



# MEMORANDUM

TAB B

September 18, 2020

## USHE Finance and Facilities Committee Statutory Duties

The Finance and Facilities Committee assists the Utah Board of Higher Education in meeting statutory requirements to ensure affordability in higher education. To do so, the committee ensures focused budget and capital funding priorities, reasonable tuition and fee adjustments, and efficient systemwide business practice.

The committee oversees systemwide finance, facilities, and business operation issues including:

- Setting institutional tuition and student fees
- Preparing a systemwide budget request for the Governor and Utah Legislature
- Reviewing capital facility planning, utilization, and recommendations for legislative funding
- Approving and reviewing institutional revenue bond indebtedness
- Overseeing cybersecurity and IT infrastructure

The committee also hears, reviews, and takes action on institutional requests for:

- Land or facility acquisitions and disposals
- Issuing revenue bonds for capital facilities
- Adjustments to financial, capital, and investment policies

Additional information about the committee and its responsibilities is included in the accompanying attachments. The first attachment outlines the Finance and Facilities meeting process and staff resources. The second attachment highlights the statutory requirements of the Board relating to finance and facilities. The final attachment highlights responsibilities the Board adopted in the August meeting to delegate to institutional Boards of Trustees, including a review of institutional fees and tuition. The committee is encouraged to review the statutory responsibilities and discuss committee priorities for the upcoming year.

### Commissioner's Recommendations

This is a discussion item only; no action is required.

### Attachments:

## Finance & Facilities Committee Process

### Meeting Schedule

FY2021 meetings will be convened on the following Fridays from 8 to 10 a.m. using the Zoom Video Conferencing Platform. Invitations will be sent to committee members from the Office of the Commissioner of Higher Education. Guest invitations will be forwarded to institutional presidents and vice-presidents of finance and administration.

- September 18, 2020
- November 20, 2020
- February 19, 2021
- April 16, 2021
- June 18, 2021

### Committee

Name	Role
Wilford Clyde	Committee Chair
Mike Angus	Committee Vice Chair
Jessellie Anderson	Board Member
Harris Simmons	Board Chair

### USHE — Support

Name	Role
Rich Amon	Chief Financial Officer
Loreen Olney	Administrative Assistant
Malissa Jones	Office Manager

## Committee Preparation — Outline



Due Date	Description	Responsible
8 weeks before	Send committee meeting invitations and meeting link to attendees and participants	Office Manager
4 weeks before	Ask committee members for agenda items	Committee Chair
3 weeks before	Prepare meeting agenda draft, discuss agenda items, and determine presenters	Committee Chair and Chief Financial Officer
3 weeks before	Invite presenters and request agenda item write-ups and attachments	Administrative Assistant
2 weeks before	Meeting write-ups and attachments due	Chief Financial Officer and staff
1 week before	Send meeting agenda and attachments to committee members	Administrative Assistant/ Office Manager
1 week before	Meet to review the meeting agenda and complete final meeting preparations	Committee Chair and Chief Financial Officer
	<b>Committee Meeting</b>	

## Utah Board of Higher Education Statutory Responsibilities and Authorities

The Utah Legislature established the Utah Board of Higher Education on July 1, 2020, and enacted specific and comprehensive responsibilities and authorities. Below are the Board's responsibilities and authorities, as stated in [Utah Code 53B-1-402](#).

### The Utah Board of Higher Education is:

- the governing Board of Utah's public institutions of higher education, which controls, manages, and supervises the Utah System of Higher Education.

