



# MEMORANDUM

TAB A

March 19, 2020

## USHE – Regent Response to Student Fee Audit

The State Auditor released a special project audit in which his office reviewed student fees at USHE institutions and made several recommendations to the Board of Regents. The Commissioner's Office drafted a response to the audit and seeks Regent input before finalizing and sending to the State Auditor. Both the audit and the proposed response are attached for further information.

### **Commissioner's Recommendations**

The Commissioner recommends the Board review the response to the State Auditor and recommend any changes or additions.

### **Attachments**



# MEMORANDUM

March 19, 2020

## Response to OSA Report No. CAU-19-SP

The Board of Regents and the Office of the Commissioner for Higher Education (OCHE) appreciate the work the auditors have done in the report entitled “Mandatory Fees in the Utah System of Higher Education.” The Board of Regents recognizes the importance and the responsibility of setting tuition and fees for the Utah System of Higher Education (USHE) and appreciates an external review of the process.

### Recommendation 1

*We recommend the Board of Regents require USHE Institutions eliminate all Mandatory Fees that fail to meet the reasonable fee test. Clearly define in policy what constitutes a reasonable fee.*

Response: The Board of Regents will review the current fee policy (R516, *General Student Fees*) and discuss how to better define student fees and when institutions should administer them. The Board will review all student fees and consider which fees should be rolled into tuition based on Regent policy.

### Recommendation 2

*We recommend the Board of Regents independently ensure USHE Institutions and Fee Boards are fulfilling their responsibilities, and complying with all applicable statutes, rules, and policies pertaining to fees.*

Response: The Regent Audit Committee will prioritize institutional spot audits on student fees in conjunction with annual tuition audits already required by Regent policy.

### Recommendation 3

*We recommend the Board of Regents ensure compliance with applicable State Statute, and Regents policy in the tuition and fee setting process and not approve any tuition or fee adjustments for a USHE institution until that institution complies with established tuition and fee setting requirements.*

Response: The Board of Regents agrees that compliance with state statute and Regent policy is imperative to the tuition and fee setting process. The Board currently requires institutions to submit documentation regarding Truth-in-Tuition hearings, Board of Trustee recommendations, and student support of changes to tuition and fees. The Board will further ensure that institutions comply with state statute and Regents policy.

### Recommendation 4

*We recommend the USHE institution increase input from students and the public regarding tuition and fee amounts, provide trustees with meaningful documented feedback of student and public input, and notify students of proposed tuition and mandatory fee increases by mail, email, and other reasonably accessible media. We also recommend that USHE Boards of Trustees review the results of student and public input of tuition and mandatory fees prior to making any recommendations.*

Response: The Board will work with institutions to identify and use the most effective method of notifying students regarding tuition and mandatory fee increases. The Board will also amend Regent policy to require a student representative to attend truth-in-tuition hearings and report a meaningful summary of the student feedback to the board of trustees in a public meeting.

### **Recommendation 5**

*We recommend the Board of Regents ensure meaningful deliberation regarding recommended mandatory fees occur in an open and public meeting prior to taking action and publish the contact information of the members of those boards.*

Response: As has always been the case the institution truth-in-tuition hearings, institution Board of Trustees meetings, and Board of Regents meetings are open public meetings in which students, parents, and other interested individuals can hear deliberations and comment on proposed fee modifications. The Regents will amend policy to require that student fee boards provide a meaningful documented report on the fee board's deliberations and recommendations to the board of trustees in a public meeting.

### **Recommendation 6**

*We recommend the Board of Regents review the issues identified in the 2011 Audit and take corrective action; review the checklist in Attachment B and publish USHE progress for each item.*

Response: The Regent Audit Committee will review the 2011 legislative audit of the University of Utah student fees and discuss further action. The Audit Committee will also review the checklist in Attachment B.

### **Recommendation 7**

*We recommend the Board of Regents approve mandatory fees only after giving proper consideration; and consider reviewing and approving mandatory fees independent of tuition and at an earlier time.*

Response: The Board of Regents currently considers student fees at the time it sets tuition in the March meeting so that institutions may publish tuition and fee schedules for the coming academic year that begins in June. The Board of Regents will continue reviewing the timing of mandatory fee approvals and make adjustments as necessary.

