



July 14, 2022

## General Consent Calendar

### A. MINUTES

1. Minutes from Board meetings – (Attachment)

### B. FINANCE AND FACILITIES

1. Technical Education Policy Revisions – (Attachment)
2. FY 2023 Board of Higher Education Budget – (Attachment)
3. Utah State Procurement Policy Board Appointments – (Attachment)

### C. TECHNICAL EDUCATION

1. Transition of Clock-Hour to Credit-Hour Programs – (Attachment)

### D. ACADEMIC EDUCATION

### E. STUDENT AFFAIRS

### F. BOARD ADMINISTRATION

1. R821, *Employee Benefits* – (Attachment)
2. New Board Policies R901, *Talent Ready Connections Program* and R902, *Utah Works Program* – (Attachment)
3. R1001, *Utah Data Research Center* – (Attachment)

### G. EXECUTIVE COMMITTEE

1. Executive Committee Action on University of Utah and Utah State University Capital Facilities – Attachment)

### H. PROGRAM NOTIFICATIONS

#### INFORMATION:

##### New Program:

1. Southern Utah University – Master of Science/Didactic Program Dietetics

#### NOTIFICATION:

##### New Program:

2. University of Utah – Minor in FinTech
3. University of Utah – Post-Baccalaureate Certificate in Population Health Sciences
4. University of Utah – Post-Baccalaureate Certificate in Secure Computing
5. Utah State University – Post-Baccalaureate Certificate in Transition Education and Services
6. Utah State University – Post-Baccalaureate Certificate in Cybersecurity
7. Utah State University – Post-Baccalaureate Certificate in Data Analytics

8. Utah State University – Post-Baccalaureate Certificate in Data Engineering
9. Utah State University – Post-Baccalaureate Certificate in Data Technologies
10. Utah State University – Post-Baccalaureate Certificate in Web Development
11. Utah State University – Certificate of Completion in IT Support and Web Development
12. Utah State University – Certificate of Proficiency in Professional Bookkeeping
13. Utah State University – Minor in Data Analytics
14. Utah State University – Minor in Web Development
15. Salt Lake Community College – Certificate of Proficiency in Photography Foundation
16. Salt Lake Community College – Certificate of Proficiency in Professional Sales
17. Salt Lake Community College – Certificate of Proficiency in Automotive Undercar Specialist
18. Salt Lake Community College – Associate of Sciences in Outdoor Adventure Parks and Recreation
19. Salt Lake Community College – Associate of Sciences in Community Health and Leadership

**New Emphasis:**

20. University of Utah – Bachelor of Arts/Bachelor of Sciences in Physics – Comprehensive Physics Emphasis
21. University of Utah – Bachelor of Arts/Bachelor of Sciences in Finance – FinTech Emphasis
22. University of Utah – World Languages and Cultures – Comparative Literary and Cultural Studies: Advanced Language Emphasis
23. University of Utah – World Languages and Cultures - Comparative Literary and Cultural Studies: Cultural Breadth Emphasis
24. University of Utah – World Languages and Cultures – Arabic Emphasis
25. University of Utah – World Languages and Cultures – Italian Emphasis
26. University of Utah – World Languages and Cultures – Korean Emphasis
27. University of Utah – World Languages and Cultures – Persian Emphasis
28. University of Utah – World Languages and Cultures – Portuguese Emphasis
29. Utah State University – Master of Science/Doctorate in Plant Science – Bioinformatics and Computational Biology Emphasis

**Name Change:**

30. Utah State University – Bachelor of Science in RN to BSN Completion to Nursing – RN to BSN
31. Utah State University – Bachelor of Sciences in OPTT Online Practical Teacher Training to Special Education
32. Salt Lake Community College – Associate of Arts in International and Global Studies to International Studies
33. Salt Lake Community College – Associate of Pre-Engineering in General Engineering: Full to Engineering: Full
34. Salt Lake Community College – Associate of Pre-Engineering in General Engineering: Traditional to Engineering: Traditional

35. Salt Lake Community College – Associate of Applied Science in Automotive Technician to Master Automobile Service Technician

**Discontinuance:**

36. Utah State University – Minor in American Sign Language Teaching
37. Utah State University – Bachelor of Sciences in Family Life Studies
38. Utah State University – Doctorate in Fisheries Biology
39. Salt Lake Community College – Certificate of Completion in Welding
40. Salt Lake Community College – Certificate of Completion in Diesel Systems Technology
41. Salt Lake Community College – Certificate of Proficiency in Advanced Marketing

**Program Restructure:**

42. University of Utah – Bachelor of Arts in Comparative Literary and Cultural Studies to World Languages and Cultures
43. University of Utah – Minor in Comparative Literary and Cultural Studies
44. Utah State University – Bachelor of Arts/Bachelor of Sciences in Journalism and Communication
45. Utah State University – Master of Management Information Systems
46. Salt Lake Community College – Associate of Applied Science in Welding Fabrication and Inspection
47. Salt Lake Community College – Associate of Applied Sciences in Diesel Systems Technology

**Program Restructure and Name Change:**

48. Salt Lake Community College - Certificate of Completion in Welding to Welding Technology
49. Salt Lake Community College – Certificate of Proficiency in Diesel Systems Technology to Diesel System Technician

**Administrative Unit Name Change:**

50. University of Utah – Department of Pharmaceutics and Pharmaceutical Chemistry to Department of Molecular Pharmaceutics

**New Center:**

51. University of Utah – Wilkes Center for Climate Science and Policy
52. Utah State University – Bastian Agricultural Center
53. Utah State University – Center for the Design and Manufacturing of Advanced Materials

**New Institute:**

54. Utah Valley University – Gary R. Herbert Institute for Public Policy

### **Program Suspensions:**

55. Utah State University – Bachelor of Arts/Bachelor of Sciences in Deaf Education and Early Childhood Education Composite
56. Utah State University – Bachelor of Arts/Bachelor of Sciences in Deaf Education and Elementary Education Composite
57. Utah State University – Bachelor of Arts/Bachelor of Sciences in Early Childhood Education and Deaf Education Composite
58. Utah State University – Bachelor of Arts/Bachelor of Sciences in Elementary Education and Deaf Education Composite
59. Salt Lake Community College – Associate of Applied Science in Electronics Engineering Technology
60. Salt Lake Community College – Certificate of Completion in Electronics Engineering Technology
61. Salt Lake Community College – Associate of Sciences in Surveying
62. Salt Lake Community College – Certificate of Proficiency in Surveying and Geomatics

### **I. GRANT PROPOSALS**

1. University of Utah – NIH Natl Ctr Complementar Y & ALTRN Medcn; “Holistic Pain Care in the MHS”; \$5,602,484. Principal Investigator, Julie Mae Fritz.
2. University of Utah – DHHS National Institutes of Health; “R01 Genetics Hyperceramidemia”; \$3,846,076. Principal Investigator, William Louis Holland.
3. University of Utah – Nutrition & Integrative Physio; “R01 Renew Endothelial Cell “; \$3,539,958. Principal Investigator, John David Symons.
4. University of Utah – DOD Defense Advanced Research Projects Agency; “Schmidt\_DARPA BAA HRO01121S00”; \$4,993,225. Principal Investigator, Eric W Schmidt.
5. University of Utah – DHHS National Institutes of Health; “R01 CMV Infection”; \$3,546,126. Principal Investigator, Anna Elisse Beaudin.
6. University of Utah – DHHS National Institutes of Health; “Reeder U24 CLIF-VP April 2022”; \$11,616,933. Principal Investigator, Ron William Reeder.
7. University of Utah – DHHS National Institutes of Health; “TIANXIN YANG R35”; \$7,520,717. Principal investigator, Tianxin Yang.
8. University of Utah – DHHS National Institutes of Health; “Langenecker R01 Covid 2023”; \$3,812,500. Principal Investigator, Scott Aaron Langenecker.
9. University of Utah – NIH National Institute of Mental Health; “Kondo R01 Creatine April 2022”; \$3,067,736. Principal Investigator, Douglas Gavin Kondo.
10. University of Utah – NIH Natl Allergy & Infectious Dis; “R01 A1169835-01A1 TREG”; \$3,067,347. Principal Investigator, Brian D Evavold.
11. University of Utah – DHHS National Institutes of Health; “Integrative Mechanisms A1”; \$2,771,400. Principal Investigator, Anthony Donato.
12. University of Utah – University of Michigan; “Casper Mich Sub April 2022”; \$2,284,055. Principal Investigator, Theron Charles Casper.

13. Utah State University – US Department of Energy; “Development of Quantum Nano-Plasmonic Sensing of Sum Frequency Generation and Raman Scattering for Exploring Fundamental Mechanisms of Enzymatic Hydrolysis of Cellulose”; \$2,239,698. Principal Investigator, Yi Rao.
14. Utah State University – US Dept of Int. – Bureau of Land Management; “A Cooperative Agreement to Support the BLMs Aquatic Resource Management Program”; \$3,000,000. Principal Investigator, Charles P Hawkins.
15. Utah State University – Administration for Community Living; “IDRPP Core Grant (2022-2027) University Centers for Excellence in Developmental Disabilities”; \$3,006,551. Principal Investigator, Matthew Thomas Wappett.
16. Utah State University – University of Utah; “AI4CRAF: AI institute for Climate Resilient Agriculture and Forestry”; \$4,200,000. Principal Investigator, Bethany Teresa Neilson.
17. Utah State University – Misc Federal Sponsors; “SDL will provide full range of University Affiliated Research Center (UARC) capabilities to customer.”; \$2,994,748. Principal Investigator, Matt Cupal.
18. Utah State University – Patient-Centered Outcomes Research Institute; “Comparing the Effectiveness of Three Treatment Modalities of Acceptance and Commitment Therapy for Autistic Adults Living in Rural Areas”; \$3,964,772. Principal Investigator, Ty Bracken Aller; Co-investigators, Tyson Stanley Barrett, Michael E Gerald, Audrey Constance Juhasz, Michael Levin, Michael Peter Twohig.
19. Utah State University – Spokane Conservation District; “Bio-Farming Innovation Technology and Environment”; \$3,648,791. Principal Investigator, Stephan Van Vliet.
20. Utah State University – US Department of Agriculture; “Biochar: A Vehicle for water conservation, carbon sequestration, and GHG reduction”; \$14,785,046. Principal Investigator, Foster Aryi Agblevor; Co-investigators, Man-Keun Kim, Youping Sun.
21. Utah State University – US Department of Energy; “Understanding Micro-structures and Macro-properties of Flow Battery Electrolyte Materials towards Long-Duration Energy Storage”; \$4,499,999. Principal Investigator, Tiabiao Liu.
22. Utah State University – National Institutes of Health; “Response Inhibition in Reactive Balance Control”; \$2,614,596. Principal Investigator, David Andrew Ernest Bolton; Co-investigators, Sarah Elizabeth Schwartz, Joann T Tschanz, Christopher Michael Warren.
23. Utah State University – National Institutes of Health; “Perceptual training for improved intelligibility of people with Parkinson's disease”; \$3,269,156. Principal Investigator, Stephanie Anna Borrie; Co-investigator, Tyson Stanley Barrett.
24. Utah State University – Defense Advanced Research Projects Agency DARPA; “Space Dynamics Laboratory will develop novel algorithms that process data from clusters of synthetic aperture radar (SAR) satellites to enable new capabilities.”; \$4,673,898. Principal Investigator, Mark Jensen.
25. Utah State University – Defense Advanced Projects Agency DARPA; “Space Dynamics Laboratory (SDL) will work with the Defense Advanced Research Projects Agency (DARPA) to create

- innovative approaches in the Synthetic Aperture Radar (SAR) technical areas.”; \$7,630,205. Principal Investigator, Mark Jensen.
26. Utah State University – Misc Federal Sponsors; “Space Dynamics Laboratory shall design, build, and test the GyrFalcon Infrared and Visual Sensor System for Lockheed Martin”; \$9,364,874. Principal Investigator, Amy Secrist.
  27. Utah State University – NOAA-Nat’l Oceanic and Atmospheric Administration; “This effort will extend the life of 3 National Ocean and Atmospheric Administration satellites”; \$17,605,579. Principal Investigator, Lee Dang.
  28. Utah State University – Air Force Research Laboratory; “The Space Dynamics Laboratory (SDL) will provide subject matter expertise (SME) support to the Air Force Research Laboratory’s (AFRL) Atomic Long-range Systems (ATLS) branch with research, engineering, development, integration, and test/evaluation of advanced strategic concepts; nuclear command, control, and communication (NC3) concepts, architectures, and protocols; modeling/simulation of space, communications and re-entry environments; materials/component testing utilizing space based experimental methods; and the development of sensors and algorithms for improved uncertainties and detection capabilities, for nuclear-related science and technology in support of nuclear deterrence operations.”; \$9,587,291. Principal Investigator, Al Dubovik.
  29. Utah State University – Missile Defense Agency; “The Space Dynamics Laboratory (SDL) will continue to perform in its capacity as a University Affiliated Research Center (UARC) for the Department of Defense (DoD)/Missile Defense Agency (MDA) for core research, development, and engineering capabilities, across the full range of SDLs UARC core competencies. Specifically, this includes work related to state-of-the-art and proof-of-concept sensor systems for airborne and space-based platforms, investigation of new sensor systems, modeling, simulation and analysis, rapid prototyping, experiments, proof-of-concept demonstrations, small satellite missions, and participation in the early phases of future DoD technology initiatives, including basic research.”; \$2,101,614. Principal Investigator, Jim Marshall.
  30. Utah State University – Naval Research Lab; “Space Dynamics Laboratory (SDL) will provide Research in Processing, Sensors, and Algorithms (RIPSA) for the Naval Research Laboratory (NRL). The NRL has a requirement for support in the following technology areas: (1) sensors and processing exploitation systems, (2) algorithms, (3) networking and cyber, (4) counter measure systems, (5) platforms, and (6) field testing and demonstration. The base indefinite delivery, indefinite quantity (IDIQ) contract for this support will consist of a 5-year ordering period with five 1-year options. This proposal is for the first task order on the IDIQ, Task Order N00173-22-R-LM01, which has a 2-year period of performance.”; \$29,999,984. Principal Investigator, Darin Partridge.
  31. Utah State University – Air Force; “The Space Dynamics Laboratory will furnish the necessary personnel, facilities, and material to fabricate, assemble, test, deliver, and install the equipment and software required to maintain and enhance the Virtual Imagery Processing Capability (VIP-C) for the Air Force.”; \$23,026,842. Principal Investigator, Shane Jenkins.

32. Utah Valley University – Department of Education; “UVU Upward Bound Math & Science”; \$1,437,685. Principal Investigator, Barney Nye.
33. Utah Valley University – Federal Aviation Administration; FAA Notice of Funding Opportunity”; \$1,200,000. Principal Investigator, Brett Stone.
34. Utah Valley University – Utah State Board of Education; “Career & Technical Education: Perkins Consortium”; \$3,385,051. Principal Investigator, Kim Chiu.
35. Utah Valley University – Governor’s Office of Economic Development; “Talent Reay Utah – Learn and Work”; \$2,715,750. Principal Investigator, Spencer Childs.

## J. AWARDS

1. University of Utah – NIH Natl Inst Neurolog Disorders Stoke; “Add Contract Wilcox 2022”; \$4,204,066. Principal Investigator, Karen S Wilcox.
2. University of Utah – US Department of Energy; “Enhanced Geothermal – Forge”; \$49,500,000. Principal Investigator, Joseph N Moore.
3. University of Utah – NIH National Institute on Drug Abuse; “ABCD Limited Competition”; \$2,729,64. Principal Investigator, Sarah Shizuko Morimoto.
4. Utah State University – NASA Goddard Space Flight Center; “Atmospheric Waves Experiment”; \$4,126,319. Principal Investigator, Burt Lamborn.
5. Utah State University – NASA Goddard Space Flight Center; “Atmospheric Waves Experiment”; \$4,378,726. Principal Investigator, Burt Lamborn.
6. Utah State University – Marine Corps; “Marines Corps IDIQ – Ordering Period 3”; \$4,121,217. Principal Investigator, John Kratz.
7. Utah State University – Air Force-General; “Hybrid Space Architecture Testbed Mission Operations Center”; \$2,945,000. Principal Investigator, Jason Lamber.
8. Utah State University – NASA Jet Propulsion Laboratory; “Near Earth Object Surveyor”; \$4,000,000. Principal Investigator, Brent Carlsen.
9. Utah State University – Air Force Research Laboratory; “Space and Nuclear Advanced Prototypes, Experiments & Technology Development Task Order 1- Spectrum Warfare Study”; \$2,712,500. Principal Investigator, Craig Jones.





**Utah Board of Higher Education  
Utah System of Higher Education  
Friday, May 20, 2022**

**COMMITTEE OF THE WHOLE  
MINUTES**

**Board Members Present**

Harris H. Simmons, Chair  
Nina R. Barnes, Vice Chair  
Jessellie B. Anderson  
Mike Angus  
Jera L. Bailey  
Lisa Michele Church  
Sanchaita Datta  
Alan Hall  
Patricia Jones  
Crystal Maggelet  
Tanner Marcum  
Arthur E. Newell  
Shawn Newell  
Valirie Serawop  
Scott Theurer

**Board Members Absent**

Stacey K. Bettridge  
Wilford Clyde  
Aaron Osmond, Vice Chair

**Office of the Commissioner**

Dave R. Woolstenhulme, Commissioner of Higher Education  
Geoffrey Landward, Deputy Commissioner and General Counsel  
Taylor Adams, Associate Commissioner for Strategic Initiatives  
Alison Adams-Perlac, Associate General Counsel  
Trisha Dugovic, Director of Communication  
Brynn Fronk, Executive Assistant to the Utah Board of Higher Education  
Russ Galt, Senior Assistant Commissioner for Technical Education Finance  
Jared Haines, Senior Advisor for Technical Education  
Julie Hartley, Associate Commissioner of Academic Education  
Melanie Heath, Assistant Commissioner of Strategic Initiatives  
Lais Martinez, Assistant Commissioner for Equity, Diversity, and Inclusion  
Carrie Mayne, Chief Economist  
Loreen Olney, Administrative Assistant  
Dave Pulsipher, Audit Director  
Steven Radford, Assistant Commissioner of Workforce Initiatives  
Madalin Rooker, Intern  
Juliette Tennert, Chief Financial Officer  
Malin Francis, Director of Facilities & Planning  
Melissa Van Hien, Executive Assistant to the Commissioner  
Scott Wyatt, Senior Executive Director of Online Education  
Kim Ziebarth, Associate Commissioner of Technical Education



### **Institutional Presidents Present**

Mindy Benson, Southern Utah University (interim)  
Darin Brush, Davis Technical College  
Chad Campbell, Bridgerland Technical College  
Noelle Cockett, Utah State University  
Clay Christensen, Mountainland Technical College

Paul Hacking, Tooele Technical College  
Jordan Rushton, Dixie Technical College (interim)  
Jim Taggart – Ogden-Weber Technical College  
Aaron Weight – Uintah Basin Technical College  
Brennan Wood, Southwest Technical College

### **Other Guests**

Lynn Adams, Utah Valley University  
DaSheek Akwenye, Chief Officer – Inclusion and Diversity, Utah Valley University  
Rick Allen, BAE Systems  
Cathy Anderson, Chief Financial Officer, University of Utah  
Brian Baker  
Maria Caballero, Disability and Diversity Coordinator/Academic Advisor, Davis Technical College  
Dave Cowley, Vice President for Finance and Administrative Services, Utah State University  
John Creer, Chief Real Estate Officer, University of Utah  
Bret Ellis, Vice President for Information Technology, Weber State University  
Richard Ellis, Executive Director, my529  
Amy Fulton, Director of the New Leadership Academy, University of Utah  
Vic Hockett, Director of Talent Ready Utah  
Kate Hoffman, Earn to Learn  
Emma E. Houston, Special Assistant to the VP of Equity, Diversity & Inclusion, University of Utah  
Carson Howell, Vice President of Finance and Administrative Services  
Ilana Israel, Program Manager, University of Utah  
Leslie Keisel, Chair, Snow College Board of Trustees  
McKenna Marchant, PAB Program Manager, Workforce Services  
Chris A. Martin, Vice President for Finance and Administration/CFO, Salt Lake Community College  
Japheth McGee, Vice President, Zions Public Finance Incorporated  
Mica McKinney, General Counsel, Utah State University  
Fernando Montano, Multicultural Center Coordinator, Snow College  
Paul Morris, Vice President of Administrative Affairs, Utah Tech University  
Jenalee Moynier, Diversity Officer/Sr. College Recruiter, Uintah Basin Technical College  
Jeff Nelson, Nelson Labs  
Scotty Nowlin, BAE Systems  
Jennifer Napier-Pearce, Governor's Office  
Noe Ortega, New Leadership Academy Facilitator  
Rick Robinson, Vice Chair, Snow College Board of Trustees  
Daneka Souberbielle, Associate Provost & Chief Diversity Officer, Southern Utah University  
Tamara Stevenson, Vice President of Diversity, Equity & Inclusion and C.D.O., Westminster College  
Chuck Taylor, SyberJet  
Martell Teasley, Interim Senior Vice President for Academic Affairs, University of Utah  
Bretty Tingey, Cytiva  
Mary Ann Villarreal, Vice President for Equity, Diversity & Inclusion, University of Utah  
Matt Wardle, JD Machine

Chair Simmons called the meeting to order at 8:00 a.m.

**Board member Church moved to go into closed session for the purposes of discussing the character, professional competence, or physical or mental health of an individual, and to discuss the purchase, exchange, or lease of real property. Another Board member seconded the motion, but because of audio difficulties, we were unable to verify the Board members' identity and the motion passed.**

### *Closed Session*

**Board member Church made a motion to end closed session. Board member Datta seconded the motion and the motion passed.**

### *Committee of the Whole*

*Governor Spencer Cox*

Board member Shawn Newell introduced Governor Cox and thanked him for the initiatives he's put forth and for his emphasis on the importance of education. Governor Cox expressed his pleasure with the changes made to the system and his appreciation to the Board members for their 5-year strategic plan. He discussed higher education in the state of Utah as well as equity, diversity, and inclusion issues. Lais Martinez then asked the Governor questions submitted by students across the state. This was an information item only; no action was taken.

### *NLA Session*

Chair Simmons introduced Noe Ortega who discussed equity, diversity and inclusion with Board members and OCHE staff. Board member Church expressed appreciation and gratitude for the tools it has provided. This was an information item only; no action was taken.

### *Resolutions of Appreciation*

Chair Simmons highlighted the Resolutions of Appreciation for Vice Chair Barnes, Vice Chair Osmond, Board member Angus, and Board member Maggelet. The Resolution of Appreciation for Board member Marcum was then summarized by Board member Church. Vice Chair Barnes summarized the Resolution of Appreciation for Board member Serawop. Board member Shawn Newell reviewed the Resolution of Appreciation for Chair Simmons. **Board member Arthur Newell moved to accept the resolutions. Board member Church seconded the motion and the motion passed.**

### *Workforce/Talent Solutions Manufacturing Sector Discussion*

Commissioner introduced Vic Hockett, director of Talent Ready Utah, who introduced the panel guests: Rick Allen, Scotty Nowlin, Jeff Nelson, Bretty Tingey, Matt Wardle, and Chuck Taylor. They expressed gratitude for the efforts to help develop talent for the life sciences industries. However, they have a real supply challenge and need more employees and talent. They encouraged developing more non-traditional students and suggested partnering with industry and companies to consider giving credit for work experience. Chuck Taylor suggested internal training programs within their company to meet regulations so that their employees are trained the way the institutions train their mechanics. Board member Jones asked what skills they need today that they are not finding and what they are doing now to engage more women in the manufacturing workforce. The panel answered they are looking for soft skills – writing, communicating, and speaking. Rick Allen mentioned they participate in the Elevate Her Challenge where women are connected with a mentor to help them continue developing their careers and give them the network they need to grow. They also have the Women in Stem Education Committee. The panel asked the Board to help promote jobs in manufacturing, to promote to women as well as underserved populations. Board member Church asked the panel to share how they work with schools. Bretty shared they go to stem fairs and have a relationship with Bridgerland Technical College. Rick mentioned they work closely with Weber State University, University of Utah, and Utah State University. Board member Arthur Newell asked the ratio between tech ed employees and degree granting jobs. Matt guessed the ratio is 10 skilled worker to every degreed individual. Chuck noted they have 40% degreed and 60% non-degreed. Rick mentioned a vast majority of their employees are skewed towards degrees. Chair Simmons thanks them for joining the meeting. This was an action information item only; no action was taken.

### *Committee Reports*

Board member Arthur Newell provided a report of the Academic Education Committee Meeting on April 15. They had a presentation from the National Association of System Heads (NASH) and received an update from the State Online Education Taskforce. They're now waiting for the presidents and Commissioner's office to respond to their draft with some feedback. They also discussed the strategic plan, prior learning, and the healthcare panel from the March Board meeting.

Board member Shawn Newell reported on the Technical Education Committee Meeting on April 15. The big topic of discussion was program alignment. They also discussed credit transition and had a presentation from Trina Lambert from Tech Moms.

Board member Church presented the report from the Student Affairs Committee Meeting on April 15. They followed up on the LGBTQ+ resolution and discussed the great FAFSA completion news – Odgen Weber Tech has a 24% increase in FAFSA completion. They also discussed Title IX. Alison Adams-Perlac and Lais Martinez presented on the ongoing policy equity review on all USHE policies. They've made significant progress on the strategic plan.

Board member Angus reported on Finance and Facilities later in the meeting during the action items.

This was an information item only; no action was taken.

### *Higher Education Advocacy and Awareness Campaign Update*

Trisha Dugovic provided an update on the Higher Education Advocacy Awareness Campaign. She reviewed the collegeisutah.com website with the Board. Board member Church asked who responds when more information is needed. Trisha answered that it goes to the USHE newsletter pipeline, so we know what needs to be provided. Board member Theurer mentioned that individual institutions do recruitment outside their service areas which can create transaction competition between our institutions. He wondered if we could ask our institutions what marketing resources they're using outside their service areas as part of the campaign. There may be duplication in this area and could be savings in shared services. Trisha responded that she was unsure of the dollar amount they spend outside their service regions, but they discussed their target audiences. They feel like this is supplemental and not overlapping. Board member Datta asked if we're able to create funnels of areas of interest. Trisha responded that the college navigator would be helpful in this campaign. There's no tradeoff of that information, but they still get where they need to go. Chair Simmons understands where the schools are coming from when they market outside their services areas. It helps the students understand the variety of our institutions and the options available. Board member Bailey asked that we work together in yielding a product that benefits our students when marketing the product. This was an information item only; no action was taken.

### *Attainment Goal Dashboard*

Carrie Mayne reviewed the Attainment Goal Dashboard, and Kenadie Stanger walked through the dashboard's features. Commissioner Woolstenhulme explained that the tool would be used yearly for performance funding. Chair Simmons noted it would be helpful to turn them into percentages, and Board member Datta asked for the definition of high yield graduation. This was an information item only; no action was taken.

### *UofU – Lease Agreement for Ivory University House*

Chair Simmons reviewed the Ivory University House student housing agreement. This was an information item only; no action was taken.

### *Strategic Plan Update*

Taylor Adams provided an update on the strategic plan. The Commissioner and Deputy Commissioner will meet with the institutions in June to review and update the strategic plan. This was an information item only; no action was taken.

