

BUSINESS AFFAIRS AND HUMAN RESOURCES
MAY 2, 2013

in Board policy V.S.2. BAHR believes that manipulating the EWA formula would set a bad precedent for future appropriations.

The appropriation bill included a section of legislative intent stating that “It is the responsibility of the State Board of Education to allocate funding appropriated in this act toward achieving an equitable distribution among the college and universities.” BAHR recognizes that: (1) enrollment shifts attendant to the opening of the College of Western Idaho (CWI) are starting to work through BSU’s EWA three-year rolling average to the detriment of BSU; and (2) BSU experienced strong enrollment growth in FY 2010 – 2012 at a time when EWA was not funded. Therefore, BAHR believes it is appropriate to allocate the entire \$1.365M EWA “plus-up” to BSU toward achieving an equitable distribution.

ATTACHMENTS

Attachment 1 - C&U FY 2014 Appropriation Allocation	Page 3
Attachment 2 – C&U FY 2014 appropriation bill (S1186)	Page 5

STAFF COMMENTS

Staff recommends approval of the FY 2014 College and Universities allocation as presented in Attachment 1.

BOARD ACTION

I move to approve the allocation of the FY 2014 appropriation for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and system-wide needs, as presented on Tab 1, Page 3.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**FY 2014 College and University Allocation
Based on JFAC Action**

March 7, 2013

Appropriation:	FY13 Appr	FY14 Appr	% Chge	Sys Needs:	FY13 Appr	FY14 Appr
General Educ Approp: Bill No. S1186				HERC	<u>1,424,600</u>	<u>1,435,500</u>
General Account	227,950,500	236,543,600	3.77%	Innovation	<u>942,600</u>	<u>942,600</u>
Endowment Funds	9,927,400	10,729,200	8.08%	Sys Nds	<u>140,000</u>	<u>140,000</u>
ARRA Funds	0	0		IGEM	<u>2,010,900</u>	<u>2,000,000</u>
Total Gen Acct & Endow Funds	<u>237,877,900</u>	<u>247,272,800</u>	3.95%	Total	<u>4,518,100</u>	<u>4,518,100</u>
Student Fees/Misc Revenue	208,484,300	218,629,200	4.87%			
One-time Student Fees:						
Total Gen Educ Approp	<u>446,362,200</u>	<u>465,902,000</u>	4.38%			
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Allocation:	BSU	ISU	UI	LCSC	SYS-WIDE	TOTAL
FY13 General Account	74,104,600	61,799,700	74,736,200	12,791,900	4,518,100	227,950,500
FY13 ARRA Funds (one-time)	0	0	0	0	0	0
FY13 Endowment Funds	0	2,125,600	6,466,800	1,335,000	0	9,927,400
Remove one-time CAES funds	0	0	0	0	0	0
Base Rescission	0	0	0	0	0	0
Base Reduction	0	0	0	0	0	0
Restore Health Insurance Holiday	0	0	0	0	0	0
FY14 Budget Base	<u>74,104,600</u>	<u>63,925,300</u>	<u>81,203,000</u>	<u>14,126,900</u>	<u>4,518,100</u>	<u>237,877,900</u>
% Base Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Additional Funding for FY14:						
MCO Adjustments:						
Personnel Benefits	293,700	392,000	365,600	90,800		1,142,100
Inflation including Library B&P	0	0	95,400	0		95,400
Replacement Items: One-Time	0	0	0	0		0
CEC @ 2.0%	0	0	0	0		0
Endowment Fund Adjustments	0	89,100	579,700	0		668,800
Nonstandard Adjustments:						
Risk Mgmt/Controller/Treasurer	(15,400)	8,300	(900)	(11,400)		(19,400)
External Nonstandard Adjustments:						
Enrollment Workload Adjustment (EWA)	(88,000)	1,791,700	1,341,500	589,400		3,634,600
EWA Surplus	1,365,400	0	0	0		1,365,400
Line Items						
Occupancy Costs	1,650,000	562,000	296,000	0		2,508,000
Total Addl Funding	<u>3,205,700</u>	<u>2,843,100</u>	<u>2,677,300</u>	<u>668,800</u>	<u>0</u>	<u>9,394,900</u>
FY14 Gen Acct & Endow Allocation	<u>77,310,300</u>	<u>66,768,400</u>	<u>83,880,300</u>	<u>14,795,700</u>	<u>4,518,100</u>	<u>247,272,800</u>
% Change From FY13 Adjusted Budget Base	4.33%	4.45%	3.30%	4.73%	0.00%	3.95%
% Change From FY13 Original Approp	4.33%	8.04%	12.24%	15.66%		
FY14 Estimated Student Fee Revenue	76,835,300	56,194,300	73,098,200	12,501,400	0	218,629,200
FY14 Operating Budget	<u>154,145,600</u>	<u>122,962,700</u>	<u>156,978,500</u>	<u>27,297,100</u>	<u>4,518,100</u>	<u>465,902,000</u>

