

R504-1. Purpose: To provide controlled base budget reductions in the event of declining enrollments at a System institution.

R504-2. References

- 2.1. Utah Code §53B-7-101 (Combined Requests for Appropriations: Appropriation Formulas)
- 2.2. Utah Code §63-38-10 (Budgetary Procedures Act: Over-expenditure of Budget by Agency)
- 2.3. Policy and Procedures R521, Dedicated Credits

R504-3. Definitions

- 3.1. **Appropriated Base Budget:** The legislative appropriated budget for the institution, including state tax funds and dedicated credits.
- 3.2. **Dedicated Credits:** Revenues other than state tax funds and mineral lease funds included in the appropriated budget, largely made up of tuition.
- 3.3. **Enrollment:** For purposes of this policy, enrollment generated in courses that are designated as budget-related. Budget related enrollment is state funded.
- 3.4. **Funded Enrollment Target:** The number of full-time equivalent students at an institution funded by the legislature for the target year.
- 3.5. **Non-Action Interval:** The initial period of three consecutive years during which actual enrollments remain below funded enrollment targets by 2 percent or more. Summer and fall enrollments are used in the third year to estimate the annualized enrollment and determine whether an institution has remained below funded enrollment targets for the third consecutive year.
- 3.6. **The Spread Period:** The four budget years following the non-action interval during which the appropriated base budget is reduced for an institution whose enrollments remain below funded levels by 2 percent or more. The spread period ends prior to four years in the event the institution comes within 2 percent of funded enrollment targets.

R504-4. Policy

- 4.1. **Tuition Driven Budget Adjustments:** Enrollments below funded enrollment targets result in reduced tuition collections and internal budgets below what has been planned and programmed by the institution. Consequently, the institution must manage and reduce the internal budget accordingly.
- 4.2. **Non-Action Parameter:** appropriated base budget - Realized enrollments less than 2 percent below the funded enrollment target shall not call for a appropriated base budget adjustment. Realized

¹ Approved September 12, 1979; replaced September 15, 1995.

enrollments must be 2 percent or more below the funded enrollment target before action is taken to decrease the appropriated base budget.

4.3. Non-Action Interval: appropriated base budget - Actual enrollments must remain 2 percent or more below the funded enrollment target for the non-action interval of three consecutive years before action is taken to decrease the institution's appropriated base budget.

4.4. Spread Period: Reductions in appropriated base budget for an institution that has remained below the funded enrollment target by 2 percent or more for the non-action interval shall be taken during the spread period of the following four budget years.

4.5. Reduction Rate: The reduction in appropriated base budget shall be made by reducing funding for students at the same amount per full-time equivalent student as the institution last received for enrollment growth.

4.6. Reductions in Funded Enrollment Targets: The institution's funded enrollment target shall be reduced by the number of full-time equivalent students for which appropriated base budget reductions are made.

4.7. Budget Reduction Limitation: Budget reductions shall cease when the institution's enrollments are no longer 2 percent or more below the institution's funded enrollment target.

4.8. Governor's Reductions in Budget: Any reduction in appropriated base budgets ordered by the Governor (pursuant to Utah Code §63-38-10) shall be deducted from any amounts calculated as reductions in budgets pursuant to this policy.