### The Utah Board of Higher Education shall:

- establish and promote a state-level vision and goals for higher education that emphasize System priorities, including:
  - quality;
  - affordability;
  - educational opportunity, access, equity, and completion;
  - workforce alignment and preparation for high-quality jobs; and
  - economic growth;
- establish policies and practices that advance the vision and goals;
- establish metrics to demonstrate and monitor:
  - performance related to the goals; and
  - performance on measures of operational efficiency;
- collect and analyze data, including economic data, demographic data, and data related to the metrics;
- coordinate data collection across institutions;
- establish, approve, and oversee each institution's mission and role, in accordance with [Utah Code 53B-16-101](#);
- assess an institution's performance in accomplishing the institution's mission and role;
- participate in the establishment and review of programs of instruction, in accordance with [Utah Code 53B-16-102](#);
- perform duties related to an institution of higher education president, including:
  - appointing an institution of higher education president, in accordance with Utah Code [53B-2-102](#) and [53B-2a-107](#);

- providing support and guidance to an institution of higher education president; and
- evaluating an institution of higher education president based on institutional performance and progress toward systemwide priorities;
- **create and implement a strategic financial plan for higher education**, by:
  - establishing a comprehensive budget and financial priorities for academic education and technical education;
  - allocating statewide resources to institutions;
  - setting tuition for each institution;
  - administering state financial aid programs;
  - administering performance funding, in accordance with Utah Code [53B-7-7](#); and
  - developing a strategic capital facility plan and prioritization process, in accordance with Utah Code [53B-2a-117](#) and [53B-2a-118](#) (commonly referred to as SB 102);
- create a seamless, articulated education system for Utah students that responds to changing demographics and workforce needs, by:
  - providing for statewide prior learning assessment, in accordance with Utah Code [53B-16-110](#);
  - establishing and maintaining clear pathways for articulation and transfer, in accordance with Utah Code [53B-16-105](#);
  - establishing degree program requirement guidelines, including credit hour limits;
  - aligning general education requirements across degree-granting institutions;
  - coordinating and incentivizing collaboration and partnerships between institutions in delivering programs;
  - coordinating distance delivery of programs; and
  - coordinating work-based learning;
- coordinate with the public education system:
  - regarding public education programs that provide postsecondary credit or certificates; and
  - to ensure that an institution of higher education providing technical education serves secondary students in the public education system;
- delegate to an institution's board of trustees certain duties related to institution governance including:
  - guidance and support for the institution president;
  - effective administration;
  - the institution's responsibility for contributing to progress toward achieving systemwide goals; and
  - other responsibilities determined by the Board;
- delegate to an institution of higher education president management of the institution of higher education;
- **maximize efficiency throughout the Utah System of Higher Education by identifying and establishing shared administrative services;**

- develop strategies for providing higher education, including career and technical education, in rural areas;
- manage and facilitate a process for initiating, prioritizing, and implementing education reform initiatives; and
- provide ongoing quality review of institutions.



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

TAB H

August 21, 2020

## Delegated Duties and Responsibilities

When the Utah Legislature passed [S.B. 111, Higher Education Amendments](#), during the 2020 Legislative Session, it directed the newly formed Utah Board of Higher Education to “delegate to an institution board of trustees certain duties related to institution governance including guidance and support for the institution president, effective administration, the institution's responsibility for contributing to progress toward achieving systemwide goals, and other responsibilities determined by the Board.” Similarly, the Legislature instructed the Board to “delegate to an institution of higher education president management of the institution of higher education.”

Over the last five months, the Commissioner has worked with the presidents, the leadership of each institution's board of trustees, and Board leadership to identify areas of responsibility that should be delegated to the boards of trustees, the presidents, and the Commissioner. The attached table delineates those delegated responsibilities while articulating the Board's ongoing role with those delegated responsibilities.

### Commissioner's Recommendations

The Commissioner recommends the Board adopt the delegated duties and responsibilities, which will be subsequently formalized in Board policy.

### Attachments:



# SUMMARY: Delegation of Responsibilities and Authority of USHE Governing and Administrative Officers

The Utah System of Higher Education comprises 16 institutions, all with unique missions, but who are also working towards common goals and a unified vision. To ensure the System is efficient, effective, and delivers world-class instruction and research, the Utah Board of Higher Education and institutional boards of trustees must align responsibility and authority. The Board of Higher Education has established the following responsibilities and authorities for the Board, the boards of trustees, presidents, and the Commissioner.