# **MANDATORY FEES IN THE UTAH SYSTEM OF HIGHER EDUCATION**

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Special Project  
For the Period July 2017 to June 2019

Report No. CAU-19-SP



## **OFFICE OF THE STATE AUDITOR**

### **AUDIT LEADERSHIP:**

John Dougall, State Auditor

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Tyson Plastow, MBA, CIA, Audit Supervisor

**MANDATORY FEES IN THE**  
**UTAH SYSTEM OF HIGHER EDUCATION**  
**FOR THE PERIOD JULY 2017 TO JUNE 2019**

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OFFICE OF THE  
**STATE AUDITOR**

**REPORT NO. CAU-19-SP**

February 13, 2020

Harris H. Simmons, Chair, Utah Board of Regents  
Utah System of Higher Education  
60 South 400 West  
Salt Lake City, Utah 84101

Dear Chair Simmons:

We have completed our review of Mandatory Fees in the Utah System of Higher Education (USHE). We performed the following procedures at USHE for the period July 2017 through June 2019, unless otherwise noted.

1. We reviewed Board of Regents (Regents) meeting agendas, minutes, and recordings.
2. We obtained prior audit reports and reviewed USHE's implementation of recommendations and other issues identified in those reports.
3. We performed inquiry with key USHE personnel to gain an understanding of procedures and policy implementation.
4. We surveyed student fee policies and practices at institutions of higher education around the country to determine best practices.
5. We surveyed Truth-in-Tuition policies and practices at institutions of higher education around the country to determine best practices.

Our procedures were more limited than would be necessary to express an audit opinion on compliance or on the effectiveness of the USHE's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed and the related weaknesses that exist at USHE. Had we performed additional procedures or had we made an audit of the effectiveness of USHE's internal control, other matters might have come to our attention that we would have reported to you.

Our findings resulting from the above procedures are included in the attached.

We appreciate the courtesy and assistance extended to us by the Regents and USHE personnel during the course of the engagement, and we look forward to a continuing professional relationship. If you have any questions, please contact me.

Sincerely,

Tyson Plastow, MBA, CIA  
Audit Supervisor  
(801) 234-0544

## **BACKGROUND**

The Utah State Board of Regents (Regents) is the governing board of the Utah System of Higher Education (USHE). Utah Code 53B-1-103(2) grants the Regents the power and authority to control, manage, and supervise the eight major public institutions of higher education in Utah (USHE Institutions). With consent of the Utah Senate, the Governor appoints the 17 members of the Regents, which include one student, former trustees of USHE institutions, and at-large appointees. Sixteen of the Regents serve six-year terms while the student member serves a one-year term. To assist in carrying out their duties, the Regents employ the USHE Commissioner and associated staff (Commissioner's Office).

Regents are responsible for approving tuition and student fees, including mandatory or required student fees (Mandatory Fees). While State Code, Administrative Rules, and Regents Policy do not define Mandatory Fees. For the purposes of this report, Mandatory Fees are fees that a USHE institution charges to all students.

Through policy, the Regents have delegated to USHE institutions' Student Fee Advisory Boards (Fee Boards) the responsibility to oversee the creation, review, and maintenance of fees. Regents policy also establishes certain requirements for the creation and modification of fees.

We conducted a review of the student fee-related policies and practices of the Regents as well as the Board of Trustees (Trustees) and Fee Board for the University of Utah (UOU) and Utah State University (USU). While this review and report discusses matters encountered during our review of those universities, we consider this judgmental sample to be a reasonable representation of practices across USHE. As such, other USHE institutions should review concerns identified in this report.

During our review, we considered the findings and recommendations of the following audits performed by the Office of the Legislative Auditor General (OLAG):

- “A Performance Audit of Mandatory Student Fees at The University of Utah” (2011 Audit); and
- “A Performance Audit of the Utah Board of Regents” (2018 Audit).