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STATEMENT OF PURPOSE

RS22290

This is the FY 2014 appropriation to the State Board of Education for College and Universities in the amount of \$465,902,000. This appropriation includes benefit cost increases, inflationary increases with dedicated funds, one-time replacement items with dedicated funds, a decrease in statewide cost allocation, \$5,000,000 of ongoing General Funds for enrollment increases, and increases in endowment funds. There is one line item funded in this appropriation that provides 11.49 FTP and \$2,508,000 ongoing General Funds for occupancy costs (maintenance, custodial, utility, security) for eight facilities on the campuses of Boise State University, Idaho State University, and the University of Idaho. This appropriation results in a 3.8% increase on the General Fund

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2013 Original Appropriation	3,938.98	227,950,500	218,411,700	0	446,362,200
Reappropriation	0.00	0	84,971,900	0	84,971,900
FY 2013 Total Appropriation	3,938.98	227,950,500	303,383,600	0	531,334,100
Noncognizable Funds and Transfers	81.16	0	18,129,600	0	18,129,600
FY 2013 Estimated Expenditures	4,020.14	227,950,500	321,513,200	0	549,463,700
Removal of One-Time Expenditures	0.00	0	(95,537,000)	0	(95,537,000)
Base Adjustments	0.00	0	0	0	0
FY 2014 Base	4,020.14	227,950,500	225,976,200	0	453,926,700
Benefit Costs	0.00	1,104,500	754,300	0	1,858,800
Inflationary Adjustments	0.00	0	1,373,600	0	1,373,600
Replacement Items	0.00	0	585,500	0	585,500
Statewide Cost Allocation	0.00	(19,400)	0	0	(19,400)
Change in Employee Compensation	0.00	0	0	0	0
Nondiscretionary Adjustments	0.00	5,000,000	0	0	5,000,000
Endowment Adjustments	0.00	0	668,800	0	668,800
FY 2014 Program Maintenance	4,020.14	234,035,600	229,358,400	0	463,394,000
1. Funding Equity - BSU, ISU, UI	0.00	0	0	0	0
2. Complete College Id-Systemwide	0.00	0	0	0	0
3. Performance Funding - Systemwide	0.00	0	0	0	0
4. Occupancy Costs - BSU, ISU, UI	11.49	2,508,000	0	0	2,508,000
5. Biomedical Research - BSU	0.00	0	0	0	0
6. Anatomy/Physiology Lab - ISU	0.00	0	0	0	0
7. College of Law - 2nd Yr Boise (UI)	0.00	0	0	0	0
8. Complete College Idaho - LCSC	0.00	0	0	0	0
9. HERC/EPSCoR Increase	0.00	0	0	0	0
Budget Law Exceptions	0.00	0	0	0	0
FY 2014 Total	4,031.63	236,543,600	229,358,400	0	465,902,000
Chg from FY 2013 Orig Approp	92.65	8,593,100	10,946,700	0	19,539,800
% Chg from FY 2013 Orig Approp.	2.4%	3.8%	5.0%	0.0%	4.4%

LEGISLATURE OF THE STATE OF IDAHO
 Sixty-second Legislature First Regular Session - 2013