BOARDS OF TRUSTEES & THE BOARD OF HIGHER EDUCATION			
STATUTORY GUIDANCE	RESPONSIBILITIES	AUTHORITY	
		Delegated to Institutional Board of Trustees	Board of Higher Education
Guidance and support for the institution president	Appointment of a President	Trustee chair serves as search committee co-chair; executive committee participates in finalist interviews, consults with the Board on appointments.  Trustees may conduct first phase of a search and submit finalists to the Board of Higher Education if authorized.	Board chair appoints a Board member to serve as search committee co-chair; search committee submits three-five finalists. The Board appoints president from among the finalists who serves at the pleasure of the Board.  Board sets and adjusts presidential salaries by policy.  Board may remove a president.
	Evaluation of Presidents	On behalf of the Board of Higher Education, the trustees chair and R&R team annually evaluate president’s performance based on factors including progress towards institutional strategic plan and statewide performance metrics and goals.  R&R team and trustee chair reports findings and recommendations to the Board of Higher Education.	Board sets evaluation criteria and procedures.  Board takes appropriate action based on presidential performance and recommendations, using identified benchmarks.  Board conducts comprehensive evaluation every four years or if otherwise needed.



<p>The institution's responsibility for contributing to progress toward achieving systemwide goals</p>	<p><b>Institutional Master Planning, Strategic Planning and Goals</b></p>	<p>Trustees approve a strategic plan for the institution that is aligned with: state attainment goals, workforce needs, and the institution of higher education's role, mission, and distinctiveness.</p> <p>Trustees set performance metrics in consultation with the Board of Higher Education.</p> <p>Trustees monitor the institution's progress toward achieving the strategic plan and report to the Board of Higher Education institutional progress.</p> <p>Trustees approve institutional master plan and associated changes. The trustees submit master plans and changes to the Commissioner's office.</p>	<p>Board sets and assesses systemwide performance on statewide goals and system performance metrics.</p> <p>Board requires institutions to provide a five-year capital plan, which the Board must approve.</p> <p>Institutions provide ongoing financial reporting.</p>
<p><b>Effective Administration</b>—In general, the Board of Higher Education will establish general parameters and reporting requirements and delegate day-to-day oversight to trustees and presidents.</p>	<p><b>Institutional Missions &amp; Roles</b></p>	<p>Trustees approve institutional missions that align with the institution's role as established in statute and by the Board.</p>	<p>Except as institutional roles are specifically assigned by the Legislature, the Board shall establish and define the roles of the institutions of higher education.</p> <p>Board adopts the institutional mission into policy.</p>
	<p><b>Institutional Policies/System Policies</b></p>	<p>Trustees approve institutional policies needed for the effective administration of the institution, ensuring they maintain parameters set by the Board of Higher Education.</p>	<p>The Board of Higher Education may approve systemwide policies.</p>
	<p><b>Tuition and Fees</b></p>	<p>Institutions present tuition and fee needs to trustees; trustees are responsible to verify data supporting requests for increases in tuition or fees.</p> <p>Trustees, based on their assessment of the institution's request and underlying data, recommend tuition and fee increases to the Board.</p>	<p>Board establishes criteria trustees will use in evaluating tuition and fee requests.</p> <p>Board sets criteria and process trustees follow to conduct due diligence for tuition and fee requests.</p> <p>Board assesses whether the trustees have properly assessed the institution's request.</p> <p>Board reviews and may approve trustees' recommendations.</p>
	<p><b>Budget and Finance Oversight</b></p>	<p>Trustees establish and oversee internal accounting and operating controls, monitor use of discretionary funds, establish institutional debt policy, and oversee all auxiliary enterprises.</p>	<p>Board sets system parameters in policy and requires necessary reporting on budget and finance. The Board may intervene if institutions exceed parameters or policy.</p>