## **FINDINGS AND RECOMMENDATIONS**

### **1. USHE MANDATORY FEES FAIL REASONABLE FEE TEST**

The Regents have statutory authority to set tuition, fees, and other charges to meet the budgetary needs of the USHE Institutions.<sup>1</sup> As a result, USHE Institutions charge various fees that are broadly classified as service fees.<sup>2</sup> A service fee is a specific charge in return for a specific benefit to the one paying the fee.<sup>3</sup> To be a legitimate fee for service, the amount charged must bear a reasonable relationship to the services provided, the benefits received, or a need created by those who must pay the fee.<sup>4</sup> More specifically, for a service fee to be reasonable, the total cost of the service must fall equitably upon similarly situated fee payers and in proportion to the benefits conferred.

Mandatory Fees are charges USHE Institutions impose on all attending students.<sup>5</sup> Tuition is one form of a service fee where a student pays a charge to obtain broad access to educational resources and support services.

USHE Institution fees should also provide a benefit beyond the benefits students already reasonably anticipate receiving as part of paying tuition. The lack of restrictions on what constitutes a Mandatory Fee was noted in the 2011 Audit. It stated, “Utah institutions have used student fees as a general revenue source.” The report questioned the UOU Building Fee, stating, “It is not clear that the student dormitories and apartments should be supported by fees paid by all students rather than just those who live there.” The report noted that Library and Fine Arts fees “are also funding expenditures that were previously funded with the university’s general fund money.” The OLAG 2011 Audit emphasized, “Student fees should not fund expenditures that are normally paid for from the university’s general fund.”<sup>6</sup>

Prior to approving a Mandatory Fee, the Regents do not appear to test whether that fee is reasonable. Failing to limit Mandatory Fees to reasonable boundaries has resulted in a growing array of Mandatory Fees.<sup>7</sup>

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<sup>1</sup> See Utah Code 53B-7-101(7)

<sup>2</sup> Whereas a regulatory fee is a specific charge which defrays the government’s cost of regulating and monitoring the class of entities that pay the fee. See similar definition in *V-1 Oil Co. v Utah State Tax Commission* (Utah 1996).

<sup>3</sup> See similar definitions in *Banberry Dev. Corp v. South Jordan City* (Utah 1981), *Massachusetts v. United States*, 435 U.S. 444 (1978), and *Evansville-Vanderburgh Airport v. Delta Airlines* (1970)

<sup>4</sup> This requirement is intended to prevent a fee from being used to generate excessive revenues and becoming indistinguishable from a tax.

<sup>5</sup> Fee rates may be uniform or may scale based upon the students’ enrolled credit hours.

<sup>6</sup> Similarly, Utah State University Student Fee Policy states, “Student fees should not generally be used for programs or services that can be supported by state or auxiliary funds.”

<sup>7</sup> Mandatory Fees at the University of Utah include: ASUU Activity, Athletic, Building, Campus Recreation, Collegiate Reader, Computing, Fine Arts, Gardner Commons, Health Services, Library, Mental Health, Money Management, Student Life Center, Student Publications Council, Study Abroad, Sustainability, Transportation, and Utilities. Mandatory Fees at Utah State University (Logan campus) include: Activity, Aggie Bike, Aggie Shuttle, Athletics, Blue Goes Green, Building, Campus Recreation, Counseling & Psychology, Health Services, Library, Music & Theater, and Transportation.



For example, the UOU charges all students a Study Abroad fee. The UOU uses that revenue to offset the costs for the limited number of students who participate in the Study Abroad program. While all students pay the fee, very few students participate in the program. As such, the Study Abroad fee fails to meet the reasonable fee test because it fails to provide proportional benefit to the fee payers.

Likewise, the UOU charges all students a Utility fee. It is reasonable to assume education-related utility costs would be paid from the UOU's general fund and a separate student fee should not be imposed. As such, the Utility fee fails to meet the reasonable fee test because it funds an expenditure that is normally paid from the university's general fund.

On a similar note, all USU students pay a Library fee. USU uses the funds to subsidize the cost of library resources, including for non-students. It is reasonable to assume education related library costs would be paid from the USU's general fund as part of tuition that USU imposes. As such, the Library fee fails to meet the reasonable fee test because it funds an expenditure that is normally paid from the university's general fund.