### *R821, Employee Benefits*

Alison Adams-Perlac reviewed revisions to Board policy R821, Employee Benefits, with Board members. **Board member Arthur Newell moved to adopt the revisions to Policy R821, Employee Benefits, effective immediately. Board member Shawn Newell seconded the motion and the motion passed.**

### *UofU Non-State Funded Project*

**Board member Angus moved to authorize the University of Utah to obtain approval for the renovation of the Row Houses and Carriage House in Washington, DC to DFCM for final approval. Board member Church seconded the motion and the motion passed.**

### *UofU Lease Agreement of 102 Tower*

Board member Angus reviewed the University of Utah Lease Agreement of 102 Tower with the Board. Board member Theurer wondered if there were other tenants in the building. Cathy Anderson answered the primary tenant is UIT and the hospital IT group. Several tenants moved out during the pandemic, which is why they have the space. She stated that the University owns the building. **Board member Angus moved to authorize the University of Utah to enter into a lease agreement with Utah School Institutional Trust Lands Administration in the 102 Tower for ten years and six months. Vice Chair Barnes seconded the motion and the motion passed.**

### *UofU Lease Renewal for American Plaza*

**Board member Angus moved to authorize the University of Utah to renew the American Plaza lease for an additional five years and seven months. Board member Arthur Newell seconded the motion and the motion passed.**

### *SUU Disposition of Property*

**Board member Angus moved to authorized Southern Utah University to dispose of the 72.27-acre parcel of land located at approximately 4751 W Highway 56 for the negotiated price of \$2,312,640. Vice Chair Barnes seconded the motion and the motion passed.**

### *UB Tech Architectural Programming*

Commissioner Woolstenhulme explained that under SB102, \$120 million is appropriated each year for facilities, \$100 million of that to degree-granting institutions. The tech colleges' \$20 million goes through the Commissioner's office and the Board rank the projects. One concern is that when a program is created, a significant amount of money is spent without knowing where you're in the queue. This summer, we'll look at policies so we don't have institutions spending significant amounts of money on programming when the funding for the facility isn't available for several years. Board member Church clarified that this does not give UB Tech priority in the queue. **Board member Church moved to authorize Uintah Basin Technical College to proceed with programming of the Health Professions Building. Board member Shawn Newell seconded the motion and the motion passed.**

### *USU Disposal of Real Property*

**Board member Church moved that we postpone the Utah State Disposal of Real Property agenda item until the next Board meeting so that would give us time to find out more information and make better use of taxpayer dollars. Board member Theurer seconded the motion and the motion passed.**

*Private Activity Bond Volume Cap Relinquishment*

Juliette Tennert is newly appointed to the Private Activity Bond Board. She reviewed the federal tax code with the Board, allowing state and local governments to use tax-exempt bonds to finance certain qualified private activities. They are subject to an annual volume cap which state statute sets parameters for the sub-allocation of Utah's volume cap. In the statute, 33% of Utah's allocation is set aside for student loans. At least in the last decade, the student loan allotment has never been used. That allotment for student loans would roll over for other uses in October of each year. Upon written notification, that allotment can be released earlier than October. Juliette explained that the Board needs to relinquish \$121M of the student loan allotment that will roll over for other uses. **Board member Angus moved to relinquish the \$121,168,493 private activity bond student loan allotment for other purposes, as authorized in Utah code. Vice Chair Barnes seconded the motion and the motion passed.**

*Tooele Tech Differential Tuition Rate*

Juliette Tennert explained that we missed a motion to approve a differential tuition rate for Tooele Tech at the March 2022 Board meeting. **Board member Shawn Newell moved to authorize the requested differential tuition for Tooele Technical College. Board member Jones seconded the motion and the motion passed.**

*Bond Authorizing Resolutions*

**Board member Jones moved to approve the proposed Authorizing Resolution to issue General Revenue bonds for Dixie State University. Board member Datta seconded the motion and the motion passed.**

**Board member Arthur Newell moved to approve the proposed Authorizing Resolution to issue Auxiliary System and Student Building Fee Revenue bonds for Southern Utah University. Board member Jones seconded the motion and the motion passed.**

**Vice Chair Barnes moved to approve the proposed Authorizing Resolution to issue Student Building Fee Revenue bonds for Utah State University. Board member Angus seconded the motion and the motion passed.**

**Board member Serawop moved to approve the proposed Authorizing Resolution to issue General Revenue bonds for the University of Utah. Board member Shawn Newell seconded the motion and the motion passed.**

*UofU Property Transaction*

Juliette Tennert explained this item was reviewed and discussed during Closed Session and needed a vote in open session. **Board member Arthur Newell moved to approve the proposed Authorizing Resolution to issue General Revenue bonds for the University of Utah. Board member Jones seconded the motion and the motion passed.**

*State Aid Program Policy Revisions*

Spencer Jenkins reviewed the policies that were made, which were mostly an administrative clean-up. **Board member Church moved to adopt the proposed policy revisions in Tab AA, in accordance with HB 355, Higher Education Financial Aid Amendments, passed in the 2022 Utah Legislative Session. Board member Jones seconded the motion and the motion passed.**

#### *Earn to Learn*

Commissioner Woolstenhulme reviewed the Earn to Learn program with Board members. He explained the money is currently not there within the program. Earn to Learn has asked for a letter of intent while we're working on getting the funds. The Commissioner recommended giving a non-binding letter of intent and we will come back to the Board with final approval with additional funding if needed. Board member Church noted this fits within our strategic plan. **Board member Church moved to direct the Commissioner to sign a letter of intent to participate in an Earn to Learn pilot program in Utah upon confirmation of philanthropic match, state funds availability, and final Board approval of program design. Vice Chair Barnes seconded the motion and the motion passed.**

#### *Terrel H. Bell Incentive Loan Program*

Spencer Jenkins explained the Terrel H. Bell Incentive Loan Program loan forgiveness with the Board members. This proposal is to convert the loans into a scholarship program. Board member Theurer asked the earliest date of origin for the loans and if any are in default or in forbearance. Spencer answered that none are in default or sent to collections, and he does not have the date of origination for the loans. **Board member Jones moved to forgive the outstanding Terrel H. Bell Incentive Loan Program loans effective May 31, 2022. Board member Serawop seconded the motion and the motion passed.**

#### *Student Success Endowment Investment Policy*

Richard Ellis reviewed the bill passed to liquidize the UHEEAA loan portfolio. He recommended the Board adopt a policy statement for how funds should be invested. Board member Church requested an update in the Consent Calendar for every Board meeting. She asked if the Board can get an expenditure update at some point. Richard stated that it's a discussion the Board will have. The role the Board and trustees have is how the funds will be used. Commissioner Woolstenhulme stated that it has been recommended that funds will start being used two to three years down the road with approval from the Board. **Board member Jones moved to adopt the May 2022 Higher Education Student Success Endowment Investment Policy Statement. Board member Shawn Newell seconded the motion and the motion pass.**

#### *Consent Calendar*

**Vice Chair Barnes moved to approve the Consent Calendar. Another Board member seconded the motion, but because of audio difficulties, we were unable to verify the Board members' identity and the motion passed.**

#### *Board leadership appointments*

Chair Simmons reviewed the process of selecting Board leadership. Commissioner Woolstenhulme expressed to the Board that it is important to know if there are substitute motions, they can also come forward. Someone else could make a substitute motion. Board member Jones thanked those leaving leadership roles and appreciated those willing to step up and put their name on the ballot. **Vice Chair Barnes made a motion to present Lisa-Michele Church, Board member, as the Chair of the Board of Higher Ed, and as Vice Chair, Board member Jesselie Anderson to serve two-year terms. Board member Mike Angus seconded the motion and the motion passed.**



Board member Church thanked everyone for their support and leadership, leaving it in good shape. She wants to meet with everyone individually to see how to get their ideas to move forward.

*Additional reports*

Chair Simmons pointed out the additional reports to the Board members at the bottom of the agenda. This was an information item only; no action was taken.

*Motion to Adjourn*

**Board member Barnes made a motion to adjourn; Board member Datta seconded the motion and the motion passed.**

The meeting adjourned at 3:30 p.m.

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Geoffrey Landward, Secretary

Date Approved:





**Utah Board of Higher Education  
Virtual Meeting  
Wednesday, June 1, 2022**

**EXECUTIVE COMMITTEE  
MINUTES**

**Board Members Present**

Lisa-Michele Church, Chair  
Jesselie B. Anderson, Vice Chair  
Nina R. Barnes  
Wilford Clyde  
Arthur E. Newell  
Shawn Newell  
Harris H. Simmons

**Board Members Absent**

Aaron Osmond

**Office of the Commissioner**

Dave R. Woolstenhulme, Commissioner of Higher Education  
Geoffrey Landward, Deputy Commissioner and General Counsel  
Malin Francis, Director of Facilities & Planning  
Brynn Fronk, Executive Assistant to the Utah Board of Higher Education  
Juliette Tennert, Chief Financial Officer

**Other Guests**

Cathy Anderson, Chief Financial Officer, University of Utah  
Dave Cowley, Vice President for Finance and Administrative Services, Utah State University

***Executive Committee***

Chair Church called the meeting to order at 7:30 a.m.

***USU Land Deal***

Dave Cowley addressed Utah State's land deal with the city of Bedford, Massachusetts. Board members suggested giving the city the chance to adjust its price. If they won't, open it up to the best and final offer. Dave agreed because this has been very public for the city. The town supports this location as a place for the fire station the town needs. **Board member Simmons moved to go back to them and say you want to close by June 9, if you want to get your city council together and approve a 1.7 million dollar offer by June 9, it's yours. Otherwise, the state board has directed us to take it to the other party. Board member Arthur Newell seconded the motion and the motion passed.**

***UofU Lease Agreement***

Juliette Tennert introduced the University of Utah's student housing deal to Board members. Cathy Anderson summarized the agreement. The University is proposing to enter into a sublease with Westminster College to lease The Draw building. It is a five-year lease beginning July 1. It will give them 168 beds to combat the housing shortage and be used for upper-level students, not freshmen. Board

member Simmons asked about security in the building. Cathy explained that they are looking at putting a security person at the bottom level 24/7 in addition to keycard access for the building.

**Board member Simmons moved to approve the University of Utah entering into this agreement with Westminster College. Board member Shawn Newell seconded the motion and the motion passed.**

The meeting adjourned at 7:45 a.m.

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Geoffrey Landward, Secretary

Date Approved:



**Utah System of Higher Education  
Virtual Meeting  
Wednesday, June 15, 2022**

**EXECUTIVE COMMITTEE  
MINUTES**

**Board Members Present**

Lisa-Michele Church, Chair  
Jessalie Anderson, Vice Chair  
Nina Barnes  
Wilford Clyde  
Arthur Newell  
Shawn Newell  
Aaron Osmond  
Harris Simmons

**Office of the Commissioner**

Dave R. Woolstenhulme, Commissioner of Higher Education  
Geoffrey Landward, Deputy Commissioner and General Counsel  
Brynn Fronk, Executive Assistant to the Utah Board of Higher Education

**Executive Committee**

Vice Chair Anderson called the meeting to order at 7:30 a.m.

Vice Chair Anderson proposed Stacey McIff as the interim president of Snow College. **Board member Simmons moved to appoint Stacey McIff as interim president of Snow College effective July 1, 2022. Board member Barnes seconded the motion and the motion passed.**

The meeting adjourned at 7:40 a.m.

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Geoffrey Landward, Secretary

Date Approved:



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

July 14, 2022

## Technical Education Policy Revisions

### Background

Since combining the Utah System of Higher Education with the Utah System of Technical Colleges in July 2020, there has been some question regarding which USHE policies apply to technical colleges. The Office of the Commissioner of Higher Education is working to eliminate any questions regarding which policies are relevant. As part of this project, all USHE policies are being reviewed; some policies will need to be revised to more fully apply to technical colleges. Recommendations will be made to affirm that specific policies do indeed apply to technical colleges. Additionally, recommendations will be made to rescind redundant policies. This will result in numerous policies being brought to the Board in upcoming Board meetings.

This work on policies relates to the Board's Strategic Plan priority of System Unification; one of the Board's strategies for System Unification is to merge system policies. The related tactic is to review policies to ensure alignment between technical colleges and degree-granting institutions.

### Policies to Revise to Ensure Applicability to Technical Colleges

The attached proposed policy revisions are part of the Board's efforts to ensure policy alignment between technical colleges and degree-granting institutions. Additional policies related to technical colleges will be revised in the upcoming months. Several Business and Financial Affairs policies (R500 series) related to tuition and fees will be revised as technical colleges move from charging tuition based on membership/contact hours to credit hours. Additionally, various other policies are being reviewed for revision to make them applicable to technical colleges.

Below is a summary of the proposed policy changes being recommended at this time:

**R501, *Budgeting Definitions and Guidelines*:** Defines full-time equivalents (FTE) for faculty and students at technical colleges.

**R541, *Management and Reporting of Institutional Investments*:** Addresses internal audits for technical colleges.

**R548, *Institutional Discretionary Funds Administration and Accountability*:** Addresses internal audits for technical colleges.

**R550, Auxiliary Enterprises Operation and Accountability:** Primarily addresses internal audits for technical colleges.

**R557, Motor Vehicles:** Eliminates the requirement to annually certify the accuracy of the motor vehicle reports.

**R561, Accounting and Financial Controls:** Applies various accounting control limits to technical colleges.

**R567, Internal Audit Program:** Addresses internal audits for technical colleges.

**R571, Purchasing:** Primarily eliminates exceptions for technical colleges.

### **Capital Facilities Policies to Affirm as Applicable to Technical Colleges**

As part of the Board's efforts to ensure policy alignment between technical colleges and degree-granting institutions, the Capital Facilities policies (R700 series) listed below have been reviewed and determined to apply to technical colleges, except in instances where the policy specifically states different applicability. As the review and revision of other sections of policies are completed, they will also be brought forward to affirm their applicability to technical colleges.

Below is a listing of the Capital Facilities policies to affirm as applicable to technical colleges:

**R701, Capital Facilities**

**R702, Non-State Funded Projects**

**R703, Acquisition of Real Property**

**R704, Disposal of Real Property**

**R705, Leased Space**

**R706, Capital Facilities Master Planning**

**R711, State Building Board Delegation of Capital Facilities Projects**

**R712, Nontraditional Arrangements for Development of Facilities on Campuses**

**R713, Funding of Student Centers**

**R714, Capital Facilities Community Impact**

**R741, Nondedicated Capital Project Prioritization Process**

**R742, Dedicated Capital Project Allocation Formula**

**R743, Process for Use of Dedicated Capital Projects Funds**

**R751, Institutional Facilities Space Utilization**

**R761, Physical Education, Intramural Sports and Special Event Facilities**

**R763, Funding of Parking Facilities Repair Costs**

### **Technical College Policies and Procedures to Rescind**

As part of the Board's efforts to ensure policy alignment between technical colleges and degree-granting institutions, the Technical College Policies and Procedures listed below have been reviewed and found to be covered by other policies also applicable to degree-granting institutions. The policies listed can be

rescinded, and other policies will still cover the subject matter. In order to eliminate all of the stand-alone technical college policies and procedures, various other policies will need revision. Other technical college policies are still being reviewed primarily in the institutional governance and instructional and student affairs areas. As the review and revision of other sections of policies are completed, they will be brought to the Board in upcoming meetings.

Below is a listing of the Technical College Policies and Procedures recommended to be rescinded:

- 100, *Mission, Vision, and Guiding Principles***
- 105, *Commissioner of Technical Education – Functions***
- 106, *Auditing***
- 114, *Council of Presidents***
- 303, *Appropriated Revenues***
- 304, *Capital Facilities Requests and Development***
- 400, *Criminal Background Checks***
- 401, *Equal Opportunity, Diversity, & Nondiscrimination***
- 500, *Personnel Regulations for the Office of the UTech Commissioner***
- 501, *Equal Opportunity and Nondiscrimination***
- 502, *Sexual Harassment and Consensual Relationships***
- 503, *Americans with Disabilities Act Complaint Procedures***
- 504, *Staff Employee Grievances***
- 505, *Discrimination and Sexual Harassment Complaints***
- 506, *Employment of Relatives***
- 507, *Personal Conduct***
- 508, *Drug-Free Workplace***
- 509, *Employees Called to Active Military Service***
- 510, *Conflicts of Interest***
- 511, *Employee Practices***
- 512, *Reduction in Force***
- 513, *Employee Leaves of Absence***
- 515, *Staff Employment***
- 516, *Information Technology Acceptable Use***
- 520, *Personnel Files***
- 525, *Evaluation, Corrective Action and Termination of Staff Personnel***
- 530, *Staff Employee Separations***
- 550, *Accounting Policies and Procedures***
- 555, *Budgeting and Budget Control***
- 560, *Procurement/Purchasing***
- 565, *Travel Authorization and Reimbursement***
- 570, *Contract and Agreement Signing***
- 580, *Administration Building Acceptable Use and Rental***

### **Commissioner's Recommendation**

At its July meeting, the Executive Committee considered the rescissions of Technical College policies 100, 105, 106, and 114. The Finance and Facilities Committee considered the other rescissions and recommended policy edits at its July meeting.

The above policy actions are being proposed to ensure policy alignment between technical colleges and degree-granting institutions in accordance with the Board of Higher Education's Strategic Objective of System Unification. The Commissioner recommends the following actions:

- All listed policy changes be considered and approved.
- Affirm Capital Facilities policies (R700 series) as applicable to technical colleges.
- Rescind the listed Technical College Policies and Procedures.

### **Attachments**



## R501, Budgeting Definitions and Guidelines<sup>1</sup>

**R501-1 Purpose:** To provide definitions of terms for budgeting and reporting purposes in the Utah System of Higher Education; provide guidance for the development of appropriation requests; and address budgeting procedures outlined in state law.

### R501-2 References

**2.1** [Utah Code 53B-7-101](#), ~~(Combined Requests for Appropriations)~~

**2.2** [Utah Code Title 63J, Chapter 1](#), Budgetary Procedures Act

**2.3** [Board Policy R701, Capital Facilities](#)

~~**2.3** [Policy R710, Capital Facilities](#)~~

### R501-3 Definitions

**3.1 Regular Faculty:** A regular faculty member is an individual hired for the academic year whose primary assignment is teaching/research, and who has a recurring contractual relationship with the institution.

**3.2 Full-Time Equivalent (FTE) Regular Faculty:** The ratio between a regular faculty member's assignment and the full-time standard at the institution for an academic year. [Example 1:](#) If an institution defines full-time status as teaching 24 credit hours per academic year (12 each semester) and a faculty member teaches 18 credit hours per year, the faculty member is reported as 0.75 FTE. [Example 2: If an institution defines full-time status as working 2080 hours per year and a faculty member works, or is on paid time-off, for 260 eight-hour](#)

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<sup>1</sup> *Adopted June 24, 1975; amended July 21, 1975, June 22, 1976, May 9, 1986, March 25, 1999, May 17, 2013 and September 26, 2014.*

days per year, the faculty member is reported as 1.00 FTE. FTE Faculty calculation may vary under some circumstances. USHE Budget Forms and requests for data contain detailed instructions on how to account for FTE depending on the application. In determining aggregate counts of FTE Faculty, institutions may count individuals as FTE Faculty, including the following:

**3.2.1** An executive or regular staff employee teaching a class in addition to ~~his or her~~their other duties may be prorated and equated to an FTE basis by use of hours of credit the class carries in relation to a full-time load as determined by college department or discipline policy approved by the institution's administration.

**3.2.2** Regular faculty members who have reduced teaching assignments with part of their time related to sponsored research or other assignments shall be prorated to an FTE by use of hours of credit the class carries in relation to the full-time load, as determined by college department or discipline policy as approved by the institution's administration.

### **3.3 FTE Graduate Teaching Assistants and Wage-Rated Instructors:**

Graduate teaching assistants and wage-rated instructors having class teaching responsibility shall be equated to FTE based on the ratio between a graduate teaching assistant or wage-rated instructor's assignment and the full-time standard at the institution for an academic year.

### **3.4 Annualized FTE Students:**

**3.4.1** To calculate a full-time equivalent ("FTE") student during a 12-month period, a ~~an~~ degree-granting institution shall divide the student's attempted credit hours by 30 for an undergraduate student, or by 20 for a graduate student.

**3.4.2** For a technical college, an FTE student is defined as 900 contact (clock) hours or 30 semester credit hours.

**3.5 General Terms:** The Utah System of Higher Education shall use generally-recognized industry standard definitions for budget and financial functions as defined by the National Association of College and University Business Officers (NACUBO).

**3.6 One-Time Federal Funds:** As used in this policy, “one-time federal funds” means a set amount of money from any federal government source that a USHE Institution does not have reason to believe will be available in the future on an on-going basis.

## **R501-4 Guidelines**

**4.1 Board Establishes Budget:** Each year, as provided by statute, the Board of Higher Education will prepare a budget to recommend to the Legislature that includes:

**4.1.1** ~~e~~Employee compensation;

**4.1.2** ~~m~~Mandatory costs, including building operations and maintenance, fuel, and power;

**4.1.3** ~~m~~Mission-based funding; and

**4.1.4** ~~s~~Statewide and institutional priorities, including scholarships, financial aid, and technology infrastructure. ~~;~~ ~~and~~

**4.2 Review Each Item on Own Merits:** The Board encourages institutions to consider, when accepting one-time federal funds, that a future budget request for replacement of expiring one-time federal funding with state appropriations will be based on its own merits as if it were a new program.

**4.3 Operation and Maintenance (~~O & M~~) Costs of State-Funded Capital Facilities:** Operation & maintenance (“O & M”) ~~M~~ costs of capital development

projects funded by the state legislature are handled through the Board's Capital Development funding request.

**4.4 O & M Costs of Non-State Funded Capital Facilities:** O & M costs of non-state funded capital facilities projects may be included as an operating budget priority if the Board has approved both (1) the construction or acquisition of the facility or space and (2) the payment of O & M from state tax funds.

**4.4.1** The amount of O & M costs included as a budget priority will be the amount initially approved by the Board, adjusted for appropriate inflationary cost increases, unless a different amount is justified. ~~./p>~~

**4.4.2** O & M costs resulting from renovation (capital developments and improvements) will be included as a budget priority if the renovation has been approved by the Board. Except in unusual circumstances, Board approval shall be obtained prior to the budget process and prior to any renovation requiring increased O & M funding.

**4.4.3** O & M costs associated with leased facilities shall be treated as lease costs under the Board's lease policies rather than as O & M costs of capital facilities.



## **R501, Budgeting Definitions and Guidelines<sup>1</sup>**

**R501-1 Purpose:** To provide definitions of terms for budgeting and reporting purposes in the Utah System of Higher Education; provide guidance for the development of appropriation requests; and address budgeting procedures outlined in state law.

### **R501-2 References**

- 2.1** [Utah Code 53B-7-101](#), Combined Requests for Appropriations
- 2.2** [Utah Code Title 63J, Chapter 1](#), Budgetary Procedures Act
- 2.3** [Board Policy R701](#), Capital Facilities

### **R501-3 Definitions**

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depending on the application. In determining aggregate counts of FTE Faculty, institutions may count individuals as FTE Faculty, including the following:

**3.2.1** An executive or regular staff employee teaching a class in addition to their other duties may be prorated and equated to an FTE basis by use of hours of credit the class carries in relation to a full-time load as determined by college department or discipline policy approved by the institution's administration.

**3.2.2** Regular faculty members who have reduced teaching assignments with part of their time related to sponsored research or other assignments shall be prorated to an FTE by use of hours of credit the class carries in relation to the full-time load, as determined by college department or discipline policy as approved by the institution's administration.

### **3.3 FTE Graduate Teaching Assistants and Wage-Rated Instructors:**

Graduate teaching assistants and wage-rated instructors having class teaching responsibility shall be equated to FTE based on the ratio between a graduate teaching assistant or wage-rated instructor's assignment and the full-time standard at the institution for an academic year.

### **3.4 Annualized FTE Students**

**3.4.1** To calculate a full-time equivalent ("FTE") student during a 12-month period, a degree-granting institution shall divide the student's attempted credit hours by 30 for an undergraduate student, or by 20 for a graduate student.

**3.4.2** For a technical college, an FTE student is defined as 900 contact (clock) hours or 30 semester credit hours.

**3.5 General Terms:** The Utah System of Higher Education shall use generally-recognized industry standard definitions for budget and financial functions as

defined by the National Association of College and University Business Officers (NACUBO).

**3.6 One-Time Federal Funds:** As used in this policy, “one-time federal funds” means a set amount of money from any federal government source that a USHE Institution does not have reason to believe will be available in the future on an on-going basis.

## **R501-4 Guidelines**

**4.1 Board Establishes Budget:** Each year, as provided by statute, the Board of Higher Education will prepare a budget to recommend to the Legislature that includes:

**4.1.1** Employee compensation;

**4.1.2** Mandatory costs, including building operations and maintenance, fuel, and power;

**4.1.3** Mission-based funding; and

**4.1.4** Statewide and institutional priorities, including scholarships, financial aid, and technology infrastructure.

**4.2 Review Each Item on Own Merits:** The Board encourages institutions to consider, when accepting one-time federal funds, that a future budget request for replacement of expiring one-time federal funding with state appropriations will be based on its own merits as if it were a new program.

**4.3 Operation and Maintenance Costs of State-Funded Capital Facilities:** Operation & maintenance (“O & M”) costs of capital development projects funded by the state legislature are handled through the Board’s Capital Development funding request.

**4.4 O & M Costs of Non-State Funded Capital Facilities:** O & M costs of non-state funded capital facilities projects may be included as an operating



budget priority if the Board has approved both (1) the construction or acquisition of the facility or space and (2) the payment of O & M from state tax funds.

**4.4.1** The amount of O & M costs included as a budget priority will be the amount initially approved by the Board, adjusted for appropriate inflationary cost increases, unless a different amount is justified.

**4.4.2** O & M costs resulting from renovation (capital developments and improvements) will be included as a budget priority if the renovation has been approved by the Board. Except in unusual circumstances, Board approval shall be obtained prior to the budget process and prior to any renovation requiring increased O & M funding.

**4.4.3** O & M costs associated with leased facilities shall be treated as lease costs under the Board's lease policies rather than as O & M costs of capital facilities.

## R541, Management and Reporting of Institutional Investments<sup>1</sup>

**R541-1 Purpose:** This policy implements the State Money Management Act, the rules of the State Money Management Council, and the Uniform Prudent Management of Institutional Funds Act This policy provides guidelines to institutions for establishing policy, process, and reporting of investments.

### R541-2 References

- 2.1 [Utah Code § 53B-2-106](#), Duties and Responsibilities of the President [of a Degree-Granting Institution](#)
- 2.2 [Utah Code Title 51, Chapter 7](#), State Money Management Act
- 2.3 [Utah Administrative Code Title R628](#), ~~Rules of Administration of~~ the State Money Management Council
- 2.4 [Utah Code Title 51, Chapter 08](#), Uniform Prudent Management of Institutional Funds Act
- 2.5 [Board Policy, R567-3](#), Internal Audit ~~Program~~~~Activities~~ ~~Definitions~~

### R541-3 Definitions

~~3.1 “The Board”: The Utah Board of Higher Education.~~

3.13 **Alternative Investments:** Funds that derive returns primarily from high yield or distressed debt (hedged or non-hedged), private capital (including venture capital and private equity), natural resources, private real estate, or absolute return and long/short hedge funds.

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<sup>1</sup> Approved April 24, 1973, revised September 24, 1974, May 26, 1989, October 19, 1989, June 18, 1993, May 29, 1998, June 10, 2005, December 14, 2007, October 16, 2009, September 18, 2015, ~~and~~ March 31, 2017, [and XXX](#).

**3.21 “The Board”:** The Utah Board of Higher Education.

**3.32 Investments:** All institutional funds addressed under provisions of the State Money Management Act or the Uniform Prudent Management of Institutional Funds Act.

~~**3.3 Alternative Investments:** Funds that derive returns primarily from high yield or distressed debt (hedged or non-hedged), private capital (including venture capital and private equity), natural resources, private real estate, or absolute return and long/short hedge funds.~~

**R541-4 Delegation of Responsibility:** The Board delegates to each institutional Board of Trustees full responsibility to manage and report institutional investments in compliance with this general policy.

**R541-5 Institutional Board of Trustees Responsibilities:** Each institutional Board of Trustees shall adopt institutional policy and procedure regarding investments (including any changes in such policy and procedures), designate a public treasurer and approve the format of reports submitted for its review.

**5.1 Periodic Review and Approval:** Each institutional Board of Trustees shall receive and approve monthly investment reports.