	<b>Facilities</b>	<p>Trustees may approve construction projects for new facilities less than \$500,000 and remodels or improvements of existing facilities less than \$3,500,000.</p> <p>Trustees may approve property acquisition or disposal less than \$500,000.</p> <p>Trustees may approve capital leases of less than \$100,000 a year (\$250,000 a year for the U of U).</p> <p>U of U trustees may approve all U of U Hospital/Health Sciences capital projects.</p> <p>Trustees review and may approve requests to submit to the Board for all other capital facilities.</p>	<p>Board sets System parameters in policy and requires necessary reporting on facilities.</p> <p>Board must approve capital projects that exceed threshold amounts.</p>
	<b>Audit</b>	Trustees form the institution's internal audit committee, sets internal audit priorities, review internal audits, and report audit findings at least annually to the Board of Higher Education.	Board audit committee identifies areas of risk within the System and prioritizes System audits accordingly.
	<b>Academic Programs</b>	Trustees approve new programs that fit in the institutions mission and role and meet Board of Higher Education criteria.	Board of Higher Education establishes institutional missions and roles and criteria for new programming, such as workforce demand. Institutions report all new programs to the Board.
	<b>Technical Education Programs</b>	Trustees over technical colleges or institutions with a technical college role approve technical education programs that meet Board of Higher Education criteria.	Board of Higher Education establishes institutional missions and roles and criteria for new programming, such as workforce demand. Institutions report all new programs to the Board.
	<b>Academic Degree Approval</b>	Trustees review, consider and approve new institutional degree requests (certificates, associate, bachelor's, master's and doctoral), minors and emphases added to approved programs that conform to the institution's role and mission.	The Board of Education may consider and approve new degree requests (certificates, associate, bachelors, master's, and doctoral) minors, and emphases added to approved programs that fall outside of the institution's role and mission.
	<b>Research and Training Grants</b>	Trustees approve research and training grant funding on behalf of the Board of Higher Education.	<p>Institutions report grants annually to the Board.</p> <p>Institutions report highlights most impactful research.</p>
	<b>Community Relations/Advancement</b>	Trustees facilitate communication between the institution and the community; assist in planning, implementing, and executing fund raising and development projects; and perpetuate and strengthen alumni and	

		community identification with the institution's tradition and goals.	
	Honorary Degrees	Trustees approve recipients for honorary degrees or recognitions.	

INSTITUTIONAL PRESIDENTS	
ROLE	AUTHORITY
Leadership	<p>An institution of higher education president develops and implements the institution's vision, mission, and goals, and manages progress toward achieving institutional aims.</p> <p>The president of each institution of higher education may exercise grants of power and authority to ensure the effective and efficient administration and operation of the institution of higher education.</p> <p>The president also guides the contributions of their institution to the vision, mission, and goals of the Utah System of Higher Education.</p> <p>The president is responsible to lead as part of a larger alliance of institutions whose presidents share a central mission to provide world-class, affordable higher education within the system of higher education. Presidents collaborate with and support each other, the Commissioner and the Board for the benefit of all students and Utah.</p>
External Relations	<p>The president serves as the representative of their institution with key stakeholder communities, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Alumni</li> <li>• Private, Foundation and Corporate Donors</li> <li>• State and Federal Legislators and other Governmental Leaders</li> <li>• Community Members and Non-Profit Partners</li> <li>• Employers, Industry</li> <li>• K-12 Education</li> </ul> <p>The president is responsible for effective, high-integrity stewardship of both relationships with and resources from external stakeholders.</p>
Faculty and Staff	<p>The president may:</p> <ul style="list-style-type: none"> <li>• Appoint a secretary, a treasurer, administrative officers, deans, faculty members, and other professional personnel, prescribe their duties, and determine their salaries</li> <li>• Appoint support personnel, prescribe their duties, and determine their salaries from the institution of higher education's position classification plan</li> <li>• Where applicable, provide for the constitution, government, and organization of the faculty and administration, and enact implementing rules, including the establishment of a prescribed of tenure</li> <li>• Enact rules for administration and operation of the institution which are consistent with the prescribed role established by the board, rules enacted by the board, or the laws of the state</li> </ul>