While the Regents have broad statutory authority regarding the imposition of tuition, fees, and charges,<sup>8</sup> the Regents should ensure USHE Institution fees comply with reasonable boundaries for fees and meet the reasonable fee test identified above.<sup>9</sup> Based on our limited review, Mandatory Fees would likely be more appropriately classified when included within tuition, although certain Mandatory Fees could be made optional fees where only those students benefiting from the associated service are charged for that service. In addition, components of certain Mandatory Fees might meet the reasonable fee test while other components of the same fees might fail that test.

### **Recommendations**

**We recommend that the Board of Regents:**

- **Require USHE Institutions eliminate all Mandatory Fees that fail to meet the reasonable fee test.**
- **Clearly define in policy what constitutes a reasonable fee.**

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<sup>8</sup> Petty v. Utah State Bd. Of Regents (1979) and Utah State Code 53B-7-101(7)

## **2. USHE INSTITUTIONS FAILED TO COMPLY WITH FEE SETTING POLICY**

Utah Code grants the Regents the authority to set policy for USHE Institutions and supervise compliance with those policies.<sup>10</sup> While the Regents have adopted policies regarding the imposition of Mandatory Fees, the Regents do not have a process to independently verify that each USHE institution Fee Board complies with Regent policy.

Regents policy R516 requires USHE Institutions to establish Fee Boards that oversee the creation, review, and maintenance of Mandatory Fees. The policy outlines the Fee Board's responsibilities in the following three areas:

1. **Fee creation** – to show a demonstrated need for the Student Fee, to articulate a fee description and objective, and to provide a sound budget for fee revenue.
2. **Fee review** – to annually review Mandatory Fees, including reviewing the adequacy of fee revenue and ensuring fund balances are minimal.
3. **Fee maintenance** – to increase or decrease Mandatory Fees as necessary to accomplish the stated objectives (fee increases require boards to document the rationale and a plan for the additional revenue).

Information provided to the Regents lacked actual and projected budget information pertaining to Mandatory Fees. We requested the Commissioner's Office provide us the total revenue and expenses for Mandatory Fees. They did not have that information. While budgetary documentation may exist, we were provided no evidence the Regents nor the Commissioner's Office had reviewed it. The Regents do receive total fee rates per student. In addition, letters from student body presidents helped describe the fees and their purposes, but this does not provide the same information as a budget.

The Commissioner's Office claimed their attendance at Truth-in-Tuition meetings provided an independent review. However, we had no way to verify whether this effort was sufficient to ensure Fee Board compliance with Regents policy due to the lack of meeting documentation. Moreover, the Commissioner's Office does not appear to report on the Fee Board compliance to the Regents. Despite attendance by staff from the Commissioner's Office at Truth-in-Tuition, both USU and the UOU did not fully comply with statutory requirements for Truth-in-Tuition meetings (see Finding No. 3).<sup>11</sup>

We would expect the Regents via the Commissioner's Office to possess documentation that verifies compliance with applicable laws, rules, and policies in the setting of Mandatory Fees.

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<sup>10</sup> Utah Code 53B-1-103(2) "Proposed tuition increases – Notice – Hearings" are referred to as Truth-in-Tuition hearings and we refer to them in this report as such.

<sup>11</sup> Utah Code 53B-7-101.5

### **Recommendation**

**We recommend the Board of Regents independently ensure USHE Institutions and Fee Boards are fulfilling their responsibilities, and complying with all applicable statutes, rules, and policies pertaining to fees.**

### **3. CERTAIN TRUTH-IN-TUITION REQUIREMENTS NOT FOLLOWED**

According to records published on the Utah Public Meeting Notice Website, the UOU Board of Trustees approved tuition and fee recommendations one week prior to its 2019 Truth-in-Tuition meeting.

Utah Code 53b-7-101.5 requires USHE Institutions considering increasing tuition rates to hold a meeting to receive public input and response. If the USHE institution “does not make a final decision on the proposed tuition increase at the meeting, it shall announce the date, time, and place of the meeting where that determination shall be made” (53B-7-101.5(5)). The UOU Trustees could not have weighed input from students they had not yet received.