**5.2 Policy and Procedures Furnished to the Board:** Each institution shall furnish the Board with a copy of its investment policies and procedures as approved by its institutional Board of Trustees. Such policy and procedures shall:

**5.2.1** ~~r~~**Require** institutional compliance with the State Money Management Act, Rules of the State Money Management Council, and Uniform Prudent Management of Institutional Funds Act; and

**5.2.2** ~~s~~**Specify** criteria for appointment of a public treasurer, define the public treasurer’s authority in making institutional investments within the overall operating responsibility of the chief executive officer, and establish

criteria for supervisory approval of the public treasurer's investment decisions; and

**5.2.3** **d**Delineate specific procedures and required approvals for investment of institutional funds which provide for adequate internal controls, including an appropriate segregation of duties with respect to the authorization, custody, accounting and reporting of investment transactions; and

**5.2.4** **s**Specify the format and schedule for reporting to its institutional Board of Trustees.

**5.3 Subsequent Changes:** Each institution shall submit to the Board all subsequent changes in investment policy.

**R541-6 Endowment Funds:** If any gift, devise, or bequest, whether outright or in trust, is made by a written instrument which contains directions as to investment thereof, the funds embodied within the gift shall be invested in accordance with those directions. Such gifts received by donation may be retained by an institution and shall be considered to be invested according to the terms of this policy. In the absence of a written instrument, non-qualifying investments shall be sold as soon as practical, not to exceed 30 days. The Commissioner may approve exceptions to the 30-day rule in the case of non-readily marketable investments.

**6.1 Institutional Endowment Investment Policy:** In accordance with the Uniform Prudent Management of Institutional Funds Act, an institution's board of trustees may adopt its own endowment investment policy. All such policies (including any associated investment guidelines or other policy direction) must meet the requirements of the Uniform Prudent Management of Institutional Funds Act and must be formally approved by the Board of Higher Education. Institutions are not authorized to apply their own policies until both of the foregoing conditions have been met. Institutions following a separate trustee adopted, and Board-approved endowment investment policy will be considered to be investing in accordance with the terms of this policy. Revisions to

institutional endowment investment policies (including revisions to any associated investment guidelines or other policy direction) must also receive both trustee and Board approval.

**6.2 Permissible Investments and Asset Allocations:** This section applies to those institutions that do not have an investment policy in place that has been adopted by their Board of Trustees and approved by the Board of Higher Education.

**6.2.1** Institutions are permitted to invest endowment funds in the following:

Mutual funds registered with the SEC	0 – 100%
Investments sponsored by the Common Fund	0 – 100%
Investments authorized by Utah Code §51-7-11	0 – 100%
Corporate stock listed on a major exchange (direct ownership)	0 – 3%

**6.2.2** An institution’s overall endowment portfolio shall be invested in accordance with the following allocation ranges:

Fixed income and cash equivalents	0 – 100%
Equity Investments	0 – 75%
Alternative Investments	0 – 30%

**6.2.3** Each institution utilizing alternative investments must comply with the following criteria:

**6.2.3.1** Each institution with endowed funds in excess of \$100 million may invest up to 30 percent of its endowed funds in alternative investments.

**6.2.3.2** Each institution with endowed funds in excess of \$75 million but less than \$100 million may invest up to 25 percent of its endowed funds in alternative investments.

**6.2.3.3** Each institution with endowed funds in excess of \$50 million but less than \$75 million may invest up to 20 percent of its endowed funds in alternative investments.

**6.2.3.4** Each institution with endowed funds in excess of \$25 million but less than \$50 million may invest up to 15 percent of its endowed funds in alternative investments.

**6.2.3.5** Each institution with endowed funds in excess of \$5 million but less than \$25 million may invest up to 10 percent of its endowed funds in alternative investments.

**6.2.3.6** Institutions with endowed funds of less than \$5 million are not permitted to invest any of their endowed funds in alternative investments.

**6.2.4** Once an institution reaches an alternative investment threshold, it may retain the investment range authorized for that threshold as long as the market value of its endowed funds remains within 90 percent of the threshold.

**6.2.5** Pooled or commingled investment funds (e.g., mutual funds or Common Fund investments) are to be categorized and calculated into the asset mix according to the primary purpose of those investment funds.

**6.2.6** Pooled or commingled investment funds without a clear primary purpose (e.g., balanced funds) are to be categorized and calculated into the asset mix as equity investments.

**6.2.7** Real estate investment trusts are to be categorized and calculated into the asset mix as equity investments.

**6.2.8** The endowment portfolio shall be reviewed at the end of every quarter and if need be, a tactical plan of action to rebalance the portfolio

shall be determined to bring the portfolio into compliance (rebalancing is only necessary if the permissible investment and/or asset allocation ranges are out of compliance). This action will constitute full compliance with the permissible investment and asset allocation provisions of this policy.

**6.2.9** All calculations required to demonstrate compliance with [subsection 6.2](#) are to be based on market values.

**6.3 Investment Guidelines.** The foregoing asset allocation standards are meant to serve as a general guide. The institutions must use them in conjunction with appropriate due-diligence and prudence. The following standard of care shall apply to investments of endowed funds by institutions:

**6.3.1** An institution shall invest and manage endowment funds as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the endowment. In satisfying this standard, an institution shall exercise reasonable care, skill, and caution.

**6.3.2** An institution's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the endowment portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the endowment.

**6.3.3** Among circumstances that an institution shall consider in investing and managing endowment assets are the following which may be relevant to the endowment or its beneficiaries:

**6.3.3.1** ~~g~~[G](#)eneral economic conditions;

**6.3.3.2** ~~t~~[T](#)he possible effect of inflation or deflation;

**6.3.3.3** ~~t~~[T](#)he role that each investment or course of action plays within the overall endowment portfolio;

**6.3.3.4** ~~t~~The expected total return from income and the appreciation of capital;

**6.3.3.5** ~~n~~Needs for liquidity, regularity of income, and preservation or appreciation of capital; and

**6.3.3.6** ~~a~~An asset's special relationship or special value, if any, to the purposes of the endowment or to one or more of the beneficiaries.

**6.3.4** An institution shall make a reasonable effort to verify facts relevant to the investment and management of endowed assets.

**6.3.5** Any institution that elects to invest their endowment funds with another institution may do so with prior approval from their Board of Trustees and the Board of Higher Education and shall adopt the investment guidelines of the institution receiving the funds in place of the guidelines outlined in 6.2-6.3.

**6.4 Delegation to an Agent:** An institution may delegate investment and management functions that a prudent investor could properly delegate under the circumstances.

**6.4.1** The institution shall exercise reasonable care, skill, and caution in:

**6.4.1.1** ~~s~~Selecting an agent;

**6.4.1.2** ~~e~~Establishing the scope and terms of the delegation, consistent with the purposes and terms of the endowment; and

**6.4.1.3** ~~p~~Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the terms of the delegation.



**6.4.2** In performing a delegated function, an agent owes a fiduciary duty to the endowment to exercise reasonable care to comply with the terms of the delegation. An institution that complies with the requirements of [subsection 4.6.2.2](#) is not liable to the beneficiaries or to the endowment for the decisions or actions of the agent to whom the function was delegated.

**6.4.3** In investing and managing endowed funds, an institution may only incur costs that are appropriate and reasonable in relation to the assets, the purposes of the endowment, and the skills of the institution or agent to whom investment management functions were delegated.

**6.5 Exceptions:** The Board of Higher Education may approve exceptions to R541. Such exceptions must be immaterial to the endowment portfolio as a whole and must meet a compelling instructional, public service, or other institutional need.

**R541-7 Operating and All Other Non-Endowment Funds:** Operating and all other non-endowment funds shall be invested in accordance with the State Money Management Act and Rules of the State Money Management Council.

**R541-8 Conflicts of Interest:** A conflict of interest occurs when an individual's private interests interfere in any way—or even appear to interfere—with the institution's interests as a whole.

## **8.1 Access Persons**

**8.1.1** Each institution's officers, directors, employees or members of an investment committee that are involved with the investment of endowment funds ("Access Persons") have a duty to be free of conflicting interests that might influence their decisions when representing the institution.

**8.1.2** Consequently, as a general matter, an institution's Access Persons are not permitted to maintain any conflict of interest with the institution and should make every effort to avoid even the appearance of any such conflict.

A conflict of interest can arise when an Access Person takes actions or has interests that may make it difficult to perform ~~his or her~~their company work objectively and effectively, or when an Access Person or a member of ~~his or her~~their family receives any improper personal benefits as a result of ~~his or her~~their position with the institution.

**8.1.3** Any Access Person who believes that ~~he or she~~they may have a potential conflict of interest must immediately report concerns to the appropriate institutional representative, mechanism, or process (ethics committee, etc.).

**8.2** This general prohibition on conflicts of interest includes (but is not limited to) the following:

**8.2.1** ~~a~~An institution's dealings with consultants, investment advisers, investment funds, and others shall be based solely on what is in the institution's best interest, without favor or preference to any third party, including close relatives; and

**8.2.2** Access Persons who deal with or influence decisions of individuals or organizations seeking to do business with an institution shall not own interests in or have other personal stakes in such organizations that might affect the decision-making process and/or the objectivity of such employee, unless expressly authorized in writing by the investment committee and board of trustees of the institution, and only after the interest or personal stake has been disclosed.

**R541-9 Reports to Institutional Boards of Trustees:** In establishing reports to its Board of Trustees, each institution shall implement the following:

**9.1 Reports:** Each institution shall submit monthly investment reports to the secretary of the Board of Trustees within 60 days of the month's end. The secretary will place the reports on the agenda of the next regular trustee meeting.

**9.2 Copies of Reports Submitted to the Board:** Within 30 days of trustee approval, each institution shall submit to the Board of Higher Education a copy of the reports submitted to its board of trustees.

**R541-10 Annual Report:** Annually, each institution shall submit, on forms provided by the Commissioner of Higher Education, a report summarizing all investments under its jurisdiction.

**R541-11 Audits:** Each institution shall annually audit its institutional investments. Institutions shall send the completed audit report to Board of Higher Education Audit ~~Manager~~ Director by January 15. Technical colleges may request assistance from the Audit Director.

**R541-12 Annual Summary:** The Board shall submit an annual report to the Governor and the Legislature summarizing all investments by institutions under its jurisdiction.

## **R541, Management and Reporting of Institutional Investments<sup>1</sup>**

**R541-1 Purpose:** This policy implements the State Money Management Act, the rules of the State Money Management Council, and the Uniform Prudent Management of Institutional Funds Act This policy provides guidelines to institutions for establishing policy, process, and reporting of investments.

### **R541-2 References**

- 2.1** [Utah Code § 53B-2-106](#), Duties and Responsibilities of the President of a Degree-Granting Institution
- 2.2** [Utah Code Title 51, Chapter 7](#), State Money Management Act
- 2.3** [Utah Administrative Code Title R628](#), Administration of the State Money Management Council
- 2.4** [Utah Code Title 51, Chapter 08](#), Uniform Prudent Management of Institutional Funds Act
- 2.5** [Board Policy, R567](#), Internal Audit Program

### **R541-3 Definitions**

**3.1 Alternative Investments:** Funds that derive returns primarily from high yield or distressed debt (hedged or non-hedged), private capital (including venture capital and private equity), natural resources, private real estate, or absolute return and long/short hedge funds.

**3.2 “Board”:** The Utah Board of Higher Education.

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<sup>1</sup> *Approved April 24, 1973, revised September 24, 1974, May 26, 1989, October 19, 1989, June 18, 1993, May 29, 1998, June 10, 2005, December 14, 2007, October 16, 2009, September 18, 2015, March 31, 2017, and XXX.*

**3.3 Investments:** All institutional funds addressed under provisions of the State Money Management Act or the Uniform Prudent Management of Institutional Funds Act.

**R541-4 Delegation of Responsibility:** The Board delegates to each institutional Board of Trustees full responsibility to manage and report institutional investments in compliance with this general policy.

**R541-5 Institutional Board of Trustees Responsibilities:** Each institutional Board of Trustees shall adopt institutional policy and procedure regarding investments (including any changes in such policy and procedures), designate a public treasurer and approve the format of reports submitted for its review.

**5.1 Periodic Review and Approval:** Each institutional Board of Trustees shall receive and approve monthly investment reports.

**5.2 Policy and Procedures Furnished to the Board:** Each institution shall furnish the Board with a copy of its investment policies and procedures as approved by its institutional Board of Trustees. Such policy and procedures shall:

**5.2.1** Require institutional compliance with the State Money Management Act, Rules of the State Money Management Council, and Uniform Prudent Management of Institutional Funds Act; and

**5.2.2** Specify criteria for appointment of a public treasurer, define the public treasurer's authority in making institutional investments within the overall operating responsibility of the chief executive officer, and establish criteria for supervisory approval of the public treasurer's investment decisions; and

**5.2.3** Delineate specific procedures and required approvals for investment of institutional funds which provide for adequate internal controls, including an appropriate segregation of duties with respect to the

authorization, custody, accounting and reporting of investment transactions; and

**5.2.4** Specify the format and schedule for reporting to its institutional Board of Trustees.

**5.3 Subsequent Changes:** Each institution shall submit to the Board all subsequent changes in investment policy.

**R541-6 Endowment Funds:** If any gift, devise, or bequest, whether outright or in trust, is made by a written instrument which contains directions as to investment thereof, the funds embodied within the gift shall be invested in accordance with those directions. Such gifts received by donation may be retained by an institution and shall be considered to be invested according to the terms of this policy. In the absence of a written instrument, non-qualifying investments shall be sold as soon as practical, not to exceed 30 days. The Commissioner may approve exceptions to the 30-day rule in the case of non-readily marketable investments.

**6.1 Institutional Endowment Investment Policy:** In accordance with the Uniform Prudent Management of Institutional Funds Act, an institution's board of trustees may adopt its own endowment investment policy. All such policies (including any associated investment guidelines or other policy direction) must meet the requirements of the Uniform Prudent Management of Institutional Funds Act and must be formally approved by the Board of Higher Education. Institutions are not authorized to apply their own policies until both of the foregoing conditions have been met. Institutions following a separate trustee adopted, and Board-approved endowment investment policy will be considered to be investing in accordance with the terms of this policy. Revisions to institutional endowment investment policies (including revisions to any associated investment guidelines or other policy direction) must also receive both trustee and Board approval.

**6.2 Permissible Investments and Asset Allocations:** This section applies to those institutions that do not have an investment policy in place that has been

adopted by their Board of Trustees and approved by the Board of Higher Education.

**6.2.1** Institutions are permitted to invest endowment funds in the following:

Mutual funds registered with the SEC	0 – 100%
Investments sponsored by the Common Fund	0 – 100%
Investments authorized by Utah Code §51-7-11	0 – 100%
Corporate stock listed on a major exchange (direct ownership)	0 – 3%

**6.2.2** An institution’s overall endowment portfolio shall be invested in accordance with the following allocation ranges:

Fixed income and cash equivalents	0 – 100%
Equity Investments	0 – 75%
Alternative Investments	0 – 30%

**6.2.3** Each institution utilizing alternative investments must comply with the following criteria:

**6.2.3.1** Each institution with endowed funds in excess of \$100 million may invest up to 30 percent of its endowed funds in alternative investments.

**6.2.3.2** Each institution with endowed funds in excess of \$75 million but less than \$100 million may invest up to 25 percent of its endowed funds in alternative investments.

**6.2.3.3** Each institution with endowed funds in excess of \$50 million but less than \$75 million may invest up to 20 percent of its endowed funds in alternative investments.

**6.2.3.4** Each institution with endowed funds in excess of \$25 million but less than \$50 million may invest up to 15 percent of its endowed funds in alternative investments.

**6.2.3.5** Each institution with endowed funds in excess of \$5 million but less than \$25 million may invest up to 10 percent of its endowed funds in alternative investments.

**6.2.3.6** Institutions with endowed funds of less than \$5 million are not permitted to invest any of their endowed funds in alternative investments.

**6.2.4** Once an institution reaches an alternative investment threshold, it may retain the investment range authorized for that threshold as long as the market value of its endowed funds remains within 90 percent of the threshold.

**6.2.5** Pooled or commingled investment funds (e.g., mutual funds or Common Fund investments) are to be categorized and calculated into the asset mix according to the primary purpose of those investment funds.

**6.2.6** Pooled or commingled investment funds without a clear primary purpose (e.g., balanced funds) are to be categorized and calculated into the asset mix as equity investments.

**6.2.7** Real estate investment trusts are to be categorized and calculated into the asset mix as equity investments.

**6.2.8** The endowment portfolio shall be reviewed at the end of every quarter and if need be, a tactical plan of action to rebalance the portfolio shall be determined to bring the portfolio into compliance (rebalancing is only necessary if the permissible investment and/or asset allocation ranges are out of compliance). This action will constitute full compliance with the permissible investment and asset allocation provisions of this policy.



**6.2.9** All calculations required to demonstrate compliance with subsection 6.2 are to be based on market values.

**6.3 Investment Guidelines.** The foregoing asset allocation standards are meant to serve as a general guide. The institutions must use them in conjunction with appropriate due-diligence and prudence. The following standard of care shall apply to investments of endowed funds by institutions:

**6.3.1** An institution shall invest and manage endowment funds as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the endowment. In satisfying this standard, an institution shall exercise reasonable care, skill, and caution.

**6.3.2** An institution's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the endowment portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the endowment.

**6.3.3** Among circumstances that an institution shall consider in investing and managing endowment assets are the following which may be relevant to the endowment or its beneficiaries:

**6.3.3.1** General economic conditions;

**6.3.3.2** The possible effect of inflation or deflation;

**6.3.3.3** The role that each investment or course of action plays within the overall endowment portfolio;

**6.3.3.4** The expected total return from income and the appreciation of capital;

**6.3.3.5** Needs for liquidity, regularity of income, and preservation or appreciation of capital; and

**6.3.3.6** An asset's special relationship or special value, if any, to the purposes of the endowment or to one or more of the beneficiaries.

**6.3.4** An institution shall make a reasonable effort to verify facts relevant to the investment and management of endowed assets.

**6.3.5** Any institution that elects to invest their endowment funds with another institution may do so with prior approval from their Board of Trustees and the Board of Higher Education and shall adopt the investment guidelines of the institution receiving the funds in place of the guidelines outlined in 6.2-6.3.

**6.4 Delegation to an Agent:** An institution may delegate investment and management functions that a prudent investor could properly delegate under the circumstances.

**6.4.1** The institution shall exercise reasonable care, skill, and caution in:

**6.4.1.1** Selecting an agent;

**6.4.1.2** Establishing the scope and terms of the delegation, consistent with the purposes and terms of the endowment; and

**6.4.1.3** Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the terms of the delegation.

**6.4.2** In performing a delegated function, an agent owes a fiduciary duty to the endowment to exercise reasonable care to comply with the terms of the delegation. An institution that complies with the requirements of subsection

4.6.2.2 is not liable to the beneficiaries or to the endowment for the decisions or actions of the agent to whom the function was delegated.

**6.4.3** In investing and managing endowed funds, an institution may only incur costs that are appropriate and reasonable in relation to the assets, the purposes of the endowment, and the skills of the institution or agent to whom investment management functions were delegated.

**6.5 Exceptions:** The Board of Higher Education may approve exceptions to R541. Such exceptions must be immaterial to the endowment portfolio as a whole and must meet a compelling instructional, public service, or other institutional need.

**R541-7 Operating and All Other Non-Endowment Funds:** Operating and all other non-endowment funds shall be invested in accordance with the State Money Management Act and Rules of the State Money Management Council.

**R541-8 Conflicts of Interest:** A conflict of interest occurs when an individual's private interests interfere in any way—or even appear to interfere—with the institution's interests as a whole.

## **8.1 Access Persons**

**8.1.1** Each institution's officers, directors, employees or members of an investment committee that are involved with the investment of endowment funds ("Access Persons") have a duty to be free of conflicting interests that might influence their decisions when representing the institution.

**8.1.2** Consequently, as a general matter, an institution's Access Persons are not permitted to maintain any conflict of interest with the institution and should make every effort to avoid even the appearance of any such conflict. A conflict of interest can arise when an Access Person takes actions or has interests that may make it difficult to perform their company work objectively and effectively, or when an Access Person or a member of their

family receives any improper personal benefits as a result of their position with the institution.

**8.1.3** Any Access Person who believes that they may have a potential conflict of interest must immediately report concerns to the appropriate institutional representative, mechanism, or process (ethics committee, etc.).

**8.2** This general prohibition on conflicts of interest includes (but is not limited to) the following:

**8.2.1** An institution's dealings with consultants, investment advisers, investment funds, and others shall be based solely on what is in the institution's best interest, without favor or preference to any third party, including close relatives; and

**8.2.2** Access Persons who deal with or influence decisions of individuals or organizations seeking to do business with an institution shall not own interests in or have other personal stakes in such organizations that might affect the decision-making process and/or the objectivity of such employee, unless expressly authorized in writing by the investment committee and board of trustees of the institution, and only after the interest or personal stake has been disclosed.

**R541-9 Reports to Institutional Boards of Trustees:** In establishing reports to its Board of Trustees, each institution shall implement the following:

**9.1 Reports:** Each institution shall submit monthly investment reports to the secretary of the Board of Trustees within 60 days of the month's end. The secretary will place the reports on the agenda of the next regular trustee meeting.

**9.2 Copies of Reports Submitted to the Board:** Within 30 days of trustee approval, each institution shall submit to the Board of Higher Education a copy of the reports submitted to its board of trustees.

**R541-10 Annual Report:** Annually, each institution shall submit, on forms provided by the Commissioner of Higher Education, a report summarizing all investments under its jurisdiction.

**R541-11 Audits:** Each institution shall annually audit its institutional investments. Institutions shall send the completed audit report to Board of Higher Education Audit Director by January 15. Technical colleges may request assistance from the Audit Director.

**R541-12 Annual Summary:** The Board shall submit an annual report to the Governor and the Legislature summarizing all investments by institutions under its jurisdiction.

## **R548, Institutional Discretionary Funds Administration and Accountability<sup>1</sup>**

**R548-1 Purpose:** To provide policy for the use and administration of Institutional Discretionary Funds as defined herein, and accountability procedures for the use of such funds.

### **R548-2 References**

- 2.1** [Utah Code § 53B-7-101\(11\)](#), Financial Affairs
- 2.2** [Board Policy R567](#), Internal Audit Program

### **R548-3 Definitions**

**3.1 Institutional Discretionary Funds:** Funds available for expenditure or transfer at the direction of the president of the institution, generated from one or both of the following sources:

**3.1.1 Investment Income:** Earnings resulting from the investment of cash balances in the Education and General Current Funds, and earnings resulting from the investment of other funds, including Quasi-endowment Funds, when applied for expenditure or transfer through the education and general budget.

**3.1.2 Unrestricted Gifts and Grants:** Gift and grant funds which are not restricted by the source to specific purposes and are deposited in the Education and General Current Fund for expenditure or transfer.

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<sup>1</sup> *Adopted May 15, 1984; replaced June 24, 1988, amended June 18, 1993, October 31, 2003, July 28, 2006, and March 31, 2017.*

## **R548-4 Policy**

**4.1 Board and Board of Trustees Authorizations:** All Institutional Discretionary Funds shall be used for purposes authorized by the Board; expenditures shall be in accordance with budgets approved by the institutional Board of Trustees; expenditures for individual construction, remodeling and landscaping projects costing \$50,000 or more of discretionary funds shall be specifically approved by the institutional Boards of Trustees; and actual, budgeted and projected revenues and expenditures of these funds shall be reported for the Board's review as part of the annual appropriated operating budget process. All authorizations and approvals required by this section shall be obtained in advance of the relevant institutional activity.

**4.2 Authorized Uses of the Funds:** Except as may be prohibited by statute or legislative intent language, or by action of the Board, Institutional Discretionary Funds may be expended directly within Education and General current funds for the following purposes:

**4.2.1** Enrichment of institutional academic programs.

**4.2.2** Enrichment of institutional cultural programs.

**4.2.3** Scholarships, Fellowships, and Student Aid.

**4.2.4** Faculty development and recognition.

**4.2.5** Campus development and landscaping, including maintenance and remodeling projects.

**4.2.6** Seed money for program grants and contracts.

**4.2.7** Fund raising and institutional development activities.

**4.2.8** Supplemental library support, including acquisitions, operations, and investments in process improvements.

**4.2.9** Acquisition of academic and support equipment.

**4.2.10** Other Education and General current operating support.

**4.3 Transfer:** Institutional Discretionary Funds also may be transferred to other funds of the institution, as follows:

**4.3.1** to Loan Funds, for use in supporting student loans.

**4.3.2** to Plant Funds, for use in supporting capital facilities development and improvement projects.

**4.3.3** to Intercollegiate Athletics, for use in supporting the athletics programs.

**4.3.4** to other Auxiliary Enterprises, to supplement revenues directly received from operations and dedicated fees.

**4.3.5** to institutional quasi-endowment funds, as additions to invested quasi-endowment fund balances.

**4.3.6** to other funds with prior approval of the Board of Higher Education.

**4.4 General Priority Guideline:** As a general rule, Institutional Discretionary Funds should be applied as a first priority to support of current Education and General or Auxiliary Enterprises expenditures. Decisions to apply the funds toward major capital projects should be considered very carefully by institutional administrations and institutional boards of trustees.

#### **4.5 Specific Responsibilities**

**4.5.1** The Commissioner will provide forms and instructions for annual reporting of actual expenditures of Institutional Discretionary Funds for the most recent fiscal year, budgeted expenditures (based on estimated receipts)



for the current fiscal year, and preliminary estimates of receipts and uses of the funds for the budget request year, as part of the annual appropriated operating budget process. The Commissioner will provide an analytical report of the required information each Fall, for review by the Board of Higher Education, and such other reports as the Board may request between annual reports.

**4.5.2** Each president is responsible to ensure that the proposed budgets and reports of actual expenditures are submitted for timely review by the institutional Board of Trustees prior to submission in the annual budget process, and that all construction, remodeling and landscaping projects requiring \$50,000 or more of Institutional Discretionary Funds are submitted in advance for approval by the institutional Board of Trustees.

**4.5.3** Institutional Boards of Trustees are responsible for institutional compliance with the policy.

#### **4.6 Annual Certification of Discretionary Fund Expenditures:**

Institution internal auditors shall annually certify the accuracy of the institution's report of actual sources and uses of Institutional Discretionary Funds. [Technical colleges may request assistance from the Board of Higher Education Audit Director.](#)

**4.6.1** The annual certification shall include the auditor's opinion concerning the fairness of presentation in accordance with generally accepted auditing standards for reporting on prescribed format statements and the institution's compliance with this policy.

**4.6.2** Institutions shall submit the certification report to the Board of Higher Education Audit ~~Manager~~ [Director](#) by January 15.

## **R548, Institutional Discretionary Funds Administration and Accountability<sup>1</sup>**

**R548-1 Purpose:** To provide policy for the use and administration of Institutional Discretionary Funds as defined herein, and accountability procedures for the use of such funds.

### **R548-2 References**

- 2.1** [Utah Code § 53B-7-101\(11\)](#), Financial Affairs
- 2.2** [Board Policy R567](#), Internal Audit Program

### **R548-3 Definitions**

**3.1 Institutional Discretionary Funds:** Funds available for expenditure or transfer at the direction of the president of the institution, generated from one or both of the following sources:

**3.1.1 Investment Income:** Earnings resulting from the investment of cash balances in the Education and General Current Funds, and earnings resulting from the investment of other funds, including Quasi-endowment Funds, when applied for expenditure or transfer through the education and general budget.

**3.1.2 Unrestricted Gifts and Grants:** Gift and grant funds which are not restricted by the source to specific purposes and are deposited in the Education and General Current Fund for expenditure or transfer.

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<sup>1</sup> *Adopted May 15, 1984; replaced June 24, 1988, amended June 18, 1993, October 31, 2003, July 28, 2006, and March 31, 2017.*

## **R548-4 Policy**

**4.1 Board and Board of Trustees Authorizations:** All Institutional Discretionary Funds shall be used for purposes authorized by the Board; expenditures shall be in accordance with budgets approved by the institutional Board of Trustees; expenditures for individual construction, remodeling and landscaping projects costing \$50,000 or more of discretionary funds shall be specifically approved by the institutional Boards of Trustees; and actual, budgeted and projected revenues and expenditures of these funds shall be reported for the Board's review as part of the annual appropriated operating budget process. All authorizations and approvals required by this section shall be obtained in advance of the relevant institutional activity.

