



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

TAB B

October 30, 2020

## USHE – Revision to Policy R516, *General Student Fees*

The Commissioner's office convened a workgroup to review general student fees for degree-granting institutions, determine when such fees should be rolled into tuition, and amend [Board Policy R516, General Student Fees](#), to include specific guidelines for degree-granting institutions and boards of trustees. The workgroup included student leaders, Board members, institutional presidents, and institutional administrators in finance and student affairs. The workgroup met several times over the last three months and received input from USHE institutions on revisions to the student fee policy. The revised policy for Board consideration includes the following significant changes:

- A definition of *General Student Fees* as “institution-wide mandatory fees assessed to students upon registration to support student inclusion, enrichment, and success” (R516-3.2)
- A statement from the Board relating to affordability and student fees (R516-4)
- The limitation of general student fees to three distinct purposes and the prohibition from using fees for purposes that could be covered with tuition or state appropriations (R516-5)
- Clarification on the process for creating, revising, and repealing general student fees including the composition and duties of a General Student Fee Advisory Board and oversight by institutional boards of trustees (R516-6)
- Ultimate responsibility for approving general student fees continues to reside with the Board of Higher Education (R516-6.5)
- A five-year comprehensive review of all student fees by the institutional board of trustees to determine if fees should be retained, transitioned to tuition, or repealed (R516-6.2.5)
- The requirement for a general student body vote on new general student fees for major facility construction projects requiring bonding (R516-6.6) and the sunset of those fees after the debt obligations end (R516-2.6)

### Commissioner's Recommendation

The Commissioner recommends the Board adopt the proposed changes to Board Policy R516, *General Student Fees*, effective immediately.

### Attachment:

## R516, General Student Fees

**R516-1 Purpose:** To establish the process for establishing, reviewing, revising, and repealing general student fees for degree-granting institutions in the Utah System of Higher Education.

### R516-2 References

**2.1** Utah Code 53b Chapter 1 (Governance, Powers, Rights, and Responsibilities)

**2.2** Utah Code 53B-7-101 (Combined Requests for Appropriations)

**2.3** Federal Higher Education Act, [20 USC 1091b](#) (Institutional Refunds)

**2.4** Board Policy, R510 (Tuition)

**2.5** Board Policy, R514 (Refunds of Tuition, Fees, and Other Student Charges)

**2.6** Board Policy, R511 (Tuition Disclosures and Consultation)

**2.7** Board Policy, R590 (Issuance of Bonds for Colleges and Universities)

### R516-3 Definitions

**3.1 Degree-granting institutions:** An institution of higher education described in 53-B-1-102(1)(a).

**3.2 General Student Fees:** Institution-wide mandatory fees assessed to students upon registration to benefit students broadly and to support student inclusion, enrichment, and success as a campus community.

**3.3 General Student Fee Advisory Board:** An institutional committee comprised of students, faculty, and administrators that oversees the establishment, review, revision, or repeal of general student fees.

**R516-4 Affordability in the Utah System of Higher Education:** The Utah Board of Higher Education has established affordability as a top priority. To support that priority, institutions and boards of trustees should consider all alternatives before recommending new fees or fee increases. Boards of

trustees should rigorously scrutinize requests for student fees and fee increases, ensuring they are justifiable, reasonable, and benefit students broadly, as described herein. Boards of trustees should particularly assess how general student fees support diversity, equity, and inclusion.

**R516-5 Authority for Establishing General Student Fees:** The Board is statutorily responsible to establish all general student fees. The Board normally establishes general student fees concurrently with tuition rates.

**5.1 General Student Fee Purpose:** Institutions must identify the specific purpose for which revenue generated from a general student fee will be used. Institutions may not use revenue from general student fees to fund instruction, academic support, general administrative expenses, or other expenses that should reasonably be covered with state appropriations or tuition.

Institutions may request general student fees for the following purposes:

**5.1.1 Student-Approved Facility Construction:** Revenue from general student fees may be pledged to secure bonds to construct or renovate a specific facility that the student body approved in accordance with subsection 6.6. Such facilities shall be for the enrichment of the student experience and may not be for the construction of instructional space.

**5.1.2 Student-Approved Facility Operation:** Revenue from general student fees may be used to fund operation and maintenance, capital improvements, and other necessary operating expenses for student-approved facilities in Subsection 5.1.1.

**5.1.3 Student Activities, Programs, and Services:** Revenue from general student fees may be used to fund activities, programs, and services from which the general student body may benefit.

**5.2 Publication of General Student Fees:** Institutions shall publish tuition and general student fees on their websites.

**5.3 Revenue from General Student Fees:** Revenue from general student fees is restricted to the specific program areas, facilities, and services for which they are approved and shall be established to cover budgeted expenses. Institutions may accumulate fund balances for large expenditures or reserves needing multi-year revenues only if planned, budgeted, and pre-approved by the institution's board of trustees. Institutions shall annually budget general student fee revenue and expenses and shall account for the revenue of each general student fee individually and separately from other sources.

**5.4 Policy Implementation for Existing General Student Fees:** An institution's general student fee advisory board, president, and board of trustees shall review existing general student fees to determine if the fees align with the categories in subsection 5.1. Existing fees that do not align with subsection 5.1 shall be considered for repeal, transition to tuition, or for an exception to this policy as granted by the Utah Board of Higher Education.

## **R516-6 Process for Creating, Revising, and Repealing General Student Fees**

**6.1 General Student Fee Advisory Board:** Each institution shall establish a general student fee advisory board which shall oversee establishing, revising, maintaining, or repealing general student fees.