USU failed to notify the public of its Truth-in-Tuition meetings<sup>12</sup> on the Utah Public Meeting Notice Website, as required by law. According to 53B-7-101.5(2)(a)(ii), a USHE institution holding a Truth-in-Tuition meeting is required to advertise the meeting on the Utah Public Meeting Notice Website for 10 days immediately preceding the meeting.

### **Recommendations**

**We recommend the Board of Regents:**

- **Ensure compliance with applicable State Statute, and Regents policy in the tuition and fee setting process.**
- **Not approve any tuition or fee adjustments for a USHE institution until that institution complies fully with established tuition and fee setting requirements.**

### **4. TRUTH-IN-TUITION PROCESS FAILS TO PROVIDE EXPECTED TRANSPARENCY AND ACCOUNTABILITY**

The Truth-in-Tuition hearings do not meaningfully promote transparency, accountability, and student engagement.

We found that USHE Institution trustees do not attend their institution’s Truth-in-Tuition meetings. Regents policy only requires the USHE institution president or designee to attend the

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<sup>12</sup> For school years 2017–18 and 2018–19.

Truth-in-Tuition meetings (see R511-4.1). The UOU did not keep minutes or record its meetings. Neither the UOU nor USU sent notices by mail or email to the public or their student bodies.

By contrast, Truth-in-Taxation meetings are public hearings the governing body is required to conduct. The attendance of a public body subjects Truth-in-Taxation hearings to the Open and Public Meeting Act (OPMA). OPMA requires advance notice. OPMA also requires the posting of documented meeting minutes, and an accessible meeting recording. In addition to complying with OPMA, an entity considering raising property taxes must mail a notice to each property owner in its jurisdiction regarding its intentions.

The intent of the Truth-in-Tuition process appears to be to provide students and the public the opportunity to provide USHE trustees and Regents feedback. USHE Institutions should identify ways to maximize input from students regarding tuition and fee amounts. USHE Institutions should also ensure meaningful, documented feedback is provided to their trustees to inform their deliberations. The trustees should make sure they have substantive discussions regarding tuition recommendations in an open and transparent manner.

### **Recommendations**

**We recommend the USHE Institutions:**

- **Increase input from students and the public regarding tuition and fee amounts.**
- **Provide trustees with meaningful, documented feedback of student and public input.**
- **Notify students of proposed tuition and Mandatory Fee increases by mail, email, and other reasonably accessible media.**

**We recommend USHE Boards of Trustees review the results of student and public input of tuition and Mandatory Fees prior to making any recommendations.**

## **5. FEE BOARDS LACK TRANSPARENCY**

The Regents have established Fee Boards as advisory committees with the responsibility to oversee creating, reviewing, and maintaining Mandatory Fees (see Finding 2). However, the Regents have not established transparency requirements for Fee Boards. The result is a range of transparency practices.

We found that USU's Fee Board keeps detailed minutes and records audio of its meetings. The UOU Fee Board does not keep agendas, minutes, or record its meetings. Neither USHE institution publishes the membership of these boards, nor provides contact information for them. In addition, neither USHE institution notifies the public when they hold Fee Board meetings.

We recognize that Mandatory Fees are discussed in USHE institution boards of trustees meetings, in Truth-in-Tuition meetings, and in Regent meetings. However, those discussions appear to rely heavily on the recommendations of the Fee Boards. As a result, the Regents allow most of the

meaningful deliberation to effectively occur “behind closed doors,” which limits student and public participation.<sup>13</sup>

### **Recommendations**

**We recommend the Board of Regents:**

- **Publish the contact information of the members of those boards.**
- **Ensure meaningful deliberation regarding recommended Mandatory Fees occurs in an Open and Public Meeting prior to taking action.**

### **6. REGENTS FAILED TO ADEQUATELY IMPLEMENT CERTAIN PRIOR AUDIT ISSUES AND RECOMMENDATIONS**

The Regents did not adequately implement all of the issues and recommendations in OLAG’s 2011 Audit, including:

- Restricting what qualifies as a Mandatory Fee;<sup>14</sup>
- Retiring temporary fees;<sup>15</sup>
- Improving transparency;<sup>16</sup>
- Ensuring adequate documentation regarding Mandatory Fees and the fee setting process; and
- Establishing limitations on the use of Student Fee revenues.<sup>17</sup>