IN THE SENATE

SENATE BILL NO. 1186

BY FINANCE COMMITTEE

AN ACT

1 APPROPRIATING MONEYS TO THE STATE BOARD OF EDUCATION AND THE BOARD OF RE-
 2 GENTS OF THE UNIVERSITY OF IDAHO FOR COLLEGE AND UNIVERSITIES AND THE
 3 OFFICE OF THE STATE BOARD OF EDUCATION FOR FISCAL YEAR 2014; PROVIDING
 4 GUIDANCE FOR EMPLOYEE COMPENSATION; PROVIDING NON-GENERAL FUND REAP-
 5 PROPRIATION; PROVIDING LEGISLATIVE INTENT FOR SYSTEMWIDE NEEDS; PRO-
 6 VIDING LEGISLATIVE INTENT FOR UNIVERSITY RESEARCH; PROVIDING LEGISLA-
 7 TIVE INTENT FOR THE USE OF GENERAL FUNDS; PROVIDING LEGISLATIVE INTENT
 8 ON THE ALLOCATION OF FUNDS; AND EXEMPTING APPROPRIATION OBJECT AND PRO-
 9 GRAM TRANSFER LIMITATIONS.
 10

11 Be It Enacted by the Legislature of the State of Idaho:

12 SECTION 1. There is hereby appropriated to the State Board of Education
 13 and the Board of Regents of the University of Idaho for college and universi-
 14 ties, and the Office of the State Board of Education, the following amounts
 15 to be expended according to the designated programs and expense classes,
 16 from the listed funds for the period July 1, 2013, through June 30, 2014:

	FOR	FOR	FOR	FOR	TOTAL
	PERSONNEL	OPERATING	CAPITAL	TRUSTEE AND	
	COSTS	EXPENDITURES	OUTLAY	BENEFIT	
				PAYMENTS	
21 I. BOISE STATE UNIVERSITY:					
22 FROM:					
23 General					
24 Fund	\$64,506,300	\$7,680,800	\$3,757,800		\$75,944,900
25 Unrestricted					
26 Fund	<u>58,015,700</u>	<u>17,931,000</u>	<u>888,600</u>		<u>76,835,300</u>
27 TOTAL	\$122,522,000	\$25,611,800	\$4,646,400		\$152,780,200

28 II. IDAHO STATE UNIVERSITY:					
29 FROM:					
30 General					
31 Fund	\$63,254,100	\$1,286,500			\$64,540,600
32 Charitable Institutions Endowment Income					
33 Fund	892,800				892,800
34 Normal School Endowment Income					
35 Fund	1,335,000				1,335,000

	FOR	FOR	FOR	FOR	TOTAL
	PERSONNEL	OPERATING	CAPITAL	TRUSTEE AND	
	COSTS	EXPENDITURES	OUTLAY	BENEFIT	
				PAYMENTS	
5	Unrestricted				
6	Fund	<u>29,069,100</u>	<u>20,764,500</u>	<u>\$6,360,700</u>	<u>56,194,300</u>
7	TOTAL	\$94,551,000	\$22,051,000	\$6,360,700	\$122,962,700
8	III. UNIVERSITY OF IDAHO:				
9	FROM:				
10	General				
11	Fund	\$66,880,700	\$6,299,100	\$3,534,100	\$76,713,900
12	Agricultural College Endowment Income				
13	Fund	690,000	47,400	229,800	967,200
14	Scientific School Endowment Income				
15	Fund	2,489,300		849,100	3,338,400
16	University Endowment Income				
17	Fund	2,007,100	186,800	666,900	2,860,800
18	Unrestricted				
19	Fund	<u>38,635,800</u>	<u>33,659,700</u>	<u>802,700</u>	<u>73,098,200</u>
20	TOTAL	\$110,702,900	\$40,193,000	\$6,082,600	\$156,978,500
21	IV. LEWIS-CLARK STATE COLLEGE:				
22	FROM:				
23	General				
24	Fund	\$11,733,800	\$1,292,900	\$434,000	\$13,460,700
25	Normal School Endowment Income				
26	Fund		1,335,000		1,335,000
27	Unrestricted				
28	Fund	<u>9,552,400</u>	<u>2,949,000</u>	<u>0</u>	<u>12,501,400</u>
29	TOTAL	\$21,286,200	\$5,576,900	\$434,000	\$27,297,100
30	V. SYSTEMWIDE:				
31	FROM:				
32	General				
33	Fund	\$1,365,400	\$1,085,100	\$3,433,000	\$5,883,500
34	GRAND TOTAL	\$350,427,500	\$94,517,800	\$17,523,700	\$465,902,000

