

R501, Budgeting Definitions and Guidelines¹

R501-1 Purpose: To provide definitions of terms for budgeting and reporting purposes in the Utah System of Higher Education; provide guidance for the development of appropriation requests; and address budgeting procedures outlined in state law.²

R501-2 References

- 2.1** Utah Code § 53B-7-101, Combined Requests for Appropriations
- 2.2** Utah Code Title 63J, Chapter 1, Budgetary Procedures Act
- 2.3** Board Policy R701, Capital Facilities

R501-3 Definitions

3.1 “Regular Faculty” A regular faculty member is an individual hired for the academic year whose primary assignment is teaching/research, and who has a recurring contractual relationship with the institution.

3.2 “Full-Time Equivalent (FTE) Regular Faculty” The ratio between a regular faculty member’s assignment and the full-time standard at the institution for an academic year. Example 1: If an institution defines full-time status as teaching 24 credit hours per academic year (12 each semester) and a faculty member teaches 18 credit hours per year, the faculty member is reported as 0.75 FTE. Example 2: If an institution defines full-time status as working 2080 hours per year and a faculty member works, or is on paid time-off, for 260 eight-hour days per year, the faculty member is reported as 1.00 FTE. FTE Faculty calculation may vary under some circumstances. USHE Budget Forms and requests for data contain detailed instructions on how to account for FTE depending on the application. In determining aggregate counts of FTE Faculty, institutions may count individuals as FTE Faculty, including the following:

3.2.1 An executive or regular staff employee teaching a class in addition to their other duties may be prorated and equated to an FTE basis by use of hours of credit the class carries in relation to a full-time load as determined by college department or discipline policy approved by the institution’s administration.

¹ Adopted June 24, 1975; amended July 21, 1975, June 22, 1976, May 9, 1986, March 25, 1999, May 17, 2013, September 26, 2014, and July 14, 2022.

² Technical edits August 30, 2024.

3.2.2 Regular faculty members who have reduced teaching assignments with part of their time related to sponsored research or other assignments shall be prorated to an FTE by use of hours of credit the class carries in relation to the full-time load, as determined by college department or discipline policy as approved by the institution's administration.

3.3 “FTE Graduate Teaching Assistants and Wage-Rated Instructors” Graduate teaching assistants and wage-rated instructors having class teaching responsibility shall be equated to FTE based on the ratio between a graduate teaching assistant or wage-rated instructor's assignment and the full-time standard at the institution for an academic year.

3.4 “Annualized FTE Students”

3.4.1 To calculate a full-time equivalent ("FTE") student during a 12-month period, a degree-granting institution shall divide the student's attempted credit hours by 30 for an undergraduate student, or by 20 for a graduate student.

3.4.2 For a technical college, an FTE student is defined as 900 contact (clock) hours or 30 semester credit hours.

3.5 “General Terms” The Utah System of Higher Education shall use generally-recognized industry standard definitions for budget and financial functions as defined by the National Association of College and University Business Officers (NACUBO).

3.6 “One-Time Federal Funds” As used in this policy, “one-time federal funds” means a set amount of money from any federal government source that a USHE Institution does not have reason to believe will be available in the future on an on-going basis.

R501-4 Guidelines

4.1 Board Establishes Budget: Each year, as provided by statute, the Board of Higher Education will prepare a budget to recommend to the Legislature that includes:

4.1.1 Employee compensation;

4.1.2 Mandatory costs, including building operations and maintenance, fuel, and power;

4.1.3 Mission-based funding; and

4.1.4 Statewide and institutional priorities, including scholarships, financial aid, and technology infrastructure.

4.2 Review Each Item on Own Merits: The Board encourages institutions to consider, when accepting one-time federal funds, that a future budget request for replacement of expiring one-time federal funding with state appropriations will be based on its own merits as if it were a new program.

4.3 Operation and Maintenance Costs of State-Funded Capital Facilities: Operation & maintenance (“O & M”) costs of capital development projects funded by the state legislature are handled through the Board’s Capital Development funding request.

4.4 O & M Costs of Non-State Funded Capital Facilities: O & M costs of non-state funded capital facilities projects may be included as an operating budget priority if the Board has approved both (1) the construction or acquisition of the facility or space and (2) the payment of O & M from state tax funds.

4.4.1 The amount of O & M costs included as a budget priority will be the amount initially approved by the Board, adjusted for appropriate inflationary cost increases, unless a different amount is justified.

4.4.2 O & M costs resulting from renovation (capital developments and improvements) will be included as a budget priority if the renovation has been approved by the Board. Except in unusual circumstances, Board approval shall be obtained prior to the budget process and prior to any renovation requiring increased O & M funding.

4.4.3 O & M costs associated with leased facilities shall be treated as lease costs under the Board’s lease policies rather than as O & M costs of capital facilities.