College \$1,275,000* – Increased 150 student full-time equivalents (FTE). Funds will be used to hire six additional faculty in manufacturing and service professions, and five staff in student recruitment and support services.

Commissioner’s Recommendation

The Commissioner recommends the Board approve technical education growth funding in the amount of \$4,707,000.

Attachment

Attachment 1 - FY 2025-2026 Technical Education Growth Funding Model