



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB A

March 25, 2021

Revision to Policy R705, *Leased Space*

In the January meeting, the Finance and Facilities Committee reviewed policy thresholds to delegate the review and approval of capital and property requests to institutional boards of trustees. The committee adopted the recommended changes with the exception of [Board Policy R705, *Leased Space*](#), which would have delegated all leasing responsibilities to institutional boards of trustees. Instead, the committee recommended further review of Board Policy R705, including a revised threshold for delegating lease approval to institutional boards of trustees. The proposed changes to Board Policy R705 include:

- Revising the threshold for delegating lease approval to the University of Utah Board of Trustees from \$250,000 to \$500,000
- Revising the threshold for delegating lease approval to all other boards of trustees from \$100,000 to \$250,000
- Eliminating the requirement that leases extending more than 10 years need Board approval
- Eliminating the requirement that leases leading to the establishment of regular state-supported daytime programs of instruction that need Board approval
- Eliminating the requirement that leases to outside entities that extend more than 10 years need Board approval

Commissioner's Recommendation

The Commissioner recommends the Board adopt changes to Policy R705, *Leased Space*, as outlined above, effective immediately.

R705, Leased Space¹

R705-1. Purpose: To comply with statute requiring the Board of Higher Education to establish written policies governing leasing for higher education institutions and to provide procedures for the approval of new leased space and for the annual reporting of leased space to the Board of Higher Education.

R705-2. References

- 2.1. Utah Code [§53B-20-101](#) (Property Rights - Title and Control)
- 2.2. Utah Code [63A-5b-805](#) (Leasing by Higher Education Institutions)
- 2.3. [Policy and Procedures R220](#), Delegation of Responsibilities to the President and Board of Trustees
- 2.4. [Policy and Procedures R315](#), Service Area Designations and Coordination of Off-Campus Courses and Programs
- 2.5. [Policy and Procedures R587](#), Contract or Lease-Purchase Financing
- 2.6. [Policy and Procedures R712](#), Nontraditional Arrangements for Development of Facilities on Campuses

R705-3 Board Approval of Certain Leases: The Board of Higher Education shall review lease terms and institutional requests to enter into new leases of capital facilities space for programs of instruction, research, or service when contracts for leasing such facilities exceed \$500,000 per year regardless of funding source for the University of Utah or exceed \$250,000 per year regardless of the funding source for all other USHE institutions; or will include instructional space located outside of the service area designated by Board Policy R315, *Service Area Designations and Coordination of Off-Campus Courses and Programs*.

R705-4. Leasing State-Owned Property to Outside Entities: The Board of Higher Education shall review and approve institutional requests to lease state-owned institutional property to non-institutional entities if the annual lease cost will exceed \$250,000 for the University of Utah or exceed \$100,000 per year for all other USHE institutions other than the University of Utah.

- 4.1. Approval of nontraditional arrangements for the use of institutional-owned facilities is subject to the provisions of Board Policy R712, *Nontraditional Arrangements for Development of Facilities on Campuses*.

¹ Adopted January 20, 2017, amended March 26, 2021.

R705-5. Delegation of Authority to Boards of Trustees: The Board of Higher Education delegates authority to the institutional Board of Trustees to approve institutional property leases that do not exceed the requirements in sections 3 and 4.

R705-6. Delegation of Authority to the University of Utah Board of Trustees for University Health Care System Leases: In accordance with Board Policy R220, *Delegation of Responsibilities to the President and Board of Trustees*, the University of Utah Board of Trustees may review and approve all property leases for the University of Utah Health Care System.

R705-7. Annual Report to the Board of Higher Education: The Commissioner shall report annually to the Board of Higher Education all space leased by the institutions in the System of Higher Education, including space leased for off-campus continuing education programs and space leased in research parks.

7.1. Institution Lease Information: In accordance with procedures and forms developed by the Commissioner's Office, institutions shall annually submit information for all space leased by the institution.

7.2. Submission to the State Building Board: After review by the Board of Higher Education, the Commissioner shall forward the report to the State Building Board for possible inclusion its comprehensive 5-year building plan.

R705, Leased Space¹

R705-1. Purpose: To establish guidelines for the approval of new leased space and to require annual reporting of leased space to the Utah Board of Higher Education.

R705-2. References

- 2.1. Utah Code [§53B-20-101](#) (Property Rights — Title and Control)
- 2.2. Utah Code [63A-5b-805](#) (Leasing by Higher Education Institutions)
- 2.3. [Board Policy R220](#), Delegation of Responsibilities to the President and Board of Trustees
- 2.4. [Board Policy R315](#), Service Area Designations and Coordination of Off-Campus Courses and Programs
- 2.5. [Board Policy R587](#), Contract or Lease-Purchase Financing
- 2.6. [Board Policy R712](#), Nontraditional Arrangements for Development of Facilities on Campuses

R705-3. Board Approval of Certain Leases: Institutions must obtain approval from the Board of Higher Education to enter into new leases of capital facilities space for programs of instruction, research, or service when contracts for leasing such facilities exceed \$500,000 per year regardless of funding source for the University of Utah or exceed \$250,000 per year regardless of the funding source for all other USHE institutions; or will include instructional space located outside of the service area designated by Board Policy R315, *Service Area Designations and Coordination of Off-Campus Courses and Programs*.

R705-4. Leasing State-Owned Property to Outside Entities: The Board of Higher Education shall review and approve institutional requests to lease state-owned institutional property to non-institutional entities if the annual lease cost will exceed \$250,000 for the University of Utah or exceed \$100,000 per year for all other USHE institutions other than the University of Utah.

- 4.1. Approval of nontraditional arrangements for the use of institutional-owned facilities is subject to the provisions of Board Policy R712, *Nontraditional Arrangements for Development of Facilities on Campuses*.

R705-5. Delegation of Authority to Boards of Trustees: The Board of Higher Education delegates authority to the boards of trustees to approve institutional property leases that do not exceed the requirements in sections 3 and 4.

¹ Adopted January 20, 2017, amended March 26, 2021.

R705-6. Delegation of Authority to the University of Utah Board of Trustees for University Health Care System Leases: In accordance with Board Policy R220, *Delegation of Responsibilities to the President and Board of Trustees*, the University of Utah Board of Trustees may review and approve all property leases for the University of Utah Health Care System.

R705-7. Annual Report to the Board of Higher Education: The Commissioner shall report annually to the Board of Higher Education all space leased by the institutions in the Utah System of Higher Education, including space leased for off-campus continuing education programs and space leased in research parks.

7.1. Institution Lease Information: In accordance with procedures and forms developed by the Commissioner's office, institutions shall annually submit information for all space leased by the institution.

7.2. Submission to the State Building Board: After review by the Board of Higher Education, the Commissioner shall forward the report to the State Building Board for possible inclusion in its comprehensive 5-year building plan.