



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

TAB C

October 30, 2020

## USHE – Tuition and Fee Setting Process for Boards of Trustees

During the [August 2020 meeting](#), the Utah Board of Higher Education discussed and adopted duties and responsibilities to delegate to institutional boards of trustees. Among those duties and responsibilities is the review and recommendation of institutional requests to adjust tuition and general student fees. Board Policy [R516, General Student Fees](#), was revised and updated to include greater board of trustee involvement in the review, creation, elimination, and continuation of institutional general student fees. Board Policy [R510, Tuition and Fees](#), will likewise be revised and updated for the tuition-setting process.

Institutional boards of trustees are asked to review all general student fees and institutional requests to adjust tuition for affordability, equity, and need and make recommendations to the Board of Higher Education. To aid institutional boards of trustees in their role and responsibility, the attached documents outline specific areas for review of tuition requests and general student fee recommendations. For upcoming tuition and fee setting in the spring of 2021, the Board of Higher Education additionally asks institutional boards of trustees to review each general student fee and recommend the continuation, elimination, adjustment, or transfer to tuition.

### Commissioner's Recommendation

The Commissioner recommends the Board approve the processes described in this document for setting tuition and general student fees as will be adopted into policy.

### Attachments:

## Board of Trustees Review of Tuition Requests and Adjustments

Each year, USHE institutions develop proposals to adjust tuition based on budgetary needs and legislative funding. The Utah Board of Higher Education sets tuition schedules for USHE institutions in the spring of each year. Prior to Board review, institutional boards of trustees are asked to review the institutional requests and recommend tuition adjustments that are reasonable, justifiable, and ensure affordability for all Utah students. Specific areas for board of trustee review include:

### General Principles

- Tuition increases may occur for three reasons: 1. to match legislative funding for compensation and other mandatory costs; 2. as an offset for a reduction in student fees; and 3. to increase revenue for specific institutional needs.
- Tuition increases for institutional needs should be rigorously scrutinized to ensure they meet specific institutional needs, are justifiable, and affordable.
- All alternative funding sources should be considered before increases to tuition are proposed.

**Review of Institutional Tuition Requests:** Annually, the Commissioner's office will provide institutions a template to complete for tuition increases related to institutional needs. Institutions shall provide detail on needs for increased tuition beyond the amounts necessary to cover legislative funding matches or the movement of student fees to tuition. Boards of trustees are asked to review each institutional request for the following:

- **Justification:** does the institution provide adequate detail and description of the need and uses of the new revenue, and does the institution adequately justify the need to increase tuition?
- **Alternative Funding:** has the institution explored other funding sources for the need before proposing a tuition increase?
- **Affordability:** how will a tuition increase affect the affordability for Utah students in the institution's service region?
- **Underserved:** how will a tuition increase affect the ability of underserved Utah students in the institution's service region to attend the institution?

**Comparison of Institutional Tuition with Peers:** Annually, the Commissioner’s office will work with institutions to provide boards of trustees with information to aid in the tuition-setting process including:

- Current and proposed tuition and fees
- Tuition and fee comparisons with peers
- Appropriated instructional expenses
- Enrollment and completion metrics
- Affordability measures

Boards of trustees are asked to review this information and discuss the overall impact of tuition increases on the institution’s affordability to Utah students.

**Recommendation to the Board of Higher Education:** After a thorough review of institutional tuition adjustments, boards of trustees are asked to make recommendations to the Board of Higher Education.

## Board of Trustees Review of General Student Fees

Board Policy [R516, General Student Fees](#) governs the use of general student fees in USHE institutions. Institutional boards of trustees are asked to review all general student fees annually and every five years (including 2020) to make a comprehensive review of all student fees. Specific areas for board of trustee review include:

### General Principles

- All alternative funding sources should be considered before new fees or fee increases are proposed.
- Student fee requests should be rigorously scrutinized to ensure they are justifiable, reasonable, and benefit students.
- Boards should particularly assess how general student fees support diversity, equity, and inclusion.

**Annual Review:** boards of trustees are asked to annually review each general student fee to ensure the fee still meets established objectives and in particular:

- review the 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 changes;
- assess the adequacy of individual general student fee fund balances and approve multi-year budgets for large expenditures or reserves needing multi-year revenues; and
- review information presented and recommended by the General Student Fee Advisory Board.

**5-Year Review:** Beginning in 2020 and every five years thereafter, boards of trustees are asked to comprehensively review all general student fees to:

- ensure the fees align with the categories limited by Board Policy [R516, General Student Fees](#):
  - student-approved facility construction;
  - student-approved facility operations; and
  - student activities, programs, and services;
- determine whether each fee should be retained, transitioned to tuition or state appropriations, or be repealed; and
- submit a report of the comprehensive review including the justification for each fee determination to the Utah Board of Higher Education.

**Approval of General Student Fees for Facility Construction:** Institutions proposing new general student fees for student-approved facility construction or renovation projects are required by Board Policy [R516, General Student Fees](#), to conduct a vote of the student body. Boards of trustees are asked to 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. Regardless of the outcome of the student vote, institutional boards of trustees are asked to evaluate the need for the fee in their annual recommendation to the Board of Higher Education.