The lack of restrictions on what constitutes a Mandatory Fee was noted in the 2011 Audit. It stated, “Utah institutions have used student fees as a general revenue source.” The report recognized that the UOU Building Fee could be unreasonable, stating, “It is not clear that the student dormitories and apartments should be supported by fees paid by all students rather than just those who live there.” The report noted that Library and Fine Arts fees “are also funding expenditures that were previously funded with the university’s general fund money.” The 2011 Audit emphasized that Mandatory Fees should not be used when the USHE institution would normally use its general fund.<sup>18</sup>

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<sup>13</sup> Utah State Code 52-4-102 states the Legislative intent that all government entities deliberate and take action openly. The Utah Supreme Court has interpreted the applicability of OPMA broadly (see *Kearns Tribune Corp. v. Salt Lake County Commission* (Utah 2001)).

<sup>14</sup> While OLAG may have made this recommendation to the Legislature, that does not prohibit the Regents from taking action to resolve the issue identified in the 2011 Audit.

<sup>15</sup> The 2011 Audit only looked at the UOU. The Regents should have ensured the UOU retired its temporary fees.

<sup>16</sup> The 2011 Audit made no specific recommendation to improve transparency, however the first line of the 2011 Audit states, “This report discusses the need for increased transparency and accountability of mandatory student fees...” The 2011 Audit also identified various best practices that would improve transparency.

<sup>17</sup> The 2011 Audit made a specific recommendation in regards to the UOU. The Regents should ensure USHE Institutions implement applicable best practices.

<sup>18</sup> See Finding 1

The 2011 Audit suggested, “Documentation should be required to . . . estimate the revenues, and identify the appropriate use of the revenues.” As noted in Finding 2, actual and projected budgets are not presented to or reviewed by the Regents. Budgets would include total revenues and identify appropriate uses of the revenues.

OLAG noted that the UOU increased its ASUU Activity fee in 2011 despite a significant reserve fund balance in 2010. OLAG found fund balances were not reported to the Regents in 2011. They were not reviewed by the Regents in 2018 or 2019.

UOU still comingles some of its fees with accounts otherwise funded through the general fund.<sup>19</sup> The 2011 Audit noted USHE institutions could maintain separate accounts for each Mandatory Fee.

Temporary fees still exist. The same Mandatory Fees the 2011 Audit identified as temporary are still in place at the UOU. These include the Utility Fee established in 2003 and the Library Fee established in 2009.

While management has discretion regarding the implementation of audit recommendations. The Regents’ failure to fully address issues identified in the 2011 Audit resulted in the various findings identified in this report. Had the Regents more fully implemented corrective action for the issues identified in the 2011 Audit, they would have strengthened their governance and avoided the proliferations of fees that fail to meet the reasonable fee test.

We find that when entities take audit recommendations and make, implement, and publish an action plan to address concerns, it helps the entity improve transparency, accountability, and public trust.

### **Recommendations**

**We recommend the Board of Regents:**

- **Review the issues identified in the 2011 Audit and take corrective action.**
- **Review the checklist in Attachment B and publish USHE progress for each item.**

### **7. REGENTS UNNECESSARILY TIE FEE APPROVAL TO TUITION APPROVAL PROCESS**

The Regents have historically approved Mandatory Fees in conjunction with tuition, shortly after the Legislature’s General Session. As such, the Regents impose a tight artificial timeline for the approval of Mandatory Fees.

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<sup>19</sup> UOU’s Athletic Fee, Building Fee, and Utility Fee.

Utah Code 53B-7-101(7)(b) grants the Regents the authority to set the fees for each USHE institution. Regents Policy R516 requires the Regents to approve all Mandatory Fees. In general, Mandatory Fees do not depend upon legislative appropriations. Therefore, there is no need to review Mandatory Fees at the same time as tuition.