**4.2 Authorized Uses of the Funds:** Except as may be prohibited by statute or legislative intent language, or by action of the Board, Institutional Discretionary Funds may be expended directly within Education and General current funds for the following purposes:

**4.2.1** Enrichment of institutional academic programs.

**4.2.2** Enrichment of institutional cultural programs.

**4.2.3** Scholarships, Fellowships, and Student Aid.

**4.2.4** Faculty development and recognition.

**4.2.5** Campus development and landscaping, including maintenance and remodeling projects.

**4.2.6** Seed money for program grants and contracts.

**4.2.7** Fund raising and institutional development activities.

**4.2.8** Supplemental library support, including acquisitions, operations, and investments in process improvements.

**4.2.9** Acquisition of academic and support equipment.

**4.2.10** Other Education and General current operating support.

**4.3 Transfer:** Institutional Discretionary Funds also may be transferred to other funds of the institution, as follows:

**4.3.1** to Loan Funds, for use in supporting student loans.

**4.3.2** to Plant Funds, for use in supporting capital facilities development and improvement projects.

**4.3.3** to Intercollegiate Athletics, for use in supporting the athletics programs.

**4.3.4** to other Auxiliary Enterprises, to supplement revenues directly received from operations and dedicated fees.

**4.3.5** to institutional quasi-endowment funds, as additions to invested quasi-endowment fund balances.

**4.3.6** to other funds with prior approval of the Board of Higher Education.

**4.4 General Priority Guideline:** As a general rule, Institutional Discretionary Funds should be applied as a first priority to support of current Education and General or Auxiliary Enterprises expenditures. Decisions to apply the funds toward major capital projects should be considered very carefully by institutional administrations and institutional boards of trustees.

#### **4.5 Specific Responsibilities**

**4.5.1** The Commissioner will provide forms and instructions for annual reporting of actual expenditures of Institutional Discretionary Funds for the most recent fiscal year, budgeted expenditures (based on estimated receipts)

for the current fiscal year, and preliminary estimates of receipts and uses of the funds for the budget request year, as part of the annual appropriated operating budget process. The Commissioner will provide an analytical report of the required information each Fall, for review by the Board of Higher Education, and such other reports as the Board may request between annual reports.

**4.5.2** Each president is responsible to ensure that the proposed budgets and reports of actual expenditures are submitted for timely review by the institutional Board of Trustees prior to submission in the annual budget process, and that all construction, remodeling and landscaping projects requiring \$50,000 or more of Institutional Discretionary Funds are submitted in advance for approval by the institutional Board of Trustees.

**4.5.3** Institutional Boards of Trustees are responsible for institutional compliance with the policy.

#### **4.6 Annual Certification of Discretionary Fund Expenditures:**

Institution internal auditors shall annually certify the accuracy of the institution's report of actual sources and uses of Institutional Discretionary Funds. Technical colleges may request assistance from the Board of Higher Education Audit Director.

**4.6.1** The annual certification shall include the auditor's opinion concerning the fairness of presentation in accordance with generally accepted auditing standards for reporting on prescribed format statements and the institution's compliance with this policy.

**4.6.2** Institutions shall submit the certification report to the Board of Higher Education Audit Director by January 15.

## **R550, Auxiliary Enterprises Operation and Accountability<sup>1</sup>**

**R550-1 Purpose:** To designate which services are auxiliary enterprises and establish reporting and accountability requirements for such auxiliary enterprises.

### **R550-2 References**

- 2.1 [Utah Code § 53B-6-102](#), ~~(Standardized Systems Prescribed by the Board)~~
- 2.2 [Utah Code § 53B-7-101\(110\)](#), ~~(Each Institution Handles Its Own Financial Affairs Under the General Supervision of the Board)~~
- 2.3 [Board Policy R555](#), Providing Facilities, Goods and Services in Competition with Private Enterprise~~;~~
- 2.4 [Board Policy R567-3](#), Internal Audit ~~Program~~Activities, Definitions

### **R550-3 Definitions**

**3.1 Auxiliary Enterprises:** Business enterprises or other support activities (as distinguished from primary programs of instruction, research, and public service, and from organized activities and intercollegiate athletics) the primary purpose of which is to provide specified services to students, faculty, staff or guests of the institution. All housing, food service, and college store activities in any institution are to be classified and managed as auxiliary enterprises. Other activities which serve primarily individuals (as distinguished from internal departments of the institution) and operate on an essentially self-supporting basis, also should be classified and managed as auxiliary enterprises.

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<sup>1</sup> Adopted November 14, 1986; amended January 24, 1997, March 18, 2005, January 24, 2014, and March 31, 2017.

**3.2 Essentially Self-Supporting:** Means receiving revenues (fees for services, sales, dedicated general fees, contributions, and investment income) to cover all or most of the direct and indirect operating expenses, assignable indirect costs, debt service and capital expenditures for the activity.

## **R550-4 General Policy**

**4.1 Support to Education, Research and Public Service:** Auxiliary enterprises are operated as essential elements in support of the education, research and public service programs of the institutions. They are to be operated at a level of quality sufficient to support the objectives of the primary programs. Direct charges for services are to be sufficient to enable the auxiliary enterprises to operate on an essentially self-supporting basis whenever possible. Services provided by auxiliary enterprises may be incidentally available to members of the general public but are not to be marketed to the general public or outside organizations unless those services qualify as an exception under section 4 of ~~the~~ Board's [Policy R555](#), Providing Facilities, Goods and Services in Competition with Private Enterprise. All auxiliary enterprise organizations are required to comply with [Board Policy R555](#).

**4.2 Limitations of R555:** The Board recognizes that Policy R555 limits the ability of institutional auxiliary enterprises such as campus stores and food services to generate revenue from outside sources and therefore maximize revenues or to minimize charges to institutional users. In recognition of this limitation, institutions which cannot reach a total self-support level for designated auxiliary enterprise activities are permitted to provide subsidies from institutional discretionary funds or, if necessary, from other education and general funds, subject to the accounting requirements set forth below.

## **R550-5 Designation of Activities to be Operated as Auxiliary Enterprises**

**5.1 Criteria for Designation:** In addition to the core activities of housing, food services, and college or university stores, institutions should propose for designation as auxiliary enterprises any other activities which meet the definitions provided above. However, the fact that an organized activity receives significant direct income is not in itself a reason for auxiliary enterprises

designation unless the activity also serves primarily students, faculty, or staff members.

**5.2 Designated Auxiliary Enterprises, by Institution:** In some instances, auxiliary enterprises may have been outsourced to private companies. For the purpose of this policy, the outsourced enterprises are included as well.

### **University of Utah**

Campus Store(s)  
Food Services  
Contract Administration  
Housing and Residential Education, and University Student Apartments  
Lassonde Studios  
Student Center (A. Ray Olpin University Union)  
University Guesthouse and Conference Services  
Commuter Services (Parking and Transportation)  
Jon M. Huntsman Center (Special Events Center)  
~~Rice-Eccles Stadium~~ and Arena Event Services  
Student Health Services  
~~Student Life Center~~ Campus Recreation Services

### **Utah State University**

Campus Store(s)  
~~Student Health Services~~  
Housing  
Parking Services  
Food Services  
University Inn  
Student Center

### **Weber State University**

Campus Store(s)  
Student Center



Food Services  
Housing  
Student Health Services

**Southern Utah University**

Campus Store(s)  
Student Center  
Food Services  
Housing

**Snow College**

Campus Store(s)  
Sevier Valley Center  
Food Services  
Housing

~~Dixie State~~ Utah Tech **University**

Campus Store(s)  
Student Center  
Food Services  
Housing

**Utah Valley University**

Campus Store(s)  
Student Center  
Food Services  
Student Life and Wellness Center

**Salt Lake Community College**

Campus Store(s)  
Student Center  
Food Services

## **Bridgerland Technical College**

[Campus Store\(s\)](#)

[Food Services](#)

## **Davis Technical College**

[Campus Store\(s\)](#)

[Food Services](#)

## **Dixie Technical College**

[Campus Store\(s\)](#)

[Food Services](#)

## **Mountainland Technical College**

[Campus Store\(s\)](#)

[Food Services](#)

## **Ogden Weber Technical College**

[Campus Store\(s\)](#)

[Food Services](#)

## **Southwest Technical College**

[Campus Store\(s\)](#)

## **Tooele Technical College**

[Campus Store\(s\)](#)

## **Uintah Basin Technical College**

[Campus Store\(s\)](#)

[Food Services](#)

[Instructional Program Services](#)

## **R550-6 Principles of Operation**

**6.1 Management:** Except as may be in conflict with any provisions of this policy, institutional auxiliary enterprises are to be operated in accordance with overall management principles set forth in Chapter 3.2 of College and University Business Administration (National Association of College and University Business Officers, Washington, D.C., 1982). Institutions are expected to employ professional management for their auxiliary enterprise activities, and to provide administrative, accounting and financial management oversight of each auxiliary enterprise, through one or more senior officers designated by the President.

**6.2 Working Capital:** In order to render adequate service, auxiliary enterprises should have a solid financial base that includes sufficient reserves. Each auxiliary enterprise which involves sale of goods and services should have adequate working capital to support accounts receivable and necessary inventories of goods and supplies. (Where this policy conflicts with existing bond covenants, the bond covenants shall prevail.) Renewal and replacement funds for all auxiliary enterprises should be accumulated in amounts sufficient to provide for major equipment repair and replacement as well as refurbishment, renewal and replacement of physical facilities. Auxiliary enterprises are not, however, expected to accumulate fund balances in excess of requirements for working capital, renewals and replacements, and debt service. Subsidies from outside funds and then charges to users should be adjusted downward if an enterprise produces revenues in excess of this requirement.

**6.3 Physical Plant Operations and Financial Accounting Services:** Auxiliary enterprises budgets are to include costs of physical plant operations and accounting services directly chargeable to their operations. The cost of these support services may either be budgeted directly in the operations of the auxiliary enterprises or budgeted as payments to the education and general departments or service enterprises providing the support services.

**6.4 Charges for Other Indirect Costs:** In addition to direct charges for support costs, under 6.3, auxiliary enterprises are to be charged for an appropriate share of other administrative support costs of the institution.

**6.5 Level of Prices and Charges:** Appropriate fees shall be charged to users of the auxiliary enterprises, including academic or administrative departments. To the extent reasonably possible, selling prices, rents, fees, admissions and other charges by each auxiliary enterprise are to be set at a level adequate to support the operating and reserve requirements of the enterprise.

## **R550-7 Accounting and Audit Requirements**

**7.1 Accounting Requirements:** Each auxiliary enterprise is to use accounting systems appropriate to the type of business of program operated. Accounts for each auxiliary enterprises are to include all revenues, expenditures, and transfers relating to the enterprise, including interest on loans from other institutional or outside sources and expenditures or indirect charges for operation and maintenance of physical plant and financial accounting services and for other administrative support costs. Mandatory and non-mandatory transfers out are to be specifically identified, as are all loans and all transfers in from other auxiliary enterprises and from institutional discretionary funds, other education and general funds, or other funds of the institution.

**7.2 Auxiliary Enterprises Reports in the Annual Budget Process:** A report of auxiliary enterprises operations, covering the completed actual year and the current budget year, is to be provided annually by each institution, as part of the regular Board of Higher Education budget process. The report, on forms or in a format provided by the Commissioner, is to include as a minimum, for each designated auxiliary enterprise and for the institutional auxiliary enterprises in total, the following information: (1) appropriate detail on revenues (e.g., sales and services, student fees, other income) and expenditures (e.g., costs of goods sold, direct operating expenses, charges for indirect costs); (2) identification of each specific source and amount of transfers in; (3) identification of each specific amount and recipient of transfers out; and (4) Details of any outstanding loans other than bonded indebtedness. (Bonded indebtedness is disclosed in the institution's audited financial statements.)

**7.3 Audits of Auxiliary Enterprises:** Institutions shall audit all auxiliary enterprises at least once every five years. An institution's internal audit unit [and technical colleges](#) may request assistance from the Board of Higher Education Audit ~~Manager~~[Director](#). Institutions shall send completed audit reports during the calendar year to the [Audit Director](#) ~~manager of audit and financial services~~ by January 15.

**7.4 Annual Review of Financial Condition of Auxiliary Enterprises:** The Associate Commissioner for Budget and Finance will prepare an analysis of the financial condition of auxiliary enterprises at each institution prior to January of each year, using reports submitted in the annual budget process pursuant to paragraph 7.2. The report will be submitted for review by the Finance and Facilities Committee, which may direct follow-up action and reports in any case where the financial condition of individual auxiliary enterprises, or institutional auxiliary enterprises in total, is not satisfactory.

## **R550-8 Oversight by institutional Board of Trustees**

**8.1 Review Reports and Audits, Monitor Services:** Boards of Trustees shall review the institution's auxiliary enterprises annual reports prepared pursuant to [Ssubsection](#) 7.2, and periodic internal audits prepared pursuant to [Ssubsection](#) 7.3. Boards of trustees shall monitor the institution's management of auxiliary enterprises and the quality of the auxiliary services.

## **R550, Auxiliary Enterprises Operation and Accountability<sup>1</sup>**

**R550-1 Purpose:** To designate which services are auxiliary enterprises and establish reporting and accountability requirements for such auxiliary enterprises.

### **R550-2 References**

- 2.1** [Utah Code § 53B-6-102](#), Standardized Systems Prescribed by the Board
- 2.2** [Utah Code § 53B-7-101](#)(11), Each Institution Handles Its Own Financial Affairs under the General Supervision of the Board
- 2.3** [Board Policy R555](#), Providing Facilities, Goods and Services in Competition with Private Enterprise
- 2.4** [Board Policy R567-3](#), Internal Audit Program, Definitions

### **R550-3 Definitions**

**3.1 Auxiliary Enterprises:** Business enterprises or other support activities (as distinguished from primary programs of instruction, research, and public service, and from organized activities and intercollegiate athletics) the primary purpose of which is to provide specified services to students, faculty, staff or guests of the institution. All housing, food service, and college store activities in any institution are to be classified and managed as auxiliary enterprises. Other activities which serve primarily individuals (as distinguished from internal departments of the institution) and operate on an essentially self-supporting basis, also should be classified and managed as auxiliary enterprises.

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<sup>1</sup> *Adopted November 14, 1986; amended January 24, 1997, March 18, 2005, January 24, 2014, and March 31, 2017.*

**3.2 Essentially Self-Supporting:** Means receiving revenues (fees for services, sales, dedicated general fees, contributions, and investment income) to cover all or most of the direct and indirect operating expenses, assignable indirect costs, debt service and capital expenditures for the activity.

#### **R550-4 General Policy**

**4.1 Support to Education, Research and Public Service:** Auxiliary enterprises are operated as essential elements in support of the education, research and public service programs of the institutions. They are to be operated at a level of quality sufficient to support the objectives of the primary programs. Direct charges for services are to be sufficient to enable the auxiliary enterprises to operate on an essentially self-supporting basis whenever possible. Services provided by auxiliary enterprises may be incidentally available to members of the general public but are not to be marketed to the general public or outside organizations unless those services qualify as an exception under section 4 of Board Policy R555, Providing Facilities, Goods and Services in Competition with Private Enterprise. All auxiliary enterprise organizations are required to comply with Board Policy R555.

**4.2 Limitations of R555:** The Board recognizes that Policy R555 limits the ability of institutional auxiliary enterprises such as campus stores and food services to generate revenue from outside sources and therefore maximize revenues or to minimize charges to institutional users. In recognition of this limitation, institutions which cannot reach a total self-support level for designated auxiliary enterprise activities are permitted to provide subsidies from institutional discretionary funds or, if necessary, from other education and general funds, subject to the accounting requirements set forth below.

#### **R550-5 Designation of Activities to be Operated as Auxiliary Enterprises**

**5.1 Criteria for Designation:** In addition to the core activities of housing, food services, and college or university stores, institutions should propose for designation as auxiliary enterprises any other activities which meet the definitions provided above. However, the fact that an organized activity receives significant direct income is not in itself a reason for auxiliary enterprises

designation unless the activity also serves primarily students, faculty, or staff members.

**5.2 Designated Auxiliary Enterprises, by Institution:** In some instances, auxiliary enterprises may have been outsourced to private companies. For the purpose of this policy, the outsourced enterprises are included as well.

### **University of Utah**

Campus Store(s)

Food Services

Contract Administration

Housing and Residential Education, and University Student Apartments

Lassonde Studios

Student Center (A. Ray Olpin University Union)

University Guesthouse and Conference Services

Commuter Services (Parking and Transportation)

Jon M. Huntsman Center (Special Events Center)

Stadium and Arena Event Services

Student Health Services

Campus Recreation Services

### **Utah State University**

Campus Store(s)

Housing

Parking Services

Food Services

University Inn

Student Center

### **Weber State University**

Campus Store(s)

Student Center



Food Services  
Housing  
Student Health Services

**Southern Utah University**

Campus Store(s)  
Student Center  
Food Services  
Housing

**Snow College**

Campus Store(s)  
Sevier Valley Center  
Food Services  
Housing

**Utah Tech University**

Campus Store(s)  
Student Center  
Food Services  
Housing

**Utah Valley University**

Campus Store(s)  
Student Center  
Food Services  
Student Life and Wellness Center

**Salt Lake Community College**

Campus Store(s)  
Student Center  
Food Services

## **Bridgerland Technical College**

Campus Store(s)

Food Services

## **Davis Technical College**

Campus Store(s)

Food Services

## **Dixie Technical College**

Campus Store(s)

Food Services

## **Mountainland Technical College**

Campus Store(s)

Food Services

## **Ogden Weber Technical College**

Campus Store(s)

Food Services

## **Southwest Technical College**

Campus Store(s)

## **Tooele Technical College**

Campus Store(s)

## **Uintah Basin Technical College**

Campus Store(s)

Food Services

Instructional Program Services

## **R550-6 Principles of Operation**

**6.1 Management:** Except as may be in conflict with any provisions of this policy, institutional auxiliary enterprises are to be operated in accordance with overall management principles set forth in Chapter 3.2 of College and University Business Administration (National Association of College and University

Business Officers, Washington, D.C., 1982). Institutions are expected to employ professional management for their auxiliary enterprise activities, and to provide administrative, accounting and financial management oversight of each auxiliary enterprise, through one or more senior officers designated by the President.

**6.2 Working Capital:** In order to render adequate service, auxiliary enterprises should have a solid financial base that includes sufficient reserves. Each auxiliary enterprise which involves sale of goods and services should have adequate working capital to support accounts receivable and necessary inventories of goods and supplies. (Where this policy conflicts with existing bond covenants, the bond covenants shall prevail.) Renewal and replacement funds for all auxiliary enterprises should be accumulated in amounts sufficient to provide for major equipment repair and replacement as well as refurbishment, renewal and replacement of physical facilities. Auxiliary enterprises are not, however, expected to accumulate fund balances in excess of requirements for working capital, renewals and replacements, and debt service. Subsidies from outside funds and then charges to users should be adjusted downward if an enterprise produces revenues in excess of this requirement.

**6.3 Physical Plant Operations and Financial Accounting Services:** Auxiliary enterprises budgets are to include costs of physical plant operations and accounting services directly chargeable to their operations. The cost of these support services may either be budgeted directly in the operations of the auxiliary enterprises or budgeted as payments to the education and general departments or service enterprises providing the support services.

**6.4 Charges for Other Indirect Costs:** In addition to direct charges for support costs, under 6.3, auxiliary enterprises are to be charged for an appropriate share of other administrative support costs of the institution.

**6.5 Level of Prices and Charges:** Appropriate fees shall be charged to users of the auxiliary enterprises, including academic or administrative departments. To the extent reasonably possible, selling prices, rents, fees, admissions and

other charges by each auxiliary enterprise are to be set at a level adequate to support the operating and reserve requirements of the enterprise.

## **R550-7 Accounting and Audit Requirements**

**7.1 Accounting Requirements:** Each auxiliary enterprise is to use accounting systems appropriate to the type of business of program operated. Accounts for each auxiliary enterprises are to include all revenues, expenditures, and transfers relating to the enterprise, including interest on loans from other institutional or outside sources and expenditures or indirect charges for operation and maintenance of physical plant and financial accounting services and for other administrative support costs. Mandatory and non-mandatory transfers out are to be specifically identified, as are all loans and all transfers in from other auxiliary enterprises and from institutional discretionary funds, other education and general funds, or other funds of the institution.

**7.2 Auxiliary Enterprises Reports in the Annual Budget Process:** A report of auxiliary enterprises operations, covering the completed actual year and the current budget year, is to be provided annually by each institution, as part of the regular Board of Higher Education budget process. The report, on forms or in a format provided by the Commissioner, is to include as a minimum, for each designated auxiliary enterprise and for the institutional auxiliary enterprises in total, the following information: (1) appropriate detail on revenues (e.g., sales and services, student fees, other income) and expenditures (e.g., costs of goods sold, direct operating expenses, charges for indirect costs); (2) identification of each specific source and amount of transfers in; (3) identification of each specific amount and recipient of transfers out; and (4) Details of any outstanding loans other than bonded indebtedness. (Bonded indebtedness is disclosed in the institution's audited financial statements.)

**7.3 Audits of Auxiliary Enterprises:** Institutions shall audit all auxiliary enterprises at least once every five years. An institution's internal audit unit and technical colleges may request assistance from the Board of Higher Education

Audit Director. Institutions shall send completed audit reports during the calendar year to the Audit Director by January 15.

**7.4 Annual Review of Financial Condition of Auxiliary Enterprises:**

The Associate Commissioner for Budget and Finance will prepare an analysis of the financial condition of auxiliary enterprises at each institution prior to January of each year, using reports submitted in the annual budget process pursuant to paragraph 7.2. The report will be submitted for review by the Finance and Facilities Committee, which may direct follow-up action and reports in any case where the financial condition of individual auxiliary enterprises, or institutional auxiliary enterprises in total, is not satisfactory.

**R550-8 Oversight by institutional Board of Trustees**

**8.1 Review Reports and Audits, Monitor Services:** Boards of Trustees shall review the institution's auxiliary enterprises annual reports prepared pursuant to subsection 7.2, and periodic internal audits prepared pursuant to subsection 7.3. Boards of trustees shall monitor the institution's management of auxiliary enterprises and the quality of the auxiliary services.

# R557, Motor Vehicles<sup>1</sup>

**R557-1 Purpose:** To provide guidelines and oversight for the purchase, maintenance and use of vehicles.

## R557-2 References

- 2.1 [Utah Code § 41-1a-407](#), Use of “EX” Plates by Political Subdivisions or State
- 2.2 [Utah Code Title 63A, Chapter 9](#), Division of Fleet Operations and Administration of State Vehicles
- 2.3 [Utah Code § 63G-6a](#), Utah Procurement Code
- 2.4 [Board Policy R205](#), Presidential Appointment, Term of Office, Compensation and Benefits
- 2.5 [Board Policy R555](#), Providing Facilities, Goods and Services in Competition with Private Enterprise
- 2.6 [Board Policy R556](#), Transportation in Campus Vehicles
- 2.7 [Board Policy R567-3](#), Internal Audit Program

## R557-3 Definitions

- 3.1 **“Motor Pool Fleet”:** The motor pool fleet is comprised of all vehicles owned or leased by the institution for daily and monthly use by departments and employees of the institution.
- 3.2 **“Vehicle Fleet”:** The vehicle fleet is comprised of all licensed vehicles owned or leased by the institution, including the motor pool fleet.
- 3.3 **“Service Enterprises”:** Service enterprises are operations within the institution established by the institution to provide services to departments and employees of the institution. Fees are set at a level adequate to support projected operating requirements without generating excess revenues.
- 3.4 **“Commute”:** Commute means travel between an employee’s home and place of work more than five times per month. Commute includes travel to any work site closer to an employee’s home than the principal place of assignment.
- 3.5 **“Employee”:** Employee means any person who is paid by the institution or is acting as an agent of the institution in a volunteer position or as a student.

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<sup>1</sup> Adopted November 3, 1995; amended March 12, 1997, March 18, 2005, March 31, 2017, ~~and~~ November 19, 2021, [and XXX](#).

**3.6 “Incidental Personal Use”:** Use of a vehicle to obtain meals and lodging in connection with an authorized business trip.

## **R557-4 Policy**

**4.1 Ownership and Control of Vehicle Fleets:** Each institution shall monitor and control its vehicle fleet. An institution with more than ten vehicles in its motor pool shall:

**4.1.1** ~~e~~**E**mploy professional management for its fleet;

**4.1.2** ~~o~~**O**perate the motor pool fleet as a service enterprise;

**4.1.3** ~~m~~**M**onitor, analyze, and evaluate the utilization of fleet vehicles to determine optimal fleet size;

**4.1.4** ~~r~~**R**evise the overall need for any potential vehicle purchase pursuant to [subsection 4.1.3](#) and conduct a cost-benefit analysis for long-term lease versus vehicle purchase;

**4.1.5** ~~e~~**C**omply with Utah Code [§section 63G-6](#) in the purchase of all vehicles; and

**4.1.6** ~~e~~**E**valuate the need for and cost of departmentally-owned vehicles versus vehicles included in the motor pool fleet.

**4.2 Marking of Vehicles and “EX” Plates:** In accordance with Utah Code [§section 63A-9-601](#), all vehicles in the fleet shall display an identification mark and have “EX” plates, unless exempted under that section or Utah Code [§section 41-1a-407](#).

**4.3 Commute Policies:** Commute privileges should be authorized only when beneficial to the institution. Institutions shall establish commute policies to provide:

**4.3.1** ~~a~~**A**uthorization criteria for the use of vehicles for commuting;

**4.3.2** ~~d~~**D**isciplinary procedures and sanctions for unauthorized commuting; and

**4.3.3** ~~a~~**A**ccounting guidelines for maintaining proper records of the taxable benefit to the employee of commuting in an institutional vehicle.

**4.4 Maintenance and Safe Use of Vehicles:** Institutions shall establish policies governing the maintenance and safe use of the vehicle fleet. These policies shall provide:

**4.4.1** ~~f~~For compliance with guidelines established by the Office of Risk Management in connection with providing vehicle insurance to the institution; and

**4.4.2** ~~f~~For employee reporting of vehicles involved in accidents and traffic violations and for compliance with seat belt laws, alcohol and drug regulations and other traffic laws.

**4.5 Use of Vehicles:** Fleet vehicles shall only be used for official institutional business purposes, except when:

**4.5.1** ~~p~~Personal use has been authorized for the President in compliance with Board policy;

**4.5.2** ~~e~~Commute privileges have been authorized pursuant to [subsection 4.3](#); or

**4.5.3** ~~n~~Non-incident personal use has been specifically authorized by the President and reported to the institutional Board of Trustees.

**4.6 Vehicle Fleet Use Restricted by Board Policies:** Institutions shall comply with Board policies relating to vehicle use in R555 and R556.

**4.7 Annual Report:** Institutions shall submit an annual vehicle fleet report to the Division of Fleet Operations. The report shall include:

**4.7.1** ~~t~~The number of vehicles in the vehicle fleet, a description of each vehicle owned or leased (including license number, year, make, and model), and the person and administrative unit to whom each vehicle is assigned;

**4.7.2** ~~o~~Other information requested by the Division of Fleet Operations in compliance with Utah Code [§section 63A-9-402](#); and

**4.7.3** ~~t~~The number and names of employees with authorized commute privileges, authorized personal use privileges, and who drive unmarked vehicles.