	<p>The president may exercise powers relating to the institution's employees, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Furloughs</li> <li>• Reductions in force</li> <li>• Benefit adjustments</li> <li>• Program reductions or discontinuance</li> <li>• Early retirement incentives that provide cost savings to the institution of higher education</li> <li>• Other measures that may provide cost savings to the institution of higher education</li> </ul>
<b>Strategic Planning/Master Planning</b>	<p>Presidents develop and execute strategic plans that lead to their institutions achieving institutional and systemwide goals and performance metrics.</p> <p>Presidents develop and maintain an institutional master plans and five-year financial plans associated with the master plans. As part of the master planning process, presidents identify needed capital improvements or new facilities and submit requests and planning to the trustees for approval.</p>
<b>Finance and Budget</b>	<p>The president establishes priorities for fiscal resources in a manner that help the institution achieve institutional goals and objectives and systemwide goals and performance measures.</p> <p>The president oversees the institution's fiscal health, including setting budgetary priorities and requiring efficient and effective use of resources.</p>
<b>Student Success</b>	<p>The president establishes goals and initiatives that encourage student success and well-being, including areas of retention, graduation rates, affordability, safety and mental health, career and academic counseling, and workforce attachment.</p> <p>The president prioritizes, fosters and celebrates a vibrant, challenging and positive learning environment for the institution's students.</p>

<b>COMMISSIONER OF HIGHER EDUCATION</b>	
<b>ROLE</b>	<b>AUTHORITY</b>
<b>Leadership</b>	<p>The Commissioner develops and implements the System's vision, mission, and goals, and manages progress toward achieving System aims.</p> <p>The Commissioner shall:</p> <ul style="list-style-type: none"> <li>• Develop System strategic plan.</li> <li>• Ensure that the policies, programs align with the strategic and are properly executed.</li> <li>• Furnish information about the Utah System of Higher Education and make recommendations regarding that information to the Board.</li> <li>• Provide state-level leadership in any activity affecting an institution of higher education.</li> <li>• Develop and provide comprehensive training for Board members and trustees.</li> <li>• Perform other duties assigned by the Board in carrying out the Board's duties and responsibilities.</li> </ul>

<b>Coordination and Support for Presidents</b>	<p>The Commissioner serves as Chair of the Council of Presidents, the duties of which include coordinating of meeting agendas and Council recommendations to the Board and facilitating communication and collaboration among the presidents.</p> <p>The Commissioner facilitates comprehensive presidential performance evaluations on behalf of the Board.</p> <p>The Commissioner may provide leadership, advice, and consultation as may be sought by institutional Presidents or directed by the Board.</p>
<b>Audit</b>	<p>The Commissioner is empowered to require information and reports from the institutions.</p> <p>The Commissioner has the authority, after giving due notice to the president, to assign his or her staff to audit records of institutions or otherwise verify data. Such audits shall be in response to Board instructions or to verify compliance with Board policy or applicable law. The Board audit committee shall prioritize the Commissioner's audits.</p>
<b>System Policy</b>	<p>The Commissioner develops policy that addresses statewide issues impacting the System for the Board to consider and adopt.</p> <p>The Commissioner shall be responsible for interpreting Board policy. The president of any institution may appeal the Commissioner's interpretation of policy to the Board.</p>
<b>Communication</b>	<p>The Commissioner:</p> <ul style="list-style-type: none"> <li>• Supports the work of individual presidents and serves as a liaison between presidents and the Board.</li> <li>• Directs continuous communication between the colleges and universities, the Board, and the Office of the Commissioner, related to problems and issues of common interest to the Utah System of Higher Education.</li> <li>• Establishes and maintains positive, productive relationships with the Board, the institutional presidents, the boards of trustees, and the legislative and executive branches of state government.</li> </ul> <p>The Commissioner, in consultation with the Board and in collaboration with the presidents, shall develop System legislative priorities and strategies related to federal and state legislation and funding impacting higher education.</p> <p>The Commissioner is authorized to advocate on behalf of the Board before the Governor and his or her staff, the Legislature, and other officials and governmental entities.</p>
<b>System Budget and Finance</b>	<p>The Commissioner, in collaboration with the presidents, develops a unified budget request for the System and presents budget priorities for the Board to consider and adopt.</p>