During the period from the 2009–10 school year to the 2018–19 school year, fees have increased every year at both the UOU (5% average per year) and USU (5.9% average per year). We found no indication that the Regents had ever rejected a proposed fee increase. In reviewing the notes and audio to the Regents' March 2018 and March 2019 meetings, we noted minimal discussion of Mandatory Fees. It appears that the self-imposed limited timeframe to review and approve Mandatory Fees may encourage the Regents to simply “rubber stamp” all suggested Mandatory Fees. Separating the review of Mandatory Fees from tuition could allow the Regents more time for an in-depth review.

### **Recommendations**

**We recommend the Board of Regents:**

- **Approve Mandatory Fees only after giving proper consideration.**
- **Consider reviewing and approving Mandatory Fees independent of tuition and at an earlier time.**

## **ATTACHMENT A**

### **ADDITIONAL BEST PRACTICES FOR THE STUDENT FEE SETTING PROCESS**

We considered fee-setting processes used by institutions of higher education in several different states, college fee-related statutes in those states, Utah case law, and auditor judgment and found the following additional best practices:

- 1) Students should be involved in the creation and modification of Mandatory Fees, either through a Student Fee Board or student body votes.
- 2) The Board of Regents should ensure fee expenditures are independently audited to ensure fees are used only for approved purposes.
- 3) Each campus should maintain a website that provides details on the following relative to the student fee setting process:
  - a. Student Fee Board meeting notices, agendas, minutes, and recordings
  - b. Student Fee Board final recommendations
  - c. Fee fund budgets, actual and proposed
  - d. Fee descriptions, along with any restrictions on fund uses
  - e. Annual financial disclosure statement reports containing fee rates, fund balances, expenditures, and revenues
  - f. Documented rationale for any fee changes and fee rates
  - g. The date, time, and place of any hearing or meeting on Mandatory Fees



## **ATTACHMENT B**

### **HIGHER EDUCATION FEE SETTING CHECKLIST**

#### **FEE BOARD MEMBERS**

- Hold fee discussions in an open and public meeting
- Review actual and proposed budgets, including revenue
- Review current fund balance
- Ensure proposed use of additional revenue complies with the fee's purpose
- Ensure each fee meets the reasonable fee test, including that the rate is reasonably proportional to the benefit conferred to fee payer
- Take action in an open and public meeting
- Publish meeting minutes and recordings
- Report recommended fee actions, along with supporting documentation, to institution president and trustees (the report should provide sufficient detail to demonstrate compliance)

#### **USHE INSTITUTIONS**

##### *Administration*

- Email notices to students about intended tuition or fee increases and of the scheduled Truth-in-Tuition or similar fee-related hearing
- Present actual and proposed budgets, fee descriptions, and proposed uses of additional revenues during the fee hearing
- Post hearing notices on the Utah Public Meeting Notice Website
- Publish hearing minutes and recordings
- Review Fee Board compliance and report to the trustees

##### *Board of Trustees*

- Ensure administrators perform their respective duties
- Hold Truth-in-Tuition or similar fee-related hearing before taking action on fee recommendations
- Require trustees to attend the tuition or fee hearing
- Allow students to comment on tuition or fee proposals during the hearing
- After the hearing, announce when the trustees and Board of Regents intend to make their respective decisions regarding tuition and fee recommendation
- Make tuition and fee recommendations
- Send tuition and fee recommendations to the Board of Regents
- Report to the Commissioner and Board of Regents on Fee Board compliance, including adequate documentation to demonstrate compliance

#### **COMMISSIONER**

- Review reports from the Fee Boards and institution trustees and report to the Board of Regents on Fee Boards and USHE institutions' compliance
- Ensure Board of Regents have access to historic, actual, and projected revenues, expenditures, fund balances, budgets, fee descriptions, statements of demonstrated need, and summaries of student and citizen comments from Truth-in-Tuition or similar fee-related hearings

## **BOARD OF REGENTS**

- Review reports provided by the Commissioner
- Notify the public of potential tuition or fee changes (via email notices and post on the Utah Public Meeting Notice Website)
- Ensure fees meet the reasonable fee test, including that fee rates are reasonably proportional to the benefit conferred to fee payer
- Discuss tuition and fee increases in an open and public meeting
- Take final action on tuition and fees in an open and public meeting

DRAFT