**4.8 Annual Motor Pool Report:** The annual motor pool report shall be part of the regular budget process for institutions with more than ten vehicles in its motor pool and shall include:

**4.8.1** ~~r~~Revenues and expenditures;

**4.8.2** ~~r~~Rates and charges for vehicle use;

**4.8.3** ~~v~~Vehicle utilization rates, and



**4.8.3** ~~e~~Other pertinent information about the operations of motor pool fleet.

~~**4.9 Certification and Reporting Requirements:** Institutions shall annually certify the accuracy of the vehicle fleet report and motor pool fleet report and shall submit the certification to the Board of Higher Education Manager of Audit by January 15.~~

~~**4.9**~~ ~~10~~ **Oversight by Board of Trustees:** The Board of Trustees of each institution shall review the institution's annual vehicle fleet reports and motor pool fleet reports and periodic internal audits prepared pursuant to ~~S~~subsections 4.7, and 4.8, ~~and 4.9~~. The Board of Trustees shall monitor how the institution manages and uses vehicle fleets.

# R557, Motor Vehicles<sup>1</sup>

**R557-1 Purpose:** To provide guidelines and oversight for the purchase, maintenance and use of vehicles.

## R557-2 References

- 2.1 [Utah Code § 41-1a-407](#), Use of “EX” Plates by Political Subdivisions or State
- 2.2 [Utah Code Title 63A, Chapter 9](#), Division of Fleet Operations and Administration of State Vehicles
- 2.3 [Utah Code § 63G-6a](#), Utah Procurement Code
- 2.4 [Board Policy R205](#), Presidential Appointment, Term of Office, Compensation and Benefits
- 2.5 [Board Policy R555](#), Providing Facilities, Goods and Services in Competition with Private Enterprise
- 2.6 [Board Policy R556](#), Transportation in Campus Vehicles
- 2.7 [Board Policy R567-3](#), Internal Audit Program

## R557-3 Definitions

- 3.1 **“Motor Pool Fleet”:** The motor pool fleet is comprised of all vehicles owned or leased by the institution for daily and monthly use by departments and employees of the institution.
- 3.2 **“Vehicle Fleet”:** The vehicle fleet is comprised of all licensed vehicles owned or leased by the institution, including the motor pool fleet.
- 3.3 **“Service Enterprises”:** Service enterprises are operations within the institution established by the institution to provide services to departments and employees of the institution. Fees are set at a level adequate to support projected operating requirements without generating excess revenues.
- 3.4 **“Commute”:** Commute means travel between an employee’s home and place of work more than five times per month. Commute includes travel to any work site closer to an employee’s home than the principal place of assignment.
- 3.5 **“Employee”:** Employee means any person who is paid by the institution or is acting as an agent of the institution in a volunteer position or as a student.

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<sup>1</sup> Adopted November 3, 1995; amended March 12, 1997, March 18, 2005, March 31, 2017, November 19, 2021, and XXX.

**3.6 “Incidental Personal Use”:** Use of a vehicle to obtain meals and lodging in connection with an authorized business trip.

## **R557-4 Policy**

**4.1 Ownership and Control of Vehicle Fleets:** Each institution shall monitor and control its vehicle fleet. An institution with more than ten vehicles in its motor pool shall:

**4.1.1** Employ professional management for its fleet;

**4.1.2** Operate the motor pool fleet as a service enterprise;

**4.1.3** Monitor, analyze, and evaluate the utilization of fleet vehicles to determine optimal fleet size;

**4.1.4** Review the overall need for any potential vehicle purchase pursuant to subsection 4.1.3 and conduct a cost-benefit analysis for long-term lease versus vehicle purchase;

**4.1.5** Comply with Utah Code section 63G-6ain the purchase of all vehicles; and

**4.1.6** Evaluate the need for and cost of departmentally-owned vehicles versus vehicles included in the motor pool fleet.

**4.2 Marking of Vehicles and “EX” Plates:** In accordance with Utah Code section 63A-9-601, all vehicles in the fleet shall display an identification mark and have “EX” plates, unless exempted under that section or Utah Code section 41-1a-407.

**4.3 Commute Policies:** Commute privileges should be authorized only when beneficial to the institution. Institutions shall establish commute policies to provide:

**4.3.1** Authorization criteria for the use of vehicles for commuting;

**4.3.2** Disciplinary procedures and sanctions for unauthorized commuting; and

**4.3.3** Accounting guidelines for maintaining proper records of the taxable benefit to the employee of commuting in an institutional vehicle.

**4.4 Maintenance and Safe Use of Vehicles:** Institutions shall establish policies governing the maintenance and safe use of the vehicle fleet. These policies shall provide:

**4.4.1** For compliance with guidelines established by the Office of Risk Management in connection with providing vehicle insurance to the institution; and

**4.4.2** For employee reporting of vehicles involved in accidents and traffic violations and for compliance with seat belt laws, alcohol and drug regulations and other traffic laws.

**4.5 Use of Vehicles:** Fleet vehicles shall only be used for official institutional business purposes, except when:

**4.5.1** Personal use has been authorized for the President in compliance with Board policy;

**4.5.2** Commute privileges have been authorized pursuant to subsection 4.3; or

**4.5.3** Non-incident personal use has been specifically authorized by the President and reported to the institutional Board of Trustees.

**4.6 Vehicle Fleet Use Restricted by Board Policies:** Institutions shall comply with Board policies relating to vehicle use in R555 and R556.

**4.7 Annual Report:** Institutions shall submit an annual vehicle fleet report to the Division of Fleet Operations. The report shall include:

**4.7.1** The number of vehicles in the vehicle fleet, a description of each vehicle owned or leased (including license number, year, make, and model), and the person and administrative unit to whom each vehicle is assigned;

**4.7.2** Other information requested by the Division of Fleet Operations in compliance with Utah Code section 63A-9-402; and

**4.7.3** The number and names of employees with authorized commute privileges, authorized personal use privileges, and who drive unmarked vehicles.

**4.8 Annual Motor Pool Report:** The annual motor pool report shall be part of the regular budget process for institutions with more than ten vehicles in its motor pool and shall include:

**4.8.1** Revenues and expenditures;

**4.8.2** Rates and charges for vehicle use;

**4.8.3** Vehicle utilization rates, and

**4.8.3** Other pertinent information about the operations of motor pool fleet.

**4.9 Oversight by Board of Trustees:** The Board of Trustees of each institution shall review the institution's annual vehicle fleet reports and motor pool fleet reports and periodic internal audits prepared pursuant to subsections 4.7 and 4.8. The Board of Trustees shall monitor how the institution manages and uses vehicle fleets.

## R561, Accounting and Financial Controls<sup>1</sup>

**R561-1 Purpose:** To provide for standardized accounting records and procedures in the Utah System of Higher Education.

### R561-2 References

- 2.1 [Utah Code 53B-6-102](#), Standardized Systems Prescribed by the Board
- 2.2 [Utah Code 53B-7-101](#), Financial Affairs
- 2.3 [Board Policy R120](#), Bylaws of the Board of Higher Education
- 2.4 [COSO Internal Controls—Integrated Framework: An Implementation Guide](#), COMMITTEE OF SPONSORING ORGANIZATIONS OF THE TREADWAY COMMISSION (2013)
- 2.5 [Statements of Governmental Accounting Standards](#), GOVERNMENTAL ACCOUNTING STANDARDS BOARD
- 2.6 [State of Utah Accounting Policies & Procedures](#)
- 2.7 [Advisory 00-08: Expense Cross-walk: Public Institutions](#), footnote regarding reporting natural classifications, NATIONAL ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS

### R561-3 Policy

**3.1** Annual Financial Reports of Member Institutions to be Issued in Accordance with Generally Accepted Accounting Principles for Colleges and Universities: Each member institution shall issue an annual financial report for each fiscal year, in accordance with generally accepted accounting principles for colleges and universities and such annual reports shall be filed with the Office of the Commissioner for the use of the Board and its staff upon publication.

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<sup>1</sup> *Adopted March 23, 1971, amended April 27, 1971, September 25, 1973, September 2, 1999, April 20, 2001, May 31, 2002, January 18, 2008, ~~and~~ November 14, 2014, and XXX.*

**3.1.1 Fixed Asset Accounting Conventions:** To preserve financial statement comparability in reporting fixed assets, institutions will calculate depreciation using the straight-line method and adopt the following guidelines related to capitalization, useful lives, and residual values. An institution may deviate from these guidelines upon showing contravening federal or state regulations, likely adverse audit determinations, or other exceptional circumstances.

**3.1.1.1 Equipment: Capitalization limits for equipment are as follows:** \$5,000 for all USHE institutions. The determination of useful lives for equipment shall be as reflected in the State of Utah Standard Useful Life Table (FIACCT 09-~~09~~[17](#).01). Residual values will be determined by each institution on a case by case basis.

**3.1.1.2 Land:** All land shall be capitalized and not depreciated.

**3.1.1.3 Buildings:** Capitalization limits for buildings are as follows: \$250,000 for the University of Utah, Utah State University, Weber State University, Utah Valley University and Salt Lake Community College; \$100,000 for Southern Utah University, Snow College, ~~and Dixie State~~[Utah Tech](#) University, [and technical colleges](#). Buildings are determined to have a 40-year useful life at the time initial construction is completed. Residual values will be determined by each institution on a case by case basis.

**3.1.1.4 Building Improvements:** Capitalization limits for building improvements are as follows: \$250,000 for the University of Utah, Utah State University, Weber State University, Utah Valley University and Salt Lake Community College; \$100,000 for Southern Utah University, Snow College, ~~and Dixie State~~[Utah Tech](#) University, [and technical colleges](#). When an improvement extends the useful life of a building, the building and the improvement shall be determined to have a remaining useful life equal to the length of time which the improvement extends the building's useful life. When an improvement does not extend the

useful life of a building, the useful life of the improvement shall be determined to be the remaining useful life of the building. Residual values will be determined by each institution on a case by case basis.

**3.1.1.5 Infrastructure:** Capitalization limits for infrastructure items are as follows: \$250,000 for the University of Utah, Utah State University, Weber State University, Utah Valley University and Salt Lake Community College; \$100,000 for Southern Utah University, Snow College, ~~and Dixie State~~ [Utah Tech](#) University, [and technical colleges](#). The determination of useful lives for infrastructure items shall be as reflected in the State of Utah Standard Useful Life Table (FIACCT 09-~~09~~[17](#).01). Residual values will be determined by each institution on a case by case basis.

**3.1.1.6 Land Improvements:** Capitalization limits for land improvements are as follows: \$250,000 for the University of Utah, Utah State University, Weber State University, Utah Valley University and Salt Lake Community College; \$100,000 for Southern Utah University, Snow College, ~~and Dixie State~~ [Utah Tech](#) University, [and technical colleges](#). The determination of useful lives for land improvements shall be as reflected in the State of Utah Standard Useful Life Table (FIACCT 09-~~09~~[17](#).01). Residual values will be determined by each institution on a case by case basis.

**3.1.1.7 Library Books:** All library books shall be capitalized. The useful life of all books shall be determined to be 20 years. Residual values will be determined by each institution on a case by case basis.

**3.1.1.8 Works of Art:** Capitalization limits for Works of Art are as follows: \$5,000 for the University of Utah, Utah State University, Weber State University, Utah Valley University and Salt Lake Community College; \$2,000 for Southern Utah University, Snow College, ~~and Dixie State~~ [Utah Tech](#) University, [and technical colleges](#). Pieces classified as inexhaustible works of art shall not be depreciated.



Useful lives for other works of art shall be determined by each institution on a case by case basis. Residual values for other works of art will be determined by each institution on a case by case basis.

**3.1.2 Reporting Expenditures in the Financial Statements:** To preserve financial statement comparability, institutions will report expenditures as follows:

**3.1.2.1** Use natural classifications on the Statement of Revenues, Expenditures and Changes in Net Position as illustrated in GASB statements, and

**3.1.2.2** Present both natural and functional classifications in a footnote to the financial statements consistent with the format specified in the NACUBO Advisory Report 2000-8.

**3.2 Certification of Financial and Other Documents:** Financial and other documents requiring official certification by officers of the Board shall be subject to the following procedures:

**3.2.1** Board authorization or approval for certification of such documents shall first be obtained, ordinarily at a regular Board meeting.

**3.2.2** The necessary documents shall then be certified in writing (a) as to the above approval and (b) as to their accuracy and consistency with the Board authorization, by the President of the institution concerned, or by the Office of the Commissioner of Higher Education, or both.

**3.2.3** The documents thus certified and submitted may then be taken directly to the officer or officers of the Board concerned for any required signatures.

**3.2.4** The Commissioner of Higher Education and the ~~Associate Commissioner for Planning, Finance and Facilities~~ Chief Financial Officer are

hereby authorized to sign for either the Secretary or the Treasurer of the Board in the event of the unavailability of either the Secretary or the Treasurer.

**3.2.5** A Treasurer of the Board is appointed pursuant to ~~S~~subsection 3.2.4 of R120, Bylaws of the Board of Higher Education, and shall serve in such capacity subject to the recommendation of the Commissioner of Higher Education to, and action by, the Board.

**3.3 Accounting and Operating Controls:** The Board authorizes each President and institutional Board of Trustees to establish and maintain a system of internal accounting and operating controls for their institution. This system of internal controls shall incorporate the principles and objectives specified by the Committee of Sponsoring Organizations of the Treadway Commission report “Internal Control—Integrated Framework.” In addition, the Board recommends the following:

**3.3.1** That institutional Boards of Trustees authorize the President and Chief Financial Officer, or Chief Financial Officer and Controller, to establish imprest bank accounts for such purposes as they deem necessary for efficient operation of their institution and authorize appropriate signatures for same.

**3.3.2** That institutional Boards of Trustees authorize all bank accounts and approve all signatures except as provided in recommendation 3.3.1.

**3.3.3** That the Controller or Treasurer at each institution maintain an up-to-date record of all bank accounts and authorized signatures.

**3.3.4** That from time to time there should be a review of cash on hand and cash receipts and internal examiners shall undertake an examination of cash disbursements, accounts payable, and purchasing.

## **R561, Accounting and Financial Controls<sup>1</sup>**

**R561-1 Purpose:** To provide for standardized accounting records and procedures in the Utah System of Higher Education.

### **R561-2 References**

- 2.1** [Utah Code 53B-6-102](#), Standardized Systems Prescribed by the Board
- 2.2** [Utah Code 53B-7-101](#), Financial Affairs
- 2.3** [Board Policy R120](#), Bylaws of the Board of Higher Education
- 2.4** [COSO Internal Controls—Integrated Framework: An Implementation Guide](#), COMMITTEE OF SPONSORING ORGANIZATIONS OF THE TREADWAY COMMISSION (2013)
- 2.5** [Statements of Governmental Accounting Standards](#), GOVERNMENTAL ACCOUNTING STANDARDS BOARD
- 2.6** [State of Utah Accounting Policies & Procedures](#)
- 2.7** [Advisory 00-08: Expense Cross-walk: Public Institutions](#), footnote regarding reporting natural classifications, NATIONAL ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS

### **R561-3 Policy**

**3.1** Annual Financial Reports of Member Institutions to be Issued in Accordance with Generally Accepted Accounting Principles for Colleges and Universities: Each member institution shall issue an annual financial report for each fiscal year, in accordance with generally accepted accounting principles for colleges and universities and such annual reports shall be filed with the Office of the Commissioner for the use of the Board and its staff upon publication.

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<sup>1</sup> *Adopted March 23, 1971, amended April 27, 1971, September 25, 1973, September 2, 1999, April 20, 2001, May 31, 2002, January 18, 2008, November 14, 2014, and XXX.*

**3.1.1 Fixed Asset Accounting Conventions:** To preserve financial statement comparability in reporting fixed assets, institutions will calculate depreciation using the straight-line method and adopt the following guidelines related to capitalization, useful lives, and residual values. An institution may deviate from these guidelines upon showing contravening federal or state regulations, likely adverse audit determinations, or other exceptional circumstances.

**3.1.1.1 Equipment: Capitalization limits for equipment are as follows:** \$5,000 for all USHE institutions. The determination of useful lives for equipment shall be as reflected in the State of Utah Standard Useful Life Table (FIACCT 09-17.01). Residual values will be determined by each institution on a case by case basis.

**3.1.1.2 Land:** All land shall be capitalized and not depreciated.

**3.1.1.3 Buildings:** Capitalization limits for buildings are as follows: \$250,000 for the University of Utah, Utah State University, Weber State University, Utah Valley University and Salt Lake Community College; \$100,000 for Southern Utah University, Snow College, Utah Tech University, and technical colleges. Buildings are determined to have a 40-year useful life at the time initial construction is completed. Residual values will be determined by each institution on a case by case basis.

**3.1.1.4 Building Improvements:** Capitalization limits for building improvements are as follows: \$250,000 for the University of Utah, Utah State University, Weber State University, Utah Valley University and Salt Lake Community College; \$100,000 for Southern Utah University, Snow College, Utah Tech University, and technical colleges. When an improvement extends the useful life of a building, the building and the improvement shall be determined to have a remaining useful life equal to the length of time which the improvement extends the building's useful life. When an improvement does not extend the useful life of a building, the useful life of the improvement shall be determined to be

the remaining useful life of the building. Residual values will be determined by each institution on a case by case basis.

**3.1.1.5 Infrastructure:** Capitalization limits for infrastructure items are as follows: \$250,000 for the University of Utah, Utah State University, Weber State University, Utah Valley University and Salt Lake Community College; \$100,000 for Southern Utah University, Snow College, Utah Tech University, and technical colleges. The determination of useful lives for infrastructure items shall be as reflected in the State of Utah Standard Useful Life Table (FIACCT 09-17.01). Residual values will be determined by each institution on a case by case basis.

**3.1.1.6 Land Improvements:** Capitalization limits for land improvements are as follows: \$250,000 for the University of Utah, Utah State University, Weber State University, Utah Valley University and Salt Lake Community College; \$100,000 for Southern Utah University, Snow College, Utah Tech University, and technical colleges. The determination of useful lives for land improvements shall be as reflected in the State of Utah Standard Useful Life Table (FIACCT 09-17.01). Residual values will be determined by each institution on a case by case basis.

**3.1.1.7 Library Books:** All library books shall be capitalized. The useful life of all books shall be determined to be 20 years. Residual values will be determined by each institution on a case by case basis.

**3.1.1.8 Works of Art:** Capitalization limits for Works of Art are as follows: \$5,000 for the University of Utah, Utah State University, Weber State University, Utah Valley University and Salt Lake Community College; \$2,000 for Southern Utah University, Snow College, Utah Tech University, and technical colleges. Pieces classified as inexhaustible works of art shall not be depreciated. Useful lives for other works of art shall be determined by each institution on a case by

case basis. Residual values for other works of art will be determined by each institution on a case by case basis.

**3.1.2 Reporting Expenditures in the Financial Statements:** To preserve financial statement comparability, institutions will report expenditures as follows:

**3.1.2.1** Use natural classifications on the Statement of Revenues, Expenditures and Changes in Net Position as illustrated in GASB statements, and

**3.1.2.2** Present both natural and functional classifications in a footnote to the financial statements consistent with the format specified in the NACUBO Advisory Report 2000-8.

**3.2 Certification of Financial and Other Documents:** Financial and other documents requiring official certification by officers of the Board shall be subject to the following procedures:

**3.2.1** Board authorization or approval for certification of such documents shall first be obtained, ordinarily at a regular Board meeting.

**3.2.2** The necessary documents shall then be certified in writing (a) as to the above approval and (b) as to their accuracy and consistency with the Board authorization, by the President of the institution concerned, or by the Office of the Commissioner of Higher Education, or both.

**3.2.3** The documents thus certified and submitted may then be taken directly to the officer or officers of the Board concerned for any required signatures.

**3.2.4** The Commissioner of Higher Education and the Chief Financial Officer are hereby authorized to sign for either the Secretary or the Treasurer of the

Board in the event of the unavailability of either the Secretary or the Treasurer.

**3.2.5** A Treasurer of the Board is appointed pursuant to subsection 3.2.4 of R120, Bylaws of the Board of Higher Education, and shall serve in such capacity subject to the recommendation of the Commissioner of Higher Education to, and action by, the Board.

**3.3 Accounting and Operating Controls:** The Board authorizes each President and institutional Board of Trustees to establish and maintain a system of internal accounting and operating controls for their institution. This system of internal controls shall incorporate the principles and objectives specified by the Committee of Sponsoring Organizations of the Treadway Commission report “Internal Control—Integrated Framework.” In addition, the Board recommends the following:

**3.3.1** That institutional Boards of Trustees authorize the President and Chief Financial Officer, or Chief Financial Officer and Controller, to establish imprest bank accounts for such purposes as they deem necessary for efficient operation of their institution and authorize appropriate signatures for same.

**3.3.2** That institutional Boards of Trustees authorize all bank accounts and approve all signatures except as provided in recommendation 3.3.1.

**3.3.3** That the Controller or Treasurer at each institution maintain an up-to-date record of all bank accounts and authorized signatures.

**3.3.4** That from time to time there should be a review of cash on hand and cash receipts and internal examiners shall undertake an examination of cash disbursements, accounts payable, and purchasing.

## R567, Internal Audit Program<sup>1</sup>

**R567-1 Purpose:** To establish policies and standards for internal audit departments within the Utah System of Higher Education (“USHE”).

### R567-2 References

- 2.1 [Utah Code § 53B-6-102](#), Standardized Systems Prescribed by the Board
- 2.2 [Utah Code § 53B-7-101](#), Financial Affairs Under the General Supervision of the Board
- 2.3 [Utah Code Title 63I, Chapter 5](#), Utah Internal Audit Act
- 2.4 [Board Policy R565](#), Audit Committees
- 2.5 [Board Policy R141-3.9](#), ~~Bylaws of the Board of Higher Education~~ [Functions of the Commissioner of Higher Education](#)
- 2.6 [International Standards for the Professional Practice of Internal Auditing](#), INSTITUTE OF INTERNAL AUDITORS (~~IIA Standards~~)

### R567-3 Definitions

**3.1 Audit Charter:** “The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the ~~D~~definition of ~~I~~internal ~~A~~auditing, the Code of Ethics, and the [International Standards for Professional Practice of Internal Auditing \(“IIA Standards”\)](#). The chief audit executive must periodically review the internal audit charter and present it to senior management and the ~~b~~[Utah Board of Higher Education \(“Board”\)](#) for approval.” The audit charter should grant appropriate

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<sup>1</sup> Adopted April 24, 1973, amended May 29, 1973, June 26, 1973, November 27, 1973, January 28, 1975 and April 22, 1975; replaced January 17, 1992, amended April 17, 1992, March 18, 2005, March 31, 2017, November 16, 2018, March 25, 2021, ~~and~~ May 21, 2021, ~~and XXX~~.

~~<sup>2</sup> IIA Standards, 1000: Purpose, Authority, and Responsibility.~~

~~<sup>3</sup> See Utah Code 63I-5-301(3).~~

~~<sup>4</sup> IIA Standard 1110.~~



access to data, information, records, and personnel needed to fulfill the internal audit activity's purpose and responsibilities.

**3.2 Institution Audit Committee:** Institution audit committees provide functional oversight of the internal audit activities, as described in the *Internal Audit Act*, and in accordance with [the -"IIA Standards"](#). The Board ~~of Higher Education~~ shall appoint institution audit committees members in adherence to the Utah Internal Audit Act and [Board Policy R565](#), Audit Committees.

**3.3 Internal Auditing:** An independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

**3.4 Institution Internal Audit Activity:** Any activity administered by the institution's internal auditing organization. Each institution's audit committee shall establish an audit charter, granting the internal audit unit authority to engage in audit activities.

**3.5 Board of Higher Education Audit Director:** The audit director reports functionally to the Higher Education Audit Committee and administratively to the Associate Commissioner for Finance, Facilities, and Research within the Office of the Commissioner. The audit director provides audit support to the Board ~~of Higher Education~~ and to institution audit activities.

## R567-4 Policy

**4.1 General Standards:** Internal audit activities shall comply with IIA Standards. Other professional standards (such as ~~"Generally Accepted Auditing Standards" disseminated by~~ the American Institute of Certified Public Accountants' [Generally Accepted Auditing Standards](#), or [the United States Comptroller's Government Auditing Standards](#) ~~published by the Comptroller General of the United States~~) may also apply to particular audit assignments, as

determined by the institution's audit committee or the Board ~~of Higher Education~~.

**4.2 Internal Audit Activities Required at All Institutions:** The ~~State Utah Board of Higher Education requires e~~Each USHE institution is required to maintain an internal audit activity plan.

**4.3 Internal Audit Activities at Technical Colleges:** Internal audit activities, functions, and all required audits outlined in subsections 4.5 and 4.6 at technical colleges may be performed under the direction of the Board Audit Director. The Commissioner may permit the Audit Director to hire staff to serve the internal auditor function for the purposes of this policy.

**4.43 Internal Audit Activity Independence and Objectivity:** Internal audit activities shall remain independent and objective. Institutions and internal auditors may foster independence by adhering to applicable standards, including:

**4.43.1 Organizational Independence:** Each institution should maintain organizational independence by establishing functional and administrative reporting relationships consistent with IIA Standards 1110 and 1111.

**4.43.2 Internal Audit Activity Objectivity:** Internal auditors shall adhere to standards of independence and objectivity ~~outlined in~~under IIA Standards 1100 and 1120.

**4.43.3 Independence Impairment Disclosure:** Internal auditors shall properly disclose impairments to independence, as required ~~by~~in IIA Standard 1130.

**4.43.4 Role in Institution Operations:** System and institution internal auditors shall not participate in institution management or operational responsibilities that would impair independence.

**4.54 Institution Audits:** In addition to audits required by policy, institution internal auditors shall conduct risk-based audits for their institutions, as assigned by the institution audit committee. Institution presidents and executive cabinets may also request audit activities.

**4.65 Required Audits:** Institution internal auditors shall annually conduct the following audits [according to relevant Board policy](#):

**4.65.1 Presidential Travel:** [Conducted](#) (in accordance with [Board Policy R212-1.2.](#))

**4.65.2 Institutional Investments:** [Conducted](#) (in accordance with [Board Policy R541-11.](#))

**4.65.3 Auxiliary Enterprises:** [Conducted](#) (in accordance with [Board Policy R550-7.3.](#))

**4.65.4 Information Systems Audits:** Each degree granting institution shall conduct regular information systems audits to ensure adequate controls exist to promote the integrity of data security, access, and governance. The audit committee for each degree granting institution also shall prioritize regular information systems audits on auditable risks identified in their institution's annual risk assessment.

**4.76 Institution Risk Assessment:** Internal auditors shall participate in institution risk assessments at least annually and report the results to the institution audit committee. Institution risks may include financial, operational, efficiency, fraud, compliance, internal control, information systems, data loss, reputation and political.

**4.87 Institution Audit Communication:** Upon completion of internal audit activities, institution auditors shall communicate the results to the institution audit committee.

**4.98 Communication with Institution Management:** The chief audit executive shall meet with the institution president at least annually to review completed audits, institution responses, and other pertinent issues.

**4.109 Audit Committee Responsibilities:** The audit committee shall ~~adhere to~~ fulfill the responsibilities established in the Utah Internal Audit Act and Board Policy R565; ~~Audit Committees~~.

**4.110 Coordination of System-Wide Audits:** Under the direction of the Board's ~~of Higher Education~~ Audit Subcommittee, the Commissioner of Higher Education and institution presidents shall coordinate assignments to conduct system-wide internal audits.

**4.121 Special Audits Directed by the Commissioner:** Under the direction of the Board's ~~of Higher Education~~ Audit Subcommittee, the Commissioner may schedule and conduct an audit at an institution, separately or in cooperation with a resident chief audit executive. ~~(See Board of Higher Education Bylaw~~ Policy R141-3.9; ~~R120-3.3.2.7.)~~

**4.132 Audit Notification:** The institution's vice president of finance or chief audit executive shall promptly notify the Board ~~of Higher Education~~ a ~~Director~~ Director ~~regarding~~ about apparent fraud or misconduct with any of the following attributes:

**4.132.1** sSignificant embezzlement, theft, or other fraud;

**4.132.2** eConcerns that may damage an institution's reputation;

**4.132.3** aApparent misuse of institutional resources of at least \$25,000;

**4.132.4** issues that may be covered by the media; or

**4.132.5** any other issue that requires attention from the Board ~~of Higher Education~~ or the Commissioner.



## R567, Internal Audit Program<sup>1</sup>

**R567-1 Purpose:** To establish policies and standards for internal audit departments within the Utah System of Higher Education (“USHE”).