1 SECTION 2. EMPLOYEE COMPENSATION. The Legislature finds that investing
2 in state employee compensation should remain a high priority even in tough
3 economic times, and therefore strongly encourages agency directors, insti-
4 tution executives and the Division of Financial Management to approve the
5 use of salary savings to provide either one-time or ongoing merit increases
6 for deserving employees, and also target employees who are below policy com-
7 pensation. Such salary savings could result from turnover and attrition, or
8 be the result of innovation and reorganization efforts that create savings.
9 Such savings should be reinvested in employees. Institutions are cautioned
10 to use one-time funding for one-time payments and ongoing funding for perma-
11 nent pay increases.

12 SECTION 3. NON-GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby
13 reappropriated to the State Board of Education and the Board of Regents of
14 the University of Idaho for college and universities any unexpended and un-
15 encumbered balances of moneys categorized as dedicated funds appropriated
16 for fiscal year 2013, to be used for nonrecurring expenditures, for the pe-
17 riod July 1, 2013, through June 30, 2014.

18 SECTION 4. LEGISLATIVE INTENT. It is the intent of the Legislature that
19 of the amount appropriated from the General Fund in Section 1, Subsection V.
20 of this act, the following amounts may be used as follows: (1) An amount not
21 to exceed \$140,000 may be used by the Office of the State Board of Education
22 for systemwide needs; (2) An amount of approximately \$1,435,500 may be used
23 for the mission and goals of the Higher Education Research Council as out-
24 lined in State Board of Education policy III.W., which includes awards for
25 infrastructure, matching grants, and competitive grants through the Idaho
26 Incubation Fund program; and (3) An amount not to exceed \$942,600 may be
27 used by the State Board of Education for instructional projects designed to
28 foster innovative learning approaches using technology, to promote account-
29 ability and information transfer throughout the higher education system
30 including longitudinal student-level data and program/course transferabil-
31 ity, and to promote the Idaho Electronic Campus.

32 SECTION 5. LEGISLATIVE INTENT. It is the intent of the Legislature that
33 of the amount appropriated from the General Fund in Section 1, Subsection V.
34 of this act, up to \$2,000,000 may be awarded for competitive state univer-
35 sity research under the direction of the Higher Education Research Council
36 to support the goals of the Idaho Global Entrepreneurial Mission (IGEM) Uni-
37 versity Research Initiative. These funds are envisioned as seed funding for
38 strengthening Idaho's future by strategically investing in the development
39 of expertise, products, and services that result in state economic growth.
40 Selected project proposals are expected to exhibit high potential for near
41 term technology transfer to the private sector. The State Board of Education
42 shall establish guidelines for submission, review, approval, and project
43 reporting requirements. It is the intent of the Legislature that the State
44 Board of Education shall report to the Joint Finance-Appropriations Commit-
45 tee no later than February 1, 2014 regarding the allocation and use of funds
46 through the Systemwide Program.

1 SECTION 6. LEGISLATIVE INTENT. It is the intent of the Legislature that
2 of the amount appropriated from the General Fund in Section 1, Subsection
3 V. of this act, \$1,365,400 of ongoing funds shall be allocated by the State
4 Board of Education towards enrollment workload adjustment costs.

5 SECTION 7. LEGISLATIVE INTENT. It is the responsibility of the State
6 Board of Education to allocate funding appropriated in this act toward
7 achieving an equitable distribution among the college and universities.

8 SECTION 8. EXEMPTIONS FROM OBJECT AND PROGRAM TRANSFER LIMITATIONS.
9 For fiscal year 2014, the State Board of Education and the Board of Regents
10 of the University of Idaho for college and universities is hereby exempted
11 from the provisions of Section 67-3511(1), (2) and (3), Idaho Code, allow-
12 ing unlimited transfers between object codes and between programs, for all
13 moneys appropriated to it for the period July 1, 2013, through June 30, 2014.
14 Legislative appropriations shall not be transferred from one fund to another
15 fund unless expressly approved by the Legislature.