**6.1.1 Composition of Board:** The majority of the General Student Fee Advisory Board shall be comprised of currently enrolled students. Administrators and faculty may also be appointed to the advisory board. The board shall be chaired by a currently enrolled student.

**6.1.2 Appointment and Procedures of the Board:** Each institution will adopt policies and procedures for appointing members of the general student fee advisory board and for the operation of the board consistent with this policy.

**6.2 Institutional Policy:** Each institution shall develop a general student fee policy to govern the institution's processes for establishing, reviewing, revising, or repealing general student fees. The institutional policy shall include the following elements:

**6.2.1 Establishing Fees:** Establishing new student fees shall be supported by a demonstrated need, a clear statement describing the purpose of the fee, and a sound budget plan.

**6.2.2 Reviewing Fees:** Each institution's general student fee advisory board and board of trustees shall annually review each general student fee to ensure the fee still meets established objectives. The general student fee advisory board shall require an annual report from each student fee program manager, review institutional enrollment projections and enrollment impact on general student fee revenue, examine whether each general student fee may be proportionally adjusted with enrollment change, and assess the adequacy of fund balances as allowed in subsection 5.3. The general student fee advisory board shall provide a report of their annual review of each general student fee, including any recommendations for revision or repeal, to the board of trustees, which shall review the information and may make recommendations for revision or repeal of a general student fee.

**6.2.3 Revising Fees:** Proposed revisions to general student fees must include a rationale for the proposed change and a revised budget plan.

**6.2.4 Repealing Fees:** Institutions may recommend the repeal a general student fee when pledged revenue is no longer needed for debt service or when programs, services, or activities are discontinued or an alternative funding source is identified.

**6.2.5 Five-Year Comprehensive Review:** Beginning in 2020-21 and every five years thereafter, the general student fee advisory board and the board of trustees shall comprehensively review all general student fees and determine whether each fee should be retained, transitioned to tuition or state appropriations, or repealed. The board of trustees shall submit a report of their comprehensive review including the justification for each fee determination to the Utah Board of Higher Education.

**6.2.6 Sunset of Student Approved Facility Construction Fees:** Each general student fee established for constructing or renovating a student-approved facility under subsection 5.1.1 shall be repealed by the beginning of the academic year after bond obligations end. Fees created or adjusted for student-approved facility operation under 5.1.2 shall continue and be annually reviewed and adjusted according to the procedures set in this policy.

**6.3 Student Notice and Student Hearing:** Institutions proposing a new general student fee, revising an existing general student fee, or repealing a general student fee shall:

**6.3.1** Notify currently enrolled students using a method(s) that the institution determines best reaches the majority of students (e.g. email, text, social media, student newspaper, digital signage, etc.) of the proposed change and the date, time, and location of a student hearing on the proposal.

**6.3.2** Hold a student hearing which shall be attended by at least one student representative from the general student fee advisory board. The student representative shall provide a summary of student comments received during the hearing to the institution's board of trustees. The hearing may be held in conjunction with the institution's truth-in-tuition hearing.

**6.4 Board of Trustees Oversight and Review:** The institution's board of trustees shall review requests to establish, revise, or repeal a general student fee and make a recommendation. The board of trustees shall consider the general student fee advisory board's recommendations and accompanying documentation of demonstrated need, purpose, and budget plan and shall ensure the recommendations comply with the purposes stated in this policy, including that they are justifiable, reasonable, and benefit students broadly, as described herein. The board of trustees shall provide its recommendations to the Utah Board of Higher Education for approval.

**6.5 Board of Higher Education Approval:** The Board shall consider a board of trustees' recommendation and, by majority vote in a public Board meeting, approve, modify, or deny the establishment, revision, continuance, or repeal of a general student fee.

**6.6 General Student Body Voting for General Student Fee Funded Facility Construction and Operation:** Except as provided by Section 6.6.4, institutions proposing new general student fees for student-approved facility construction or renovation projects shall conduct a vote of the student body.

**6.6.1** Institutions shall notify currently enrolled students and provide them the following information regarding the purpose and amount of the proposed fees at least 30 days prior to a vote:

**6.6.1.1** details of the proposed facility and estimated costs for construction;

**6.6.1.2** the projected amount of the general student fee needed to fund the debt service for the cost of facility construction or renovation;

**6.6.1.3** the estimated length of debt service;

**6.6.1.4** the estimated costs, over the life of the facility, for the operation of the facility including operation and maintenance and capital improvements; and

**6.6.1.5** the projected amount of the general student fee to cover the cost of facility operation including operations and maintenance, capital improvements, and other necessary operating expenses.

**6.6.2** A majority of voting students must vote in favor of the proposal to move forward to the board of trustees.

**6.6.3** In establishing a general student fee for student-approved facility construction, the board of trustees shall consider the results of the student body vote including the percentage of the student body who voted in the election and the percentage of students who voted in favor of the proposal.

**6.6.4** General student fees that are proposed to renovate or replace an existing student-approved facility do not require a vote of the student body if the project does not expand the facility's capacity and does not exceed \$10,000,000.

**R516-7 Audit:** In conjunction with the annual review of USHE institution tuition use required by Policy R510-4, the USHE auditor shall review the selected institutions' general student fees for compliance with this policy.

**R516-8 Option to Waive General Student Fees:** Institutions may waive general student fees in whole or in part for students without prior Board authorization.