### R567-2 References

- 2.1 [Utah Code § 53B-6-102](#), Standardized Systems Prescribed by the Board
- 2.2 [Utah Code § 53B-7-101](#), Financial Affairs Under the General Supervision of the Board
- 2.3 [Utah Code Title 63I, Chapter 5](#), Utah Internal Audit Act
- 2.4 [Board Policy R565](#), Audit Committees
- 2.5 [Board Policy R141-3.9](#), Functions of the Commissioner of Higher Education
- 2.6 [International Standards for the Professional Practice of Internal Auditing](#),  
INSTITUTE OF INTERNAL AUDITORS

### R567-3 Definitions

**3.1 Audit Charter:** The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the definition of internal auditing, the Code of Ethics, and the International Standards for Professional Practice of Internal Auditing (“IIA Standards”). The chief audit executive must periodically review the internal audit charter and present it to senior management and the Utah Board of Higher Education (“Board”) for approval. The audit charter should grant appropriate access to data, information, records, and personnel needed to fulfill the internal audit activity’s purpose and responsibilities.

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<sup>1</sup> Adopted April 24, 1973, amended May 29, 1973, June 26, 1973, November 27, 1973, January 28, 1975 and April 22, 1975; replaced January 17, 1992, amended April 17, 1992, March 18, 2005, March 31, 2017, November 16, 2018, March 25, 2021, May 21, 2021, and XXX.

**3.2 Institution Audit Committee:** Institution audit committees provide functional oversight of the internal audit activities, as described in the *Internal Audit Act*, and in accordance with the “IIA Standards”. The Board shall appoint institution audit committee members in adherence to the Utah Internal Audit Act and Board Policy R565, Audit Committees.

**3.3 Internal Auditing:** An independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

**3.4 Institution Internal Audit Activity:** Any activity administered by the institution’s internal auditing organization. Each institution’s audit committee shall establish an audit charter, granting the internal audit unit authority to engage in audit activities.

**3.5 Board of Higher Education Audit Director:** The audit director reports functionally to the Higher Education Audit Committee and administratively to the Associate Commissioner for Finance, Facilities, and Research within the Office of the Commissioner. The audit director provides audit support to the Board and to institution audit activities.

## **R567-4 Policy**

**4.1 General Standards:** Internal audit activities shall comply with IIA Standards. Other professional standards (such as the American Institute of Certified Public Accountants’ *Generally Accepted Auditing Standards*, or the United States Comptroller’s *Government Auditing Standards*) may also apply to particular audit assignments, as determined by the institution’s audit committee or the Board.

**4.2 Internal Audit Activities Required at All Institutions:** The Utah Each USHE institution is required to maintain an internal audit activity plan.

**4.3 Internal Audit Activities at Technical Colleges:** Internal audit activities, functions, and all required audits outlined in subsections 4.5 and 4.6 at technical colleges may be performed under the direction of the Board Audit Director. The Commissioner may permit the Audit Director to hire staff to serve the internal auditor function for the purposes of this policy.

**4.4 Internal Audit Activity Independence and Objectivity:** Internal audit activities shall remain independent and objective. Institutions and internal auditors may foster independence by adhering to applicable standards, including:

**4.4.1 Organizational Independence:** Each institution should maintain organizational independence by establishing functional and administrative reporting relationships consistent with IIA Standards 1110 and 1111.

**4.4.2 Internal Audit Activity Objectivity:** Internal auditors shall adhere to standards of independence and objectivity under IIA Standards 1100 and 1120.

**4.4.3 Independence Impairment Disclosure:** Internal auditors shall properly disclose impairments to independence, as required by IIA Standard 1130.

**4.4.4 Role in Institution Operations:** System and institution internal auditors shall not participate in institution management or operational responsibilities that would impair independence.

**4.5 Institution Audits:** In addition to audits required by policy, institution internal auditors shall conduct risk-based audits for their institutions, as assigned by the institution audit committee. Institution presidents and executive cabinets may also request audit activities.

**4.6 Required Audits:** Institution internal auditors shall annually conduct the following audits according to relevant Board policy:



**4.6.1 Presidential Travel:** Conducted in accordance with Board Policy R212-1.2.

**4.6.2 Institutional Investments:** Conducted in accordance with Board Policy R541-11.

**4.6.3 Auxiliary Enterprises:** Conducted in accordance with Board Policy R550-7.3.

**4.6.4 Information Systems Audits:** Each degree granting institution shall conduct regular information systems audits to ensure adequate controls exist to promote the integrity of data security, access, and governance. The audit committee for each degree granting institution also shall prioritize regular information systems audits on auditable risks identified in their institution's annual risk assessment.

**4.7 Institution Risk Assessment:** Internal auditors shall participate in institution risk assessments at least annually and report the results to the institution audit committee. Institution risks may include financial, operational, efficiency, fraud, compliance, internal control, information systems, data loss, reputation and political.

**4.8 Institution Audit Communication:** Upon completion of internal audit activities, institution auditors shall communicate the results to the institution audit committee.

**4.9 Communication with Institution Management:** The chief audit executive shall meet with the institution president at least annually to review completed audits, institution responses, and other pertinent issues.

**4.10 Audit Committee Responsibilities:** The audit committee shall fulfill the responsibilities established in the Utah Internal Audit Act and Board Policy R565.

**4.11 Coordination of System-Wide Audits:** Under the direction of the Board’s Audit Subcommittee, the Commissioner of Higher Education and institution presidents shall coordinate assignments to conduct system-wide internal audits.

**4.12 Special Audits Directed by the Commissioner:** Under the direction of the Board’s Audit Subcommittee, the Commissioner may schedule and conduct an audit at an institution, separately or in cooperation with a resident chief audit executive. *See* Board Policy R141-3.9.

**4.13 Audit Notification:** The institution’s vice president of finance or chief audit executive shall promptly notify the Board Audit Director about apparent fraud or misconduct with any of the following attributes:

**4.13.1** Significant embezzlement, theft, or other fraud;

**4.13.2** Concerns that may damage an institution’s reputation;

**4.13.3** Apparent misuse of institutional resources of at least \$25,000;

**4.13.4** Issues that may be covered by the media; or

**4.13.5** Any other issue that requires attention from the Board or the Commissioner.

## R571, Procurementurchasing<sup>1</sup>

The following policy is an administrative rule formally codified by Utah Administrative Code R765-571a.

~~**R571-1 Purpose:** As required by the Utah Procurement Code, this policy and corresponding Utah Admin. Code R765-571 govern the management and control of procurements and procurement procedures conducted by the institutions in the state system of higher education.~~

### ~~**R571-2 References**~~

~~**2.1** Utah Code § 53B-1-102(4), Utah System of Higher Education~~

~~**2.2** Utah Code § 53B-7-101(11), Operating Budgets~~

~~**2.3** Utah Code §§ Title 63G, Chapter 6a, -6a-101-2407 (Utah Procurement Code)~~

## **R765. Higher Education (Utah Board of), Administration.**

### **R765-571a. Procurement.**

#### **R765-571a-1. Purpose.**

As required by Title 63G, Chapter 6a, Utah Procurement Code, this rule governs the management and control of procurements and procurement procedures conducted by the institutions in the state system of higher education.

#### **R765-571a-2. Authority.**

This rule is authorized by Subsections 63G-6a-103(77)(f) and 63G-6a-107.7(1)(a).

#### **R765-571a-3. Definitions.**

(1) The terms used in this policy shall be defined as they are in Sections 63G-6a-103 and 63G-6a-104.

(2) In addition, the following definition shall apply:

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<sup>1</sup> *Approved September 14, 2012, amended May 15, 2015, January 20, 2017, ~~and~~ September 21, 2018, and XXX.*

(a) "Institution" means an institution of higher education listed in Section 53B-1-102.

#### **R765-571a-4. Delegation of Authority.**

As established in Subsection 63G-6a-103(77)(f), the Utah Board of Higher Education is the body designated with rulemaking authority over procurements for institutions in the state system of higher education. The Board does not formally adopt any part of Title R33. However, each institution may adopt, in whole or in part, any rule listed in Title R33. Such adoption must be in writing. In the event of any conflict, inconsistency, or discrepancy between this rule and Title R33, this rule will govern. The Board delegates to each institution the authority to adopt and administer procurement policies and processes that conform with Title 63G, Chapter 6a, Utah Procurement Code and this rule. Each president, or designee, is given authority over procurements at their respective institution.

#### **R765-571a-5. Guiding Principles.**

Each institution is charged to provide efficient and timely procurement services that maximizes the institution's resources and promotes its instruction, research, extension, and professional service programs. Each institution shall establish policies that require the institution to strive to obtain the maximum value for each dollar expended, utilizing open competition and impartial evaluation of alternate products. Those policies shall also foster fair, ethical, and legal trade practices, which develop a strong vendor community and promote public trust in the institution and the system of higher education.

#### **R765-571a-6. Small Purchases.**

Each institution shall establish policies, and processes governing small purchases.

(1) Each institution shall establish the maximum expenditure that may qualify as a small purchase.

(2) Each institution may establish expenditure thresholds and procurement requirements related to those thresholds in relation to small purchases, including:

(a) Purchasing Cards or P-Card: Purchasing card programs establish a more efficient method of paying for low-dollar transactions. Institutions shall establish procedures that govern card issuance, card-holder training, and auditing of purchasing card transactions.

(b) Requests for Quotation or RFQ: Institutions shall seek competition whenever practicable. RFQs involve soliciting quotes from two or more known vendors. Each institution should establish procedures regarding the acceptance of phone, fax, and email quotes.

- (c) Small-dollar Purchase Orders.
- (d) Reimbursements.
- (e) Petty Cash.

### **R765-571a-7. Solicitations.**

When procuring items over an established threshold for small purchases outlined in Section R765-571a-6.1, each institution shall use a standard procurement process or an exception to the standard procurement process described in Section R765-571a-8 and comply with Title 63G, Chapter 6a, Utah Procurement Code and this rule. Each institution shall establish policies, and processes governing solicitations, including:

(1) Invitation for Bid or IFB: The Invitation for Bids is used to initiate a competitive sealed bid procurement.

(a) An IFB shall comply with the requirements of Subsection 63G-6a-603(2).

(b) IFBs must be publicly advertised as outlined in Title 63G, Chapter 6a, Utah Procurement Code.

(c) Bids shall be submitted using a sealed bid process.

(d) Bids shall be opened in accordance with Section 63G-6a-604.

(e) Institutions shall evaluate bids based on the requirements set forth in the IFB, including objective evaluation criteria. Criteria not included in the IFB may not be used to evaluate bids.

(f) Contracts shall be awarded with reasonable promptness by notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the IFB.

(g) Unless otherwise established by policy, institutions shall resolve tie bids by having the president or designee toss a coin in the presence of a minimum of two witnesses with the firm first in alphabetical order being heads.

(h) Institutions may handle bids as otherwise permitted by Title 63G, Chapter 6a, Utah Procurement Code, including, but not limited to, rejecting bids, cancelling the IFB, and using a reverse auction process.

(2) Request for Proposal or RFP: An RFP process may be used instead of the IFB process if the procurement officer determines, in writing, that the RFP process will provide the best value to the institution.

(a) An RFP shall comply with Section 63G-6a-703.

(b) RFPs must be publicly advertised as outlined in Title 63G, Chapter 6a, Utah Procurement Code.

(c) Proposals shall be processed as outlined in Title 63G, Chapter 6a, Procurement Code.

(d) The institution shall establish an evaluation committee of at least three individuals.

(e) The evaluation committee will rate proposals based on the criteria outlined in the RFP. Criteria not included in the RFP may not be used to evaluate proposals.

(f) The RFP process may be conducted in multiple steps, including presentations/discussions and requests for best and final proposals.

(g) Each institution shall establish policies and processes governing best and final offers in accordance with Title 63G, Chapter 6a, Utah Procurement Code and this rule.

(h) Institutions shall complete a justification statement as required by Title 63G, Chapter 6a, Utah Procurement Code.

(3) Request for Information or RFI: The purpose of an RFI is to obtain information, comments, or suggestions from potential bidders or offerors before issuing an IFB or RFP. An RFI is not a procurement process and may not be used to:

- (a) solicit cost, pricing, or rate information;
- (b) negotiate fees;
- (c) make a purchase; or
- (d) enter into a contract.

(4) Request for Statement of Qualifications or RFSQ: An institution may use a RFSQ process to prequalify potential bidders or offerors to provide any type of procurement item and limit participation in an IFB or RFP to the prequalified potential bidders or offerors. An institution may also use a RFSQ process to create an approved vendor list. A RFSQ process is a supplemental procurement process described in Section 63G-6a-410.

(a) A RFSQ in multiple-stage procurement process shall comply with Subsection 63G-6a-410(4).

(b) A RFSQ in an approved vendor list process shall comply with Subsection 63G-6a-410(5).

(5) Approved Vendor List Procurement Process: Each institution may establish policies and processes governing approved vendor lists and award contracts using methods that comply with Title 63G, Chapter 6a, Utah Procurement Code and this rule.

(a) Award: Institutions choosing to use a vendor list may award a contract to a vendor on an approved vendor list at an established price based on a price list, rate schedule, or pricing catalog in accordance with Section 63G-6a-113.

(b) Selection of Vendors: Institutions choosing to use a vendor list shall select vendors based on a rotation system, the assignment of vendors to a specified geographic area, classifying vendors by particular expertise, qualifications or field, or some other method in accordance with a written, public, and fair process.

(c) Removal of Vendors from the Approved Vendor List: Institutions choosing to use an approved vendor list shall include a statement indicating that vendors whose performance does not meet the minimum performance rating threshold may be disqualified and removed from the approved vendor list.

### **R765-571a-8. Exceptions to Procurement Requirements.**

Each institution shall establish policies, rules, and processes governing exceptions to procurement requirements that comply with Title 63G, Chapter 6a, Utah Procurement Code and this rule. Institutions may award a contract for a procurement item without using a standard procurement process under the following circumstances and in compliance with Section 63G-6a-802:

(1) Sole Source Procurement - A standard procurement process is not required where there is only one source for a procurement item. The institution's president or designee shall determine in writing whether a procurement shall be made as a sole source. Notice of a sole source procurement must be published in accordance with Subsection 63G-6a-802(3) if the cost of the procurement item exceeds the amount established by Title 63G, Chapter 6a, Utah Procurement Code except where excluded under Section R765-571a-8.6.

(2) Transitional Cost - A standard procurement process is not required where transitional costs are a significant consideration in selecting a procurement item and the results of a cost benefit analysis demonstrate that transitional costs are unreasonable or cost-prohibitive and that the awarding of a contract without engaging in a standard procurement process is in the best interest of the institution. Notice of a procurement based on transitional cost must be published in accordance with Subsection 63G-6a-802(3) if the cost of the procurement item exceeds the amount established by Title 63G, Chapter 6a, Utah Procurement Code except where excluded under Section R765-571a-8.6.

(3) Circumstances in which the Standard Procurement Process is Impractical and Not in Institution's Best Interests: Institutions may establish policies and procedures that designate circumstances under which the standard procurement process is impractical and not in the best interest of the institution. Although the president or designee may add additional criteria, the following are procurements that are deemed to make the awarding of a contract through a standard procurement process impractical or contrary to the institution's best interests:

- (a) public utility services;
- (b) a procurement item where the; most important consideration in obtaining the item is the compatibility of equipment, technology, software, accessories, replacement parts, or service;



- (c) unique research materials;
  - (d) instructional materials or other needed items for curriculum purposes based on pedagogical need and academic freedom of instructors;
  - (e) membership fees, conference registrations, seminars, subscriptions to intellectual content;
  - (f) conference venues and associated meals and entertainment at said venues;
  - (g) used equipment when determined to be more practical or advantageous to the institution;
  - (h) placement advertising in magazines, journals, newspapers, radio, television, online, buses, billboards.;
  - (i) library journals, periodicals, and rare books;
  - (j) athletic game guarantees;
  - (k) guest lecturers, performers, entertainers, convocations;
  - (l) broadcasting rights, television programming, and associated fees;
  - (m) original works of art;
  - (n) study abroad travel expenses;
  - (o) travel, including commercial airfare and hotels;
  - (p) sub-recipients of sponsored projects contributing to the scope of work for the project;
  - (q) supplies or services required by the National Collegiate Athletic Association or the institution's athletic conference;
  - (r) institutional sponsorship of third parties;
  - (s) a procurement item from a specific supplier, service provider, or contractor that is a condition of a grant that will fund the cost of the supply, service, or construction item;
  - (t) publications of an article, manuscript, research paper in a professional journal, periodical, or other source;
  - (u) original equipment manufacturer parts, supplies, maintenance, and service when determined to be in the best interest of the institution;
  - and
  - (v) a procurement item from a specific supplier, service provider, or contractor that is a condition of a donation or sponsorship that will fund the cost of the supply, service, or construction item. Neither state funds nor institutional funds may be added to the donation or sponsorship in order to make an award under the provisions of this section;
- (4) Trial Use - The institution may award a contract for a procurement item without competition if the requirements of Section 63G-6a-802.3 are met and the president or designee determine in writing that the procurement item is needed for trial use or testing to determine whether the procurement item will benefit the institution.
- (5) Emergency Procurement - Emergency procurement is appropriate when an emergency condition exists that limits the capability



of the institution to obtain competition. An emergency condition is a situation described in Subsection 63G-6a-803(1). These procurements shall be made with as much competition as reasonably practical while:

- (a) avoiding a lapse in a critical government service;
  - (b) avoiding harm, or a risk of harm, to the public health, safety, welfare, or property; or
  - (c) protecting the legal interests of the institution.
- (6) Publication of Notice Not Required. Publication of notice under Subsection 63G-6a-802(3) is not required when the award is made under the circumstances described in Section R765-571a-8.

**R765-571a-9. Protests.**

Aggrieved bidders, offerors, or potential bidders or offerors, may protest the solicitation's specifications or award decision in accordance with Title 63G, Chapter 6a, Utah Procurement Code. The aggrieved party may appeal a protest decision in accordance with Title 63G, Chapter 6a, Utah Procurement Code. Each institution shall establish policies and processes governing protests related to procurement in accordance with Title 63G, Chapter 6a, Utah Procurement Code.

**R765-571a-10. Ethics.**

The institution's employees shall discharge their duties impartially so as to assure fair competitive access to procurements. Employees' conduct should foster public confidence in the integrity of the system of higher education.

**R765-571a-11. Multi-Year Contracts.**

Multi-year contracts, including renewals, may exceed five years if the president or designee determines in writing that:

- (1) a longer period is necessary in order to obtain the item;
- (2) a longer period is customary for industry standards; or
- (3) a longer period is in the best interest of the Institution. The written determination must be included in the procurement file



## **R571, Procurement<sup>1</sup>**

The following policy is an administrative rule formally codified by Utah Administrative Code R765-571a.

### **References**

[Utah Code § 53B-1-102\(4\)](#), Utah System of Higher Education

[Utah Code § 53B-7-101\(11\)](#), Operating Budgets

Utah Code Title 63G, Chapter 6a, Utah Procurement Code

### **R765. Higher Education (Utah Board of), Administration.**

#### **R765-571a. Procurement.**

##### **R765-571a-1. Purpose.**

As required by Title 63G, Chapter 6a, Utah Procurement Code, this rule governs the management and control of procurements and procurement procedures conducted by the institutions in the state system of higher education.

##### **R765-571a-2. Authority.**

This rule is authorized by Subsections 63G-6a-103(77)(f) and 63G-6a-107.7(1)(a).

##### **R765-571a-3. Definitions.**

(1) The terms used in this policy shall be defined as they are in Sections 63G-6a-103 and 63G-6a-104.

(2) In addition, the following definition shall apply:

(a) "Institution" means an institution of higher education listed in Section 53B-1-102.

##### **R765-571a-4. Delegation of Authority.**

As established in Subsection 63G-6a-103(77)(f), the Utah Board of Higher Education is the body designated with rulemaking authority over

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<sup>1</sup> *Approved September 14, 2012, amended May 15, 2015, January 20, 2017, September 21, 2018, and XXX.*

procurements for institutions in the state system of higher education. The Board does not formally adopt any part of Title R33. However, each institution may adopt, in whole or in part, any rule listed in Title R33. Such adoption must be in writing. In the event of any conflict, inconsistency, or discrepancy between this rule and Title R33, this rule will govern. The Board delegates to each institution the authority to adopt and administer procurement policies and processes that conform with Title 63G, Chapter 6a, Utah Procurement Code and this rule. Each president, or designee, is given authority over procurements at their respective institution.

#### **R765-571a-5. Guiding Principles.**

Each institution is charged to provide efficient and timely procurement services that maximizes the institution's resources and promotes its instruction, research, extension, and professional service programs. Each institution shall establish policies that require the institution to strive to obtain the maximum value for each dollar expended, utilizing open competition and impartial evaluation of alternate products. Those policies shall also foster fair, ethical, and legal trade practices, which develop a strong vendor community and promote public trust in the institution and the system of higher education.

#### **R765-571a-6. Small Purchases.**

Each institution shall establish policies, and processes governing small purchases.

(1) Each institution shall establish the maximum expenditure that may qualify as a small purchase.

(2) Each institution may establish expenditure thresholds and procurement requirements related to those thresholds in relation to small purchases, including:

(a) Purchasing Cards or P-Card: Purchasing card programs establish a more efficient method of paying for low-dollar transactions. Institutions shall establish procedures that govern card issuance, card-holder training, and auditing of purchasing card transactions.

(b) Requests for Quotation or RFQ: Institutions shall seek competition whenever practicable. RFQs involve soliciting quotes from two or more known vendors. Each institution should establish procedures regarding the acceptance of phone, fax, and email quotes.

(c) Small-dollar Purchase Orders.

(d) Reimbursements.

(e) Petty Cash.

#### **R765-571a-7. Solicitations.**

When procuring items over an established threshold for small purchases outlined in Section R765-571a-6.1, each institution shall use a standard procurement process or an exception to the standard procurement process described in Section R765-571a-8 and comply with Title 63G, Chapter 6a, Utah Procurement Code and this rule. Each institution shall establish policies, and processes governing solicitations, including:

(1) Invitation for Bid or IFB: The Invitation for Bids is used to initiate a competitive sealed bid procurement.

(a) An IFB shall comply with the requirements of Subsection 63G-6a-603(2).

(b) IFBs must be publicly advertised as outlined in Title 63G, Chapter 6a, Utah Procurement Code.

(c) Bids shall be submitted using a sealed bid process.

(d) Bids shall be opened in accordance with Section 63G-6a-604.

(e) Institutions shall evaluate bids based on the requirements set forth in the IFB, including objective evaluation criteria. Criteria not included in the IFB may not be used to evaluate bids.

(f) Contracts shall be awarded with reasonable promptness by notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the IFB.

(g) Unless otherwise established by policy, institutions shall resolve tie bids by having the president or designee toss a coin in the presence of a minimum of two witnesses with the firm first in alphabetical order being heads.

(h) Institutions may handle bids as otherwise permitted by Title 63G, Chapter 6a, Utah Procurement Code, including, but not limited to, rejecting bids, cancelling the IFB, and using a reverse auction process.

(2) Request for Proposal or RFP: An RFP process may be used instead of the IFB process if the procurement officer determines, in writing, that the RFP process will provide the best value to the institution.

(a) An RFP shall comply with Section 63G-6a-703.

(b) RFPs must be publicly advertised as outlined in Title 63G, Chapter 6a, Utah Procurement Code.

(c) Proposals shall be processed as outlined in Title 63G, Chapter 6a, Procurement Code.

(d) The institution shall establish an evaluation committee of at least three individuals.

(e) The evaluation committee will rate proposals based on the criteria outlined in the RFP. Criteria not included in the RFP may not be used to evaluate proposals.

(f) The RFP process may be conducted in multiple steps, including presentations/discussions and requests for best and final proposals.

(g) Each institution shall establish policies and processes governing best and final offers in accordance with Title 63G, Chapter 6a, Utah Procurement Code and this rule.

(h) Institutions shall complete a justification statement as required by Title 63G, Chapter 6a, Utah Procurement Code.

(3) Request for Information or RFI: The purpose of an RFI is to obtain information, comments, or suggestions from potential bidders or offerors before issuing an IFB or RFP. An RFI is not a procurement process and may not be used to:

- (a) solicit cost, pricing, or rate information;
- (b) negotiate fees;
- (c) make a purchase; or
- (d) enter into a contract.

(4) Request for Statement of Qualifications or RFSQ: An institution may use a RFSQ process to prequalify potential bidders or offerors to provide any type of procurement item and limit participation in an IFB or RFP to the prequalified potential bidders or offerors. An institution may also use a RFSQ process to create an approved vendor list. A RFSQ process is a supplemental procurement process described in Section 63G-6a-410.

(a) A RFSQ in multiple-stage procurement process shall comply with Subsection 63G-6a-410(4).

(b) A RFSQ in an approved vendor list process shall comply with Subsection 63G-6a-410(5).

(5) Approved Vendor List Procurement Process: Each institution may establish policies and processes governing approved vendor lists and award contracts using methods that comply with Title 63G, Chapter 6a, Utah Procurement Code and this rule.

(a) Award: Institutions choosing to use a vendor list may award a contract to a vendor on an approved vendor list at an established price based on a price list, rate schedule, or pricing catalog in accordance with Section 63G-6a-113.

(b) Selection of Vendors: Institutions choosing to use a vendor list shall select vendors based on a rotation system, the assignment of vendors to a specified geographic area, classifying vendors by particular expertise, qualifications or field, or some other method in accordance with a written, public, and fair process.

(c) Removal of Vendors from the Approved Vendor List: Institutions choosing to use an approved vendor list shall include a statement indicating that vendors whose performance does not meet the minimum performance rating threshold may be disqualified and removed from the approved vendor list.

## **R765-571a-8. Exceptions to Procurement Requirements.**

Each institution shall establish policies, rules, and processes governing exceptions to procurement requirements that comply with Title 63G, Chapter 6a, Utah Procurement Code and this rule. Institutions may award a contract for a procurement item without using a standard procurement process under the following circumstances and in compliance with Section 63G-6a-802:

(1) Sole Source Procurement - A standard procurement process is not required where there is only one source for a procurement item. The institution's president or designee shall determine in writing whether a procurement shall be made as a sole source. Notice of a sole source procurement must be published in accordance with Subsection 63G-6a-802(3) if the cost of the procurement item exceeds the amount established by Title 63G, Chapter 6a, Utah Procurement Code except where excluded under Section R765-571a-8.6.

(2) Transitional Cost - A standard procurement process is not required where transitional costs are a significant consideration in selecting a procurement item and the results of a cost benefit analysis demonstrate that transitional costs are unreasonable or cost-prohibitive and that the awarding of a contract without engaging in a standard procurement process is in the best interest of the institution. Notice of a procurement based on transitional cost must be published in accordance with Subsection 63G-6a-802(3) if the cost of the procurement item exceeds the amount established by Title 63G, Chapter 6a, Utah Procurement Code except where excluded under Section R765-571a-8.6.

(3) Circumstances in which the Standard Procurement Process is Impractical and Not in Institution's Best Interests: Institutions may establish policies and procedures that designate circumstances under which the standard procurement process is impractical and not in the best interest of the institution. Although the president or designee may add additional criteria, the following are procurements that are deemed to make the awarding of a contract through a standard procurement process impractical or contrary to the institution's best interests:

- (a) public utility services;
- (b) a procurement item where the; most important consideration in obtaining the item is the compatibility of equipment, technology, software, accessories, replacement parts, or service;
- (c) unique research materials;
- (d) instructional materials or other needed items for curriculum purposes based on pedagogical need and academic freedom of instructors;
- (e) membership fees, conference registrations, seminars, subscriptions to intellectual content;



(f) conference venues and associated meals and entertainment at said venues;

(g) used equipment when determined to be more practical or advantageous to the institution;

(h) placement advertising in magazines, journals, newspapers, radio, television, online, buses, billboards.;

(i) library journals, periodicals, and rare books;

(j) athletic game guarantees;

(k) guest lecturers, performers, entertainers, convocations;

(l) broadcasting rights, television programming, and associated fees;

(m) original works of art;

(n) study abroad travel expenses;

(o) travel, including commercial airfare and hotels;

(p) sub-recipients of sponsored projects contributing to the scope of work for the project;

(q) supplies or services required by the National Collegiate Athletic Association or the institution's athletic conference;

(r) institutional sponsorship of third parties;

(s) a procurement item from a specific supplier, service provider, or contractor that is a condition of a grant that will fund the cost of the supply, service, or construction item;

(t) publications of an article, manuscript, research paper in a professional journal, periodical, or other source;

(u) original equipment manufacturer parts, supplies, maintenance, and service when determined to be in the best interest of the institution; and

(v) a procurement item from a specific supplier, service provider, or contractor that is a condition of a donation or sponsorship that will fund the cost of the supply, service, or construction item. Neither state funds nor institutional funds may be added to the donation or sponsorship in order to make an award under the provisions of this section;

(4) Trial Use - The institution may award a contract for a procurement item without competition if the requirements of Section 63G-6a-802.3 are met and the president or designee determine in writing that the procurement item is needed for trial use or testing to determine whether the procurement item will benefit the institution.

(5) Emergency Procurement - Emergency procurement is appropriate when an emergency condition exists that limits the capability of the institution to obtain competition. An emergency condition is a situation described in Subsection 63G-6a-803(1). These procurements shall be made with as much competition as reasonably practical while:

(a) avoiding a lapse in a critical government service;

(b) avoiding harm, or a risk of harm, to the public health, safety, welfare, or property; or

(c) protecting the legal interests of the institution.

(6) Publication of Notice Not Required. Publication of notice under Subsection 63G-6a-802(3) is not required when the award is made under the circumstances described in Section R765-571a-8.

#### **R765-571a-9. Protests.**

Aggrieved bidders, offerors, or potential bidders or offerors, may protest the solicitation's specifications or award decision in accordance with Title 63G, Chapter 6a, Utah Procurement Code. The aggrieved party may appeal a protest decision in accordance with Title 63G, Chapter 6a, Utah Procurement Code. Each institution shall establish policies and processes governing protests related to procurement in accordance with Title 63G, Chapter 6a, Utah Procurement Code.

#### **R765-571a-10. Ethics.**

The institution's employees shall discharge their duties impartially so as to assure fair competitive access to procurements. Employees' conduct should foster public confidence in the integrity of the system of higher education.

#### **R765-571a-11. Multi-Year Contracts.**

Multi-year contracts, including renewals, may exceed five years if the president or designee determines in writing that:

- (1) a longer period is necessary in order to obtain the item;
- (2) a longer period is customary for industry standards; or
- (3) a longer period is in the best interest of the Institution. The written determination must be included in the procurement file





# MEMORANDUM

July 14, 2022

## FY 2023 Board of Higher Education Budget

The Board of Higher Education oversees a budget of \$98.8 million in four separate programs:

1. Administration - \$18.4 million
2. Pass-Through Funds to USHE Institutions - \$26.5 million
3. Scholarship Programs - \$43.8 million
4. Talent Ready Utah - \$10.2 million

The Administration program includes personnel and operations in the Commissioner's Office, the operational budget for the Board of Higher Education, and programs in Statewide College Advising, Higher Education Data Privacy and Governance (UDRC), Utah Innovation Lab, Northstar technical support, Innovation District at the Point, Community College Services, and SARA distance education reciprocity.

Pass-through programs include funds to support initiatives in Emerging Technology Talent, Engineering, Higher Education Technology, Healthcare Workforce, Academic Library Consortium, Mental Health Support, Math Competency, Hearing Impaired, Financial Aid, and Early Literacy Outcomes.

Scholarship programs include the Regents' Scholarship, Education Re-engagement, Promise, Talent Development, T.H. Bell Teaching, Career & Technical, Adult Learners, and other student financial aid and scholarship programs.

The legislature also moved two state agency programs under the Board, including the Utah Data Research Center (UDRC) and Talent Ready Utah (TRU). The Utah Medical Education Council (UMEC) was moved from the Board and consolidated with the Division of Health and Human Services.

### **Commissioner's Recommendations**

The Commissioner recommends the Board approve the budget for the fiscal year 2023.

### **Attachment**

## Office of the Commissioner of Higher Education Budget FY 2023

Revenue	Administration	Pass-Through	Scholarship	TRU
Education & General Funds	\$ 12,776,000	\$ 23,466,400	\$ 33,835,600	\$ 9,748,200
Other Revenue/Dedicated Credits	2,088,700	3,000,000	10,000,000	368,498
Expenditure Recoveries	3,497,266	-	-	61,000
<b>Total FY 2023 Revenue</b>	<b>\$ 18,361,966</b>	<b>\$ 26,466,400</b>	<b>\$ 43,835,600</b>	<b>\$10,177,698</b>

Expenses	Administration	Pass-Through	Scholarship	TRU
Personnel	\$ 13,381,391	\$ -	\$ 645,863	\$ 432,274
Travel	180,164	-	12,061	22,500
Current Expenses	4,800,411	305,431	221,734	201,376
Pass-Through	-	26,160,969	42,955,942	9,521,548
<b>Total FY 2023 Expenses</b>	<b>\$ 18,361,966</b>	<b>\$ 26,466,400</b>	<b>\$43,835,600</b>	<b>\$10,177,698</b>

Programs	Administration	Pass-Through	Scholarship	TRU
Commissioner's Office	\$ 10,586,290			
Statewide College Advising	2,992,400			
Higher Ed Data Privacy and Gov	2,096,300			
Utah Innovation Lab	750,000			
Northstar Technology Support	680,276			
Innovation District at the Point	500,000			
Community College Services	500,000			
Board of Higher Education	174,700			
State Auth Reciprocity (SARA)	82,000			
Emerging Tech Talent Initiative		\$ 5,101,600		
Engineering Initiative		5,000,000		
Higher Ed Technology Initiative		4,498,800		
Academic Library Consortium		3,410,000		
Mental Health Support		3,000,000		
Healthcare Workforce Initiative		2,000,000		
Math Competency		1,401,700		
Hearing Impaired		796,300		
Higher Ed Fin Aid Amendments		718,000		
Early Literacy Outcomes		540,000		
Regents' Scholarship			\$ 18,092,700	
Education Re-engagement			10,000,000	
Student Financial Aid			3,252,800	
Access Utah Promise Scholarship			2,274,600	
T.H. Bell Scholarship			2,031,800	
New Century Scholarship			1,983,900	
Talent Development Award			1,547,400	
Success Stipend/Promise Grant			1,391,200	
Other Scholarships (<1 million)			1,161,200	
Career & Technical Education			1,100,000	
Adult Learners Grant Program			1,000,000	
Learn and Work in Utah				\$ 5,011,000
Talent Ready Utah (TRU)				4,866,698
Workforce Dev Transition in Tech				300,000
<b>Total FY 2023 Programs</b>	<b>\$ 18,361,966</b>	<b>\$ 26,466,400</b>	<b>\$43,835,600</b>	<b>\$10,177,698</b>



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

July 14, 2022

## Utah State Procurement Policy Board Appointments

Utah Code Part 63G-6a-3 creates a Utah State Procurement Policy Board with up to 15 members, two of which are appointed by the Utah Board of Higher Education. Other members represent the Department of Human Services, Department of Transportation, State Board of Education, Division of Facilities Construction and Management, Utah Association of Counties, Utah League of Cities and Towns, Utah Association of Special Districts, Division of Technology Services, the state's chief procurement officer, and other state agencies.

The policy board oversees the state's procurement rules. Statute requires that board members "be knowledgeable and experienced in, and have supervisory responsibility for, procurement in their official positions."

Glendon Mitchell, Senior Director for Procurement at the University of Utah, served on the policy board from August 2016 through his retirement in June 2022, creating an opening for a new appointment by the Board. Ryan Lindstrom, Director of Procurement at Utah Valley University, has served since 2012.

### **Commissioner's Recommendation**

The Commissioner recommends the Board appoint Zachary Christensen, University of Utah Senior Director for Purchasing, to the Utah State Procurement Policy Board through June 30, 2026, and reappoint Ryan Lindstrom to the policy board through June 30, 2024.



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

July 14, 2022

## Transition of Clock-Hour to Credit-Hour Programs

As part of the strategic plan, the Utah Board of Higher Education (Board) approved the transition of technical education programs from clock-hours to credit hours. In July 2021, the Board passed policy R474 Clock-Hour to Credit-Hour Transition to guide the process. Within the policy, section 4.2 states that each program's transition to credit, including the delivery format, must be approved by the Board. This approval is required by:

- the Council on Occupational Education (COE), the agency that accredits the technical colleges;
- the U.S. Department of Education for financial aid eligible programs

Section 4.3 of the policy states that institutions shall submit applications for approval of the clock-hour to credit-hour conversion by the accrediting body through the Office of the Commissioner following a prescribed schedule. Following approval, the Office of the Commissioner will submit the applications to the COE for approval.

The total cost for the transition is \$25,000. Based on the number of programs offered by each institution, technical colleges will reimburse the system office for this amount.

Because technical colleges offer certificates only, institutions must retain both clock-hours and credit-hours in the student information system. Once the transition of all programs is complete, credit-hours will be used in publications and articulation agreements. Credit will be calculated using a formula provided by the U.S. Department of Education. There will be some flexibility on implementation

### **Commissioner's Recommendation**

The Commissioner recommends approval of the transition of the programs included in the attachment from clock-hours to credit-hours.

### **Attachment**

Programs transitioning from clock-hours to credit.

College	Alias	Program	Clock-hour length	Proposed Credit-Hours	Delivery Method*
Davis	Software Development	Software Development	900	30	H
Dixie	Machining Technology	CNC Machining	900	28	T
Dixie	Digital Media Design	Digital Media Design	900	30	T
Dixie	Medical Assistant	Medical Assisting	900	28	T
Dixie	Strategic Management	Strategic Management	240	8	T
Mountainland	Emergency Medical Technician - Advanced	Advanced Emergency Medical Technician	180	6	T
Southwest	Automated Manufacturing	Automation Technology	630	21	TH
Southwest	Automotive Technology	Automotive Technician	1384	43	TH
Uintah Basin	Advanced Energy Transportation	Advanced Energy Transportation	240	8	H
Uintah Basin	Diesel Technology	Diesel Technician I	600	20	H
Uintah Basin	Diesel Technology	Diesel Technician II	900	30	H
Uintah Basin	Energy Services	Introduction to Pumping	50	1	T

\*Delivery Method

T – Traditional

H - Hybrid



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

July 14, 2022

## **Board Policy R821, *Employee Benefits***

### **Background**

Proposed edits to Board Policy R821, *Employee Benefits* incorporate recent changes to the law that extend bereavement leave to an employee for miscarriage or still birth when either they or their spouse or partner have experienced it, including under a planned adoption or gestational agreement. The edits require institutions to provide for such leave.

In its July meeting, the Executive Committee approved the proposed edits.

### **Commissioner's Recommendation**

The Commissioner recommends that the Board approve the edits to Board Policy R821, *Employee Benefits*.

### **Attachments**

## R821, Employee Benefits<sup>1</sup>

**R821-1 Purpose:** To provide guidelines for employee benefits including vacations, paid holidays, sick leave, [bereavement leave for miscarriage or still birth](#), emergency leave, military leave, jury and witness service, tuition reduction and sabbatical and administrative leave.

### R-821-2 References

- 2.1** [Utah Code § 53B-2-106](#), Duties and Responsibilities of the President
- 2.2** [Utah Code § 39-3-2](#), Government Employees in United States Armed Forces or National Guard
- 2.3** [Utah Code § 53B-1-402\(9\)](#), [Bereavement Leave](#)

### R821-3 Policy

#### 3.1 Vacation Policy

**3.1.1 Standard Vacation Schedule:** All full-time salaried non-exempt personnel on 12-month appointments are entitled to annual vacation benefits between 12 and 22 days based on graduated years of service as determined by institutional policy.

**3.1.2 Maximum Accrual:** Subject to availability of funding, the maximum accrual, pursuant to the standard vacation schedule, of unused vacation time for which payment is due upon termination of employment shall not exceed 30 days plus the current year's accrued vacation time.

**3.1.3 Transferability of Vacation Benefits:** Employees in the System who transfer from one employing unit to another within the System should be deemed to retain their accumulative service credits for the purpose of calculating their accumulating vacation benefits earned while in the new employment situation.

#### 3.2 Paid Holidays

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<sup>1</sup> Adopted July 27, 1977; amended November 22, 1977, November 8, 1991, January 17, 1992, ~~and~~ May 20, 2022, [and XXX](#).

**3.2.1 Standard Holiday Schedule:** All full-time employees are entitled to the following paid holidays:

New Year's Day

Martin Luther King/Human Rights Day

President's Day

Memorial Day

Juneteenth National Freedom Day

Independence Day

Pioneer Day

Labor Day

Thanksgiving Day

Christmas Day

Three additional Days (as declared by the Institutional President)

### **3.2.2 Variations from Standard Holiday Schedule**

**3.2.2.1** A holiday falling on Saturday will be observed the previous Friday.

**3.2.2.2** A holiday falling on Sunday will be observed the following Monday.

**3.2.2.3** Juneteenth National Freedom Day is on June 19 and will be observed that day if it falls on a Monday. If Juneteenth National Freedom Day falls on a Tuesday, Wednesday, Thursday, or Friday, it will be observed the immediately preceding Monday. Notwithstanding subsections 3.2.2.1 and 3.2.2.2, if June 19 falls on a Saturday or Sunday, Juneteenth National Freedom Day will be observed the following Monday.

**3.2.2.4** The institutions will make reasonable efforts to avoid scheduling regular classes on a scheduled holiday, but if classes are so scheduled, the holiday will not be observed by the faculty.

### **3.3 Sick Leave**

**3.3.1** All full-time non-exempt salaried personnel shall accumulate sick leave credits at the rate of one day for each month of continuous service, subject to such limitations on maximum accrual as may be imposed by institutional policy.

**3.3.2.** In exceptional cases after all accrued sick leave and earned vacation have been exhausted, extended sick leave may be authorized by the president pursuant to institutional policy.



**3.3.3.** Each institution shall have a sick leave conversion policy for all employees covered by subsection 3.3.1. Such institutional policy shall include the following features:

**3.3.3.1.** The employee may convert a maximum of four days per year of accrued sick leave to vacation;

**3.3.3.2.** The employee must maintain a minimum level of annual sick leave credits before he or she is allowed to convert excess sick leave above that minimum level to vacation;

**3.3.3.3.** Usage by the employee of more than specified levels of sick leave days in a given year shall limit that employee's conversion of sick leave for that year; and

**3.3.3.4.** Sick leave converted to vacation leave must be included within the maximum accrual of the employee's unused vacation balance for purposes of payment at termination.

**3.4 Bereavement Leave:** An institution shall provide at least three work days of paid bereavement leave for an employee immediately following a miscarriage or still birth if:

**3.4.1** The employee, or the employee's spouse or partner experienced the miscarriage or still birth;

**3.4.2** The employee's former spouse or partner experienced the miscarriage or still birth and the employee would have been the biological parent a child born from the pregnancy;

**3.4.3** The employee provides documentation to show that the individual who experienced the miscarriage or still birth intended the employee to be the adoptive parent of a child born from the pregnancy; or

**3.4.4** The employee would have been a parent of the child born of the pregnancy under a valid gestational agreement.

**3.54 Emergency Leave:** Emergency leave for death in an employee's immediate family may be authorized by institutional policy, but shall not exceed three working days.

**3.65 Military Leave:** Full-time personnel who are members of any reserve branch of the United States Armed Forces are entitled to leaves of absence with full pay for all time not in excess of 15

working days per year spent on duty at annual encampments or other required active duty training. This leave shall be in addition to annual vacation leave with pay.

### **3.76 Jury and Witness Service**

**3.76.1** Employees necessarily absent from work in compliance with an official requirement to appear for jury service or a subpoena to appear as a witness at a trial, deposition, or other official proceeding will continue to receive the equivalent of full pay, provided that the institution will request of the employee, in writing, to return the jury or witness fee.

**3.76.2** This allowance covers only time lost while actually engaged in jury service or attendance as a witness, and in reasonable travel to and from the place of such service.

**3.76.3** This policy does not apply when an individual appears in court on their own behalf.

**3.76.4** Under the laws of the state of Utah, adult citizens of the United States who are able to read, speak, and understand the English language, and who are not incapacitated by physical or mental disability, are eligible and may be called to render jury service. The law specifies that no qualified prospective juror is exempt from jury service, but that the court may excuse an individual from such service, at the discretion of the judge, upon a showing of undue hardship, extreme inconvenience, or public necessity for any period the court deems necessary.

**3.87. Tuition Reduction:** Utah System of Higher Education institutions may provide for reduced tuition and/or fees as an employee benefit for faculty, staff, and emeritus personnel, subject to the limitations prescribed by institutional policy.

**3.98. Sabbatical and Administrative Leave:** Sabbatical and administrative leaves are not employee benefits, but rather are programs for professional development which benefit the entire educational enterprise and are granted by the institutions in consideration thereof. Because of the differences in academic roles of the several institutions, maximum discretion should be allowed to each institution to develop its own sabbatical and administrative leave policy.

## R821, Employee Benefits<sup>1</sup>

**R821-1 Purpose:** To provide guidelines for employee benefits including vacations, paid holidays, sick leave, bereavement leave for miscarriage or still birth, emergency leave, military leave, jury and witness service, tuition reduction and sabbatical and administrative leave.

### R-821-2 References

- 2.1 [Utah Code § 53B-2-106](#), Duties and Responsibilities of the President
- 2.2 [Utah Code § 39-3-2](#), Government Employees in United States Armed Forces or National Guard
- 2.3 [Utah Code § 53B-1-402\(9\)](#), Bereavement Leave

### R821-3 Policy

#### 3.1 Vacation Policy

**3.1.1 Standard Vacation Schedule:** All full-time salaried non-exempt personnel on 12-month appointments are entitled to annual vacation benefits between 12 and 22 days based on graduated years of service as determined by institutional policy.

**3.1.2 Maximum Accrual:** Subject to availability of funding, the maximum accrual, pursuant to the standard vacation schedule, of unused vacation time for which payment is due upon termination of employment shall not exceed 30 days plus the current year's accrued vacation time.

**3.1.3 Transferability of Vacation Benefits:** Employees in the System who transfer from one employing unit to another within the System should be deemed to retain their accumulative service credits for the purpose of calculating their accumulating vacation benefits earned while in the new employment situation.

#### 3.2 Paid Holidays

**3.2.1 Standard Holiday Schedule:** All full-time employees are entitled to the following paid holidays:

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<sup>1</sup> Adopted July 27, 1977; amended November 22, 1977, November 8, 1991, January 17, 1992, May 20, 2022, and XXX.

New Year's Day  
Martin Luther King/Human Rights Day  
President's Day  
Memorial Day  
Juneteenth National Freedom Day  
Independence Day  
Pioneer Day  
Labor Day  
Thanksgiving Day  
Christmas Day  
Three additional Days (as declared by the Institutional President)

### **3.2.2 Variations from Standard Holiday Schedule**

**3.2.2.1** A holiday falling on Saturday will be observed the previous Friday.

**3.2.2.2** A holiday falling on Sunday will be observed the following Monday.

**3.2.2.3** Juneteenth National Freedom Day is on June 19 and will be observed that day if it falls on a Monday. If Juneteenth National Freedom Day falls on a Tuesday, Wednesday, Thursday, or Friday, it will be observed the immediately preceding Monday. Notwithstanding subsections 3.2.2.1 and 3.2.2.2, if June 19 falls on a Saturday or Sunday, Juneteenth National Freedom Day will be observed the following Monday.

**3.2.2.4** The institutions will make reasonable efforts to avoid scheduling regular classes on a scheduled holiday, but if classes are so scheduled, the holiday will not be observed by the faculty.

### **3.3 Sick Leave**

**3.3.1** All full-time non-exempt salaried personnel shall accumulate sick leave credits at the rate of one day for each month of continuous service, subject to such limitations on maximum accrual as may be imposed by institutional policy.

**3.3.2.** In exceptional cases after all accrued sick leave and earned vacation have been exhausted, extended sick leave may be authorized by the president pursuant to institutional policy.

**3.3.3.** Each institution shall have a sick leave conversion policy for all employees covered by subsection 3.3.1. Such institutional policy shall include the following features:

**3.3.3.1.** The employee may convert a maximum of four days per year of accrued sick leave to vacation;

**3.3.3.2.** The employee must maintain a minimum level of annual sick leave credits before he or she is allowed to convert excess sick leave above that minimum level to vacation;

**3.3.3.3.** Usage by the employee of more than specified levels of sick leave days in a given year shall limit that employee's conversion of sick leave for that year; and

**3.3.3.4.** Sick leave converted to vacation leave must be included within the maximum accrual of the employee's unused vacation balance for purposes of payment at termination.

**3.4 Bereavement Leave:** An institution shall provide at least three work days of paid bereavement leave for an employee immediately following a miscarriage or still birth if:

**3.4.1** The employee, or the employee's spouse or partner experienced the miscarriage or still birth;

**3.4.2** The employee's former spouse or partner experienced the miscarriage or still birth and the employee would have been the biological parent a child born from the pregnancy;

**3.4.3** The employee provides documentation to show that the individual who experienced the miscarriage or still birth intended the employee to be the adoptive parent of a child born from the pregnancy; or

**3.4.4** The employee would have been a parent of the child born of the pregnancy under a valid gestational agreement.

**3.5 Emergency Leave:** Emergency leave for death in an employee's immediate family may be authorized by institutional policy, but shall not exceed three working days.

**3.6 Military Leave:** Full-time personnel who are members of any reserve branch of the United States Armed Forces are entitled to leaves of absence with full pay for all time not in excess of 15

working days per year spent on duty at annual encampments or other required active duty training. This leave shall be in addition to annual vacation leave with pay.

### **3.7 Jury and Witness Service**

**3.7.1** Employees necessarily absent from work in compliance with an official requirement to appear for jury service or a subpoena to appear as a witness at a trial, deposition, or other official proceeding will continue to receive the equivalent of full pay, provided that the institution will request of the employee, in writing, to return the jury or witness fee.

**3.7.2** This allowance covers only time lost while actually engaged in jury service or attendance as a witness, and in reasonable travel to and from the place of such service.

**3.7.3** This policy does not apply when an individual appears in court on their own behalf.

**3.7.4** Under the laws of the state of Utah, adult citizens of the United States who are able to read, speak, and understand the English language, and who are not incapacitated by physical or mental disability, are eligible and may be called to render jury service. The law specifies that no qualified prospective juror is exempt from jury service, but that the court may excuse an individual from such service, at the discretion of the judge, upon a showing of undue hardship, extreme inconvenience, or public necessity for any period the court deems necessary.

**3.8 Tuition Reduction:** Utah System of Higher Education institutions may provide for reduced tuition and/or fees as an employee benefit for faculty, staff, and emeritus personnel, subject to the limitations prescribed by institutional policy.

**3.9 Sabbatical and Administrative Leave:** Sabbatical and administrative leaves are not employee benefits, but rather are programs for professional development which benefit the entire educational enterprise and are granted by the institutions in consideration thereof. Because of the differences in academic roles of the several institutions, maximum discretion should be allowed to each institution to develop its own sabbatical and administrative leave policy.



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

July 14, 2022

## **New Board Policies R901, *Talent Ready Connections Program* and R902, *Utah Works Program***

### **Background**

As part of the move of Talent Ready Utah from the Governor's Office of Economic Opportunity to the Utah System of Higher Education and as required by statute, new policies R901, *Talent Ready Connections Program* and R902, *Utah Works Program* propose to adopt existing administrative rules with minor modifications and relocate them under the Utah Board of Higher Education's policies.

R901, *Talent Ready Connections Program* governs grants, funding, and reporting requirements for apprenticeships and work-based learning opportunities under Talent Ready Utah.

R902, *Utah Works Program*, governs application, funding, and reporting requirements for grants designed to promote partnerships between companies and post-secondary institutions.

The proposed policies are formatted slightly different than most Board policies and follow special formatting requirements so that they may also be codified in the Utah Administrative Code.

In its July meeting, the Executive Committee approved the proposed policies.

### **Commissioner's Recommendation**

The Commissioner recommends that the Board approve new Board policies R901, *Talent Ready Connections Program* and R902, *Utah Works Program*.

### **Attachments**

# R901, Talent Ready Connections Program<sup>1</sup>

R901-1 The following rule has been codified as Utah Administrative Code R765-901.

## R-901-2 References

2.1 [Utah Code § 53B-34-107, Apprenticeships and Work-based Learning](#)

2.2 [Utah Administrative Code R765-901](#)

## R901-3 Policy

### R765. Higher Education (Utah Board of).

#### R765-901. Talent Ready Connections Program.

##### R765-901-101. Title.

[This rule is known as the "Talent Ready Connections Program Rule."](#)

##### R765-901-102. Purpose.

[\(1\) Within the Center the Talent Ready Connections Program is created to support a system of youth apprenticeships, pre-apprenticeship, adult apprenticeship, and work-based learning opportunities tailored to the specific workforce needs of high demand industries.](#)

##### R765-901-103. Definitions.

[The following terms are defined:](#)

[\(1\) "Board" means the Utah Board of Higher Education.](#)

[\(2\) "Coordinator" means a full-time employee who has been authorized by the center under Subsection 53B-34-107\(5\).](#)

[\(3\) "Educational Administration" means any institutional administration percentage costs associated with the TRC award.](#)

[\(4\) "Education Partner" means a public high school or institution of higher education that partners with a participating employer and has received a TRC grant.](#)

[\(5\) "High demand Industry" means an industry in which there are hard to fill jobs with a lack of skilled labor employees or a large number of skilled labor positions.](#)

[\(6\) "TRC" means the Talent Ready Connections Program.](#)

[\(7\) "TRC grant" means the competitive grants awarded and administered under Section 53B-34-107 and this rule.](#)

[\(8\) "TRU" means Talent Ready Utah.](#)

##### R765-901-104. Authority.

[This rule is adopted by the office under Section 53B-34-107.](#)

##### R765-901-105. Method for Selecting Education Partners.

[\(1\) Subject to available funds the center will accept proposals for TRC grants on a rolling basis.](#)

[\(2\) Proposals shall be submitted in a form and manner specified by the center.](#)

[\(3\) The center will evaluate grant proposals and recommended grant amounts prior to board review.](#)

##### R765-901-106. Grant Amount, Award, and Required Contract.

[\(1\) The center will have the discretion to limit the maximum amount of funding that may be awarded for each TRC grant.](#)

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<sup>1</sup> Adopted by the Utah Board of Higher Education on XXX; adopted by the Utah Administrative Code on XXX.



(2) Upon award of a TRC grant, and prior to disbursement of any funds, an education partner shall enter into a contract with the Board governing the use of TRC grant funding.

(3) Unless addressed in the terms and conditions of the contract an education partner shall maintain eligibility status for TRC participation until:

- (a) the partnership is complete;
  - (b) scope of work requirements have been met;
  - (c) final disbursement of funding has been made; and
  - (d) reporting requirements have been met.
- (4) Any misrepresentation to the center may result in:

- (a) forfeiture of TRC grant funding;
  - (b) repayment of funding received; and
  - (c) disqualification from continued funding.
- (5) The center reserves the right to audit the use of any TRC grant funding.

(6) TRC grant funding may not be used to provide a primary benefit to a participating employer's operations outside the state.

#### **R765-901-107. Contract Modifications.**

(1) An education partner may request a modification to the terms of a contract.

(2) The center may deny a modification request for any reason.

(3) The center shall have discretion to agree to reasonable, non-substantive changes that may include:

- (a) changes to timelines within the scope of work;
- (b) corrections to clerical errors in the proposal materials; and
- (c) technical changes to conditions that do not alter the budget, participating employer's eligibility status, or violate any state or federal law.

(4) Substantive changes must be approved by the center in consultation with the board.

(5) Approved changes shall be made in writing and through an amendment modifying the terms of the contract.

(6) At the discretion of the center an education partner's refusal or failure to sign the contract within 90 days of receipt of contract may constitute a rejection of the TRC grant and a waiver of any rights and benefits.

#### **R765-901-108. Funding Distribution.**

(1) The center shall reimburse the education partner for no more than the total amount specified in the contract.

(2) Payment will only be made for those costs authorized and approved by the center in accordance with the terms and conditions provided in the contract and as reasonably requested.

(3) Failure to successfully complete the scope of work requirements may result in:

- (a) repayment of the grant funding received;
- (b) termination of the contract; and
- (c) disqualification of continued funding.

#### **R765-901-109. Reporting and Cooperation Requirements.**

(1) The education partner shall report to the center annually and on a regular basis as reasonably requested by the center.

(2) At a minimum, the education partner shall provide documentation of the following:

- (a) the number of participants in the program;
- (b) the number of participants who have completed each phase offered by the program;
- (c) the number of participants who have been hired by a business participating in the program; and
- (d) any additional data as required and outlined in the terms of the contract.

(3) An education partner shall submit to any audit requested to verify reported data including a third-party audit at the request of the center.

#### **R765-901-110. Coordinator Duties and Responsibilities.**

(1) A coordinator shall:

(a) oversee youth apprenticeship program, pre-apprenticeship, and adult apprenticeship expansion for dedicated career and technical education region;

(b) coordinate with potential participating employers;

(c) understand both registered and non-registered apprenticeship efforts in the area;

(d) hold and convene working group meetings for each partnership;

(e) prepare marketing materials for featured programs;

(f) coordinate student outreach efforts between industry and education partners;

- (g) apply for funding opportunities where available;
- (h) learn best practices from other states;
- (i) facilitate memorandum of understanding discussions for local partnerships;
- (j) organize training and marketing events;
- (k) develop strong relationships with education and industry partners; and
- (l) any other duties as determined by the center.
- (2) A coordinator is responsible for the following interactions with the center:
  - (a) monthly calls with TRU program manager;
  - (b) monthly group conversations or training sessions with other TRC coordinators;
  - (c) yearly tracking report due at end of fiscal year;
  - (d) collaboration on program replication and expansion;
  - (e) involving TRU program manager in prospective partnership discussions;
  - (f) shared marketing effort;
  - (g) using established messaging for program and shared marketing material when applicable; and
  - (h) sharing success stories and events with the center.

# R901, Talent Ready Connections Program<sup>1</sup>

**R901-1** The following rule has been codified as Utah Administrative Code R765-901.

## **R-901-2 References**

**2.1** [Utah Code § 53B-34-107](#), Apprenticeships and Work-based Learning

**2.2** [Utah Administrative Code R765-901](#)

## **R901-3 Policy**

### **R765. Higher Education (Utah Board of).**

#### **R765-901. Talent Ready Connections Program.**

##### **R765-901-101. Title.**

This rule is known as the "Talent Ready Connections Program Rule."

##### **R765-901-102. Purpose.**

(1) Within the Center the Talent Ready Connections Program is created to support a system of youth apprenticeships, pre-apprenticeship, adult apprenticeship, and work-based learning opportunities tailored to the specific workforce needs of high demand industries.

##### **R765-901-103. Definitions.**

The following terms are defined:

- (1) "Board" means the Utah Board of Higher Education.
- (2) "Coordinator" means a full-time employee who has been authorized by the center under Subsection 53B-34-107(5).
- (3) "Educational Administration" means any institutional administration percentage costs associated with the TRC award.
- (4) "Education Partner" means a public high school or institution of higher education that partners with a participating employer and has received a TRC grant.
- (5) "High demand Industry" means an industry in which there are hard to fill jobs with a lack of skilled labor employees or a large number of skilled labor positions.
- (6) "TRC" means the Talent Ready Connections Program.
- (7) "TRC grant" means the competitive grants awarded and administered under Section 53B-34-107 and this rule.
- (8) "TRU" means Talent Ready Utah.

##### **R765-901-104. Authority.**

This rule is adopted by the office under Section 53B-34-107.

##### **R765-901-105. Method for Selecting Education Partners.**

- (1) Subject to available funds the center will accept proposals for TRC grants on a rolling basis.
- (2) Proposals shall be submitted in a form and manner specified by the center.
- (3) The center will evaluate grant proposals and recommended grant amounts prior to board review.

##### **R765-901-106. Grant Amount, Award, and Required Contract.**

(1) The center will have the discretion to limit the maximum amount of funding that may be awarded for each TRC grant.

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<sup>1</sup> Adopted by the Utah Board of Higher Education on XXX; adopted by the Utah Administrative Code on XXX.

(2) Upon award of a TRC grant, and prior to disbursement of any funds, an education partner shall enter into a contract with the Board governing the use of TRC grant funding.

(3) Unless addressed in the terms and conditions of the contract an education partner shall maintain eligibility status for TRC participation until:

- (a) the partnership is complete;
- (b) scope of work requirements have been met;
- (c) final disbursement of funding has been made; and
- (d) reporting requirements have been met.

(4) Any misrepresentation to the center may result in:

- (a) forfeiture of TRC grant funding;
- (b) repayment of funding received; and
- (c) disqualification from continued funding.

(5) The center reserves the right to audit the use of any TRC grant funding.

(6) TRC grant funding may not be used to provide a primary benefit to a participating employer's operations outside the state.

#### **R765-901-107. Contract Modifications.**

(1) An education partner may request a modification to the terms of a contract.

(2) The center may deny a modification request for any reason.

(3) The center shall have discretion to agree to reasonable, non-substantive changes that may include:

- (a) changes to timelines within the scope of work;
- (b) corrections to clerical errors in the proposal materials; and
- (c) technical changes to conditions that do not alter the budget, participating employer's eligibility status, or violate any state or federal law.

(4) Substantive changes must be approved by the center in consultation with the board.

(5) Approved changes shall be made in writing and through an amendment modifying the terms of the contract.

(6) At the discretion of the center an education partner's refusal or failure to sign the contract within 90 days of receipt of contract may constitute a rejection of the TRC grant and a waiver of any rights and benefits.

#### **R765-901-108. Funding Distribution.**

(1) The center shall reimburse the education partner for no more than the total amount specified in the contract.

(2) Payment will only be made for those costs authorized and approved by the center in accordance with the terms and conditions provided in the contract and as reasonably requested.

(3) Failure to successfully complete the scope of work requirements may result in:

- (a) repayment of the grant funding received;
- (b) termination of the contract; and
- (c) disqualification of continued funding.

#### **R765-901-109. Reporting and Cooperation Requirements.**

(1) The education partner shall report to the center annually and on a regular basis as reasonably requested by the center.

(2) At a minimum, the education partner shall provide documentation of the following:

- (a) the number of participants in the program;
- (b) the number of participants who have completed each phase offered by the program;
- (c) the number of participants who have been hired by a business participating in the program; and
- (d) any additional data as required and outlined in the terms of the contract.

(3) An education partner shall submit to any audit requested to verify reported data including a third-party audit at the request of the center.

#### **R765-901-110. Coordinator Duties and Responsibilities.**

(1) A coordinator shall:

(a) oversee youth apprenticeship program, pre-apprenticeship, and adult apprenticeship expansion for dedicated career and technical education region;

(b) coordinate with potential participating employers;

(c) understand both registered and non-registered apprenticeship efforts in the area;

(d) hold and convene working group meetings for each partnership;

(e) prepare marketing materials for featured programs;

(f) coordinate student outreach efforts between industry and education partners;

- (g) apply for funding opportunities where available;
  - (h) learn best practices from other states;
  - (i) facilitate memorandum of understanding discussions for local partnerships;
  - (j) organize training and marketing events;
  - (k) develop strong relationships with education and industry partners; and
  - (l) any other duties as determined by the center.
- (2) A coordinator is responsible for the following interactions with the center:
- (a) monthly calls with TRU program manager;
  - (b) monthly group conversations or training sessions with other TRC coordinators;
  - (c) yearly tracking report due at end of fiscal year;
  - (d) collaboration on program replication and expansion;
  - (e) involving TRU program manager in prospective partnership discussions;
  - (f) shared marketing effort;
  - (g) using established messaging for program and shared marketing material when applicable; and
  - (h) sharing success stories and events with the center.

# R902, Utah Works Program<sup>1</sup>

R902-1 The following rule has been codified as Utah Administrative Code R765-902.

## R-902-2 References

2.1 Utah Code § 53B-34-108, Utah Works Program

2.2 Utah Administrative Code R765-902

## R902-3 Policy

### R765. Higher Education (Utah Board of).

#### R765-902. Utah Works Program.

##### R765-902-101. Title.

This rule is known as the "Utah Works Program Rule."

##### R765-902-102. Purpose and Goals.

(1) The Talent Ready Utah Center's Utah Works Program promotes partnerships between companies and post-secondary institutions to fill high demand positions and provide skills training. This program teams industry, post-secondary institutions, and state agencies to address specific workforce gaps identified by companies.

(2) The goal of UWP is to accelerate hiring and skills training that will lead to economic growth.

##### R765-902-103. Definitions.

The following terms are defined:

(1) "Applicant" means a collaboration between one or more companies and one or more post-secondary institutions for a particular hiring program.

(2) "Awardee" means an applicant that has been awarded a UWP grant.

(3) "Board" means the Utah Board of Higher Education.

(4) "Collaboration" means the strategic coordination between a company and post-secondary institution to address a skilled labor gap.

(5) "Company" means a corporation, limited liability company, partnership, association, or other business entity and may include a federal military installation when such entity otherwise meets UWP eligibility requirements and does not include an individual, sole proprietorship, or educational institution.

(6) "Company representative" means a representative from a company that is designated to support the efforts of the collaboration.

(7) "High demand position" means a position in which there are hard to fill jobs with a lack of skilled labor employees or a large number of skilled labor positions needed in a short amount of time.

(8) "Pre-hire program" means an applicant's plan to vet potential hires prior to the skills training. The pre-hire program will typically consist of a training lasting from two days to two weeks.

(9) "Post-secondary institution" means an entity under the Utah System of Higher Education.

(10) "Skilled labor" means jobs that require skills training and a level of skill.

(11) "Skilled labor gap" means the disparity between a company's existing or future skill needs.

(12) "Skills training program" means a training plan developed and agreed upon between the post-secondary institution and a company.

(13) "TRU" means the Talent Ready Utah Center.

(14) "UWP" means the Utah Works Program.

(15) "UWP grant" means the competitive grants awarded and administered under this Rule.

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<sup>1</sup> Adopted by the Utah Board of Higher Education on XXX; codified by the Utah Administrative Code on XXX.

#### **R765-902-104. Authority.**

This rule is adopted by the office under the authority of Section 53B-34-108.

#### **R765-902-105. Eligibility Criteria.**

- (1) Proposal must be jointly developed by a company and a post-secondary institution.
- (2) Applicants must submit proposals as outlined in Section R765-902-106, and otherwise specified in TRU.
- (3) A company representative must certify that:
  - (a) the company has a skilled labor gap;
  - (b) the proposed post-secondary institution partnership will meet that gap need;
  - (c) the company has significant one time or ongoing hiring demands; and
  - (d) the company commits to provide a cost-share contribution as outlined in Subsection R765-902-105(5).
- (4) The company must have a substantial presence in Utah.
  - (a) A substantial presence, for purposes of UWP requires:
    - (i) the company must be properly registered with the Utah Division of Corporations as an active, for-profit business entity, in good standing; and
    - (ii) the company must be properly licensed in the appropriate city or county.
  - (b) TRU shall, according to its judgment and discretion, determine whether a company has a substantial presence for purposes of a UWP grant by weighing:
    - (i) likelihood that the company will maintain a significant presence in the state;
    - (ii) a commitment of capital expenditure and new job creation in the state; and
    - (iii) the degree to which the company's operations positively impact the state's workforce.
- (5) The company must fulfill the following cost-sharing requirements:
  - (a) provide a company representative to support the collaboration;
  - (b) provide an "in-kind" contribution, approved by TRU, which may include:
    - (i) company representative's time spent on the collaboration;
    - (ii) materials and equipment;
    - (iii) work or research space;
    - (iv) travel and other company expenses budgeted for the collaboration; or
    - (v) other contributions approved by TRU; and
  - (c) make available for audit reported cost-share activities.
- (6) Applicants may coordinate with the Department of Workforce Services when building pre-hire program objectives.

#### **R765-902-106. Proposal and Submission Process.**

- (1) TRU will accept proposals for UWP grants on an ongoing basis subject to available funds.
- (2) Applicants shall submit proposals in a form and manner specified by TRU.
- (3) The proposal must include:
  - (a) a description of the applicant's eligibility;
  - (b) a detailed description of pre-hire program, if applicable, and skills training program;
  - (c) description of skilled labor positions;
  - (d) projected number of individuals who will start the program, finish the program and be successfully hired;
  - (e) an executed collaboration agreement between the company and post-secondary institution; and
  - (f) an outlined budget for total program cost, including:
    - (i) a description of any funds already secured for activities related to the program;
    - (ii) breakdown of costs to complete the scope of work;
    - (iii) an itemized budget detailing planned use of grant funds, including how the funding will be allocated, tracked, and reported; and
    - (iv) awardee must use grant funds for expenses specific to the program and may include:
      - (A) instructors;
      - (B) marketing;
      - (C) equipment;
      - (D) equipment maintenance;
      - (E) tuition reimbursements;
      - (F) curriculum and program development;
      - (G) program management;
      - (H) US security clearances; and
      - (I) travel for training from rural areas as approved by TRU.
- (4) Completed proposals will be reviewed and awardees selected via the criteria and method outlined in this Rule.



### **R765-902-107. Method for Selecting Awardees.**

- (1) TRU will evaluate grant proposals and recommend grant amounts.
- (2) TRU will, according to its discretion and judgment, review the applicant's proposal by considering:
  - (a) statewide or regional importance of the industry to Utah's economy;
  - (b) relative size of the sector, its stability, and growth potential;
  - (c) characteristics of the state's workforce including education and training;
  - (d) the current availability of other sources of funding;
  - (e) the potential for the industry to develop new jobs and business opportunities in the state;
  - (f) likelihood that skilled labor in this sector will result in the creation of a company in Utah or growth of existing Utah company;
  - (g) number of positions to be trained and filled;
  - (h) impact on the local economy; and
  - (i) any other factor TRU deems relevant, considering the mission of UWP and the purpose of the UWP grant.
- (3) The criteria will be designed to assess each proposal and may include:
  - (a) completeness of proposal;
  - (b) thorough pre-hire program and skills training program;
  - (c) reasonableness of proposal;
  - (d) reasonableness of the proposed timeline;
  - (e) reasonableness of the proposed budget;
  - (f) availability of UWP grant funds;
  - (g) potential for economic impact, as measured by:
    - (i) skilled labor gap mitigation;
    - (ii) meeting target head count;
    - (iii) potential revenue due to expansion of current business or development of new businesses;
    - (iv) projected time to fill job needs;
    - (v) market need or industry impact;
    - (h) any other factor of the applicant's ability to produce measurable and timely benefits to the state; and
    - (i) any factor relating to eligibility requirements.
- (4) UWP grants must be used to mitigate gaps and meet company hiring demands. The program proposals referenced in Section R765-902-106 must identify specific pre-hire program and skills training.
- (5) In the event of a favorable recommendation by TRU the proposal will be reviewed by the Talent, Education, and Industry Alignment Subcommittee using the same criteria.
- (6) An applicant will become an awardee only upon approval by TRU and the Talent, Education, and Industry Alignment Subcommittee.

### **R765-902-108. Grant Amount, Award, and Required Contract.**

- (1) TRU will have the discretion to limit the maximum amount of funding that may be awarded for each UWP grant based on available funds, scope of the collaboration, and quality of proposal.
- (2) TRU reserves the right to award funding for any proposal in full or in part, to request additional information, or to reject any proposals based on the eligibility and evaluation criteria set forth in these Rules, Utah law, and according to the judgment and discretion of TRU. TRU also reserves the right to certify any agreements between post-secondary institution and company on IP terms and confidentiality.
- (3) Upon award of a UWP grant, and prior to disbursement of any funds, awardee must enter into a contract with the Board governing the use of UWP grant funding.
- (4) Unless addressed in the terms and conditions of the contract between awardee and the Board the following provisions shall apply:
  - (a) UWP grant funding may not be used to provide a primary benefit to any state other than Utah;
  - (b) Subject to TRU approval, TRU may, via supplemental contract, allocate grant funds directly to an awardee company to pay for the cost of US security clearances for UWP grant program hires where a US security clearance is required as a condition of the position; and
  - (c) for any other eligibility requirements, awardees must maintain eligibility status for UWP program until the collaboration is complete, scope of work requirements have been met, final disbursement of funding has been made, and first year reporting has been completed.
- (5) Any misrepresentation to TRU or violations of this Rule may result in forfeiture of UWP grant funding and require repayment of the funding received as part of UWP grant or disqualification from continued funding.
- (6) TRU reserves the right to audit the use of any UWP grant funding.



**R765-902-109. Contract Modifications.**

- (1) Awardee may request a modification to the terms of a UWP contract.
- (2) TRU may deny a modification request for any reason.
- (3) TRU shall have discretion to agree to reasonable, nonsubstantive changes which may include:
  - (a) changes to timelines within the scope of work;
  - (b) corrections to clerical errors in the proposal materials; and
  - (c) technical changes to conditions that do not alter the budget, company's eligibility status, or violate any state or federal law.
- (4) Substantive changes must be approved by TRU in consultation with the Talent, Education, and Industry Alignment subcommittee.
- (5) Approved changes shall be made in writing and through an amendment modifying the terms of the grant contract.
- (6) Awardees refusal or failure to sign the contract within 90 days of receipt of contract constitutes a rejection of the UWP grant and a waiver of any rights and benefits.

**R765-902-110. Funding Distribution.**

- (1) TRU shall reimburse the awardee for no more than the total amount specified in the contract.
- (2) Payment will only be made for those costs authorized and approved by TRU after providing sufficient documentation in accordance with the terms and conditions provided in the contract.
- (3) After execution of the contract between the Board and awardee:
  - (a) awardee may receive up to 50% of the total grant amount, subject to TRU approval; and
  - (b) remaining funds to be disbursed on a reimbursement basis, as outlined in scope of work and after company provides sufficient evidence of initial expenditures.
- (4) Failure to successfully complete the scope of work requirements may result in a recapture of any of the grant funding and will be grounds to terminate the contract and any future funding.

**R765-902-111. Reporting and Cooperation Requirements.**

- (1) The awardee shall report to TRU and provide documentation evidencing metrics for inclusion in the annual report described in Section 53B-34-108(5):
  - (a) the number of participants in the program;
  - (b) the number of participants who have completed training offered by the program;
  - (c) the number of participants who have been hired by a business participating in the program; and
  - (d) any additional data needed as required and outlined in the terms of the contract.
- (2) Awardee shall submit to any audit, by TRU or a third-party, to verify reported data.

# R902, Utah Works Program<sup>1</sup>

**R902-1** The following rule has been codified as Utah Administrative Code R765-902.

## **R-902-2 References**

**2.1** [Utah Code § 53B-34-108](#), Utah Works Program

**2.2** [Utah Administrative Code R765-902](#)

## **R902-3 Policy**

### **R765. Higher Education (Utah Board of).**

#### **R765-902. Utah Works Program.**

##### **R765-902-101. Title.**

This rule is known as the "Utah Works Program Rule."

##### **R765-902-102. Purpose and Goals.**

(1) The Talent Ready Utah Center's Utah Works Program promotes partnerships between companies and post-secondary institutions to fill high demand positions and provide skills training. This program teams industry, post-secondary institutions, and state agencies to address specific workforce gaps identified by companies.

(2) The goal of UWP is to accelerate hiring and skills training that will lead to economic growth.

##### **R765-902-103. Definitions.**

The following terms are defined:

(1) "Applicant" means a collaboration between one or more companies and one or more post-secondary institutions for a particular hiring program.

(2) "Awardee" means an applicant that has been awarded a UWP grant.

(3) "Board" means the Utah Board of Higher Education.

(4) "Collaboration" means the strategic coordination between a company and post-secondary institution to address a skilled labor gap.

(5) "Company" means a corporation, limited liability company, partnership, association, or other business entity and may include a federal military installation when such entity otherwise meets UWP eligibility requirements and does not include an individual, sole proprietorship, or educational institution.

(6) "Company representative" means a representative from a company that is designated to support the efforts of the collaboration.

(7) "High demand position" means a position in which there are hard to fill jobs with a lack of skilled labor employees or a large number of skilled labor positions needed in a short amount of time.

(8) "Pre-hire program" means an applicant's plan to vet potential hires prior to the skills training. The pre-hire program will typically consist of a training lasting from two days to two weeks.

(9) "Post-secondary institution" means an entity under the Utah System of Higher Education.

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(12) "Skills training program" means a training plan developed and agreed upon between the post-secondary institution and a company.

(13) "TRU" means the Talent Ready Utah Center.

(14) "UWP" means the Utah Works Program.

(15) "UWP grant" means the competitive grants awarded and administered under this Rule.

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<sup>1</sup> Adopted by the Utah Board of Higher Education on XXX; codified by the Utah Administrative Code on XXX.

**R765-902-104. Authority.**

This rule is adopted by the office under the authority of Section 53B-34-108.

**R765-902-105. Eligibility Criteria.**

- (1) Proposal must be jointly developed by a company and a post-secondary institution.
- (2) Applicants must submit proposals as outlined in Section R765-902-106, and otherwise specified in TRU.
- (3) A company representative must certify that:
  - (a) the company has a skilled labor gap;
  - (b) the proposed post-secondary institution partnership will meet that gap need;
  - (c) the company has significant one time or ongoing hiring demands; and
  - (d) the company commits to provide a cost-share contribution as outlined in Subsection R765-902-105(5).
- (4) The company must have a substantial presence in Utah.
  - (a) A substantial presence, for purposes of UWP requires:
    - (i) the company must be properly registered with the Utah Division of Corporations as an active, for-profit business entity, in good standing; and
    - (ii) the company must be properly licensed in the appropriate city or county.
  - (b) TRU shall, according to its judgment and discretion, determine whether a company has a substantial presence for purposes of a UWP grant by weighing:
    - (i) likelihood that the company will maintain a significant presence in the state;
    - (ii) a commitment of capital expenditure and new job creation in the state; and
    - (iii) the degree to which the company's operations positively impact the state's workforce.
- (5) The company must fulfill the following cost-sharing requirements:
  - (a) provide a company representative to support the collaboration;
  - (b) provide an "in-kind" contribution, approved by TRU, which may include:
    - (i) company representative's time spent on the collaboration;
    - (ii) materials and equipment;
    - (iii) work or research space;
    - (iv) travel and other company expenses budgeted for the collaboration; or
    - (v) other contributions approved by TRU; and
  - (c) make available for audit reported cost-share activities.
- (6) Applicants may coordinate with the Department of Workforce Services when building pre-hire program objectives.

**R765-902-106. Proposal and Submission Process.**

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    - (iv) awardee must use grant funds for expenses specific to the program and may include:
      - (A) instructors;
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  - (b) relative size of the sector, its stability, and growth potential;
  - (c) characteristics of the state's workforce including education and training;
  - (d) the current availability of other sources of funding;
  - (e) the potential for the industry to develop new jobs and business opportunities in the state;
  - (f) likelihood that skilled labor in this sector will result in the creation of a company in Utah or growth of existing Utah company;

Utah company;

- (g) number of positions to be trained and filled;
- (h) impact on the local economy; and
- (i) any other factor TRU deems relevant, considering the mission of UWP and the purpose of the UWP grant.

(3) The criteria will be designed to assess each proposal and may include:

- (a) completeness of proposal;
- (b) thorough pre-hire program and skills training program;
- (c) reasonableness of proposal;
- (d) reasonableness of the proposed timeline;
- (e) reasonableness of the proposed budget;
- (f) availability of UWP grant funds;
- (g) potential for economic impact, as measured by:
  - (i) skilled labor gap mitigation;
  - (ii) meeting target head count;
  - (iii) potential revenue due to expansion of current business or development of new businesses;
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  - (v) market need or industry impact;
  - (h) any other factor of the applicant's ability to produce measurable and timely benefits to the state; and
  - (i) any factor relating to eligibility requirements.

(4) UWP grants must be used to mitigate gaps and meet company hiring demands. The program proposals referenced in Section R765-902-106 must identify specific pre-hire program and skills training.

(5) In the event of a favorable recommendation by TRU the proposal will be reviewed by the Talent, Education, and Industry Alignment Subcommittee using the same criteria.

(6) An applicant will become an awardee only upon approval by TRU and the Talent, Education, and Industry Alignment Subcommittee.

**R765-902-108. Grant Amount, Award, and Required Contract.**

(1) TRU will have the discretion to limit the maximum amount of funding that may be awarded for each UWP grant based on available funds, scope of the collaboration, and quality of proposal.

(2) TRU reserves the right to award funding for any proposal in full or in part, to request additional information, or to reject any proposals based on the eligibility and evaluation criteria set forth in these Rules, Utah law, and according to the judgment and discretion of TRU. TRU also reserves the right to certify any agreements between post-secondary institution and company on IP terms and confidentiality.

(3) Upon award of a UWP grant, and prior to disbursement of any funds, awardee must enter into a contract with the Board governing the use of UWP grant funding.

(4) Unless addressed in the terms and conditions of the contract between awardee and the Board the following provisions shall apply:

(a) UWP grant funding may not be used to provide a primary benefit to any state other than Utah;

(b) Subject to TRU approval, TRU may, via supplemental contract, allocate grant funds directly to an awardee company to pay for the cost of US security clearances for UWP grant program hires where a US security clearance is required as a condition of the position; and

(c) for any other eligibility requirements, awardees must maintain eligibility status for UWP program until the collaboration is complete, scope of work requirements have been met, final disbursement of funding has been made, and first year reporting has been completed.

(5) Any misrepresentation to TRU or violations of this Rule may result in forfeiture of UWP grant funding and require repayment of the funding received as part of UWP grant or disqualification from continued funding.

(6) TRU reserves the right to audit the use of any UWP grant funding.

**R765-902-109. Contract Modifications.**

- (1) Awardee may request a modification to the terms of a UWP contract.
- (2) TRU may deny a modification request for any reason.
- (3) TRU shall have discretion to agree to reasonable, nonsubstantive changes which may include:
  - (a) changes to timelines within the scope of work;
  - (b) corrections to clerical errors in the proposal materials; and
  - (c) technical changes to conditions that do not alter the budget, company's eligibility status, or violate any state or federal law.
- (4) Substantive changes must be approved by TRU in consultation with the Talent, Education, and Industry Alignment subcommittee.
- (5) Approved changes shall be made in writing and through an amendment modifying the terms of the grant contract.
- (6) Awardees refusal or failure to sign the contract within 90 days of receipt of contract constitutes a rejection of the UWP grant and a waiver of any rights and benefits.

**R765-902-110. Funding Distribution.**

- (1) TRU shall reimburse the awardee for no more than the total amount specified in the contract.
- (2) Payment will only be made for those costs authorized and approved by TRU after providing sufficient documentation in accordance with the terms and conditions provided in the contract.
- (3) After execution of the contract between the Board and awardee:
  - (a) awardee may receive up to 50% of the total grant amount, subject to TRU approval; and
  - (b) remaining funds to be disbursed on a reimbursement basis, as outlined in scope of work and after company provides sufficient evidence of initial expenditures.
- (4) Failure to successfully complete the scope of work requirements may result in a recapture of any of the grant funding and will be grounds to terminate the contract and any future funding.

**R765-902-111. Reporting and Cooperation Requirements.**

- (1) The awardee shall report to TRU and provide documentation evidencing metrics for inclusion in the annual report described in Section 53B-34-108(5):
  - (a) the number of participants in the program;
  - (b) the number of participants who have completed training offered by the program;
  - (c) the number of participants who have been hired by a business participating in the program; and
  - (d) any additional data needed as required and outlined in the terms of the contract.
- (2) Awardee shall submit to any audit, by TRU or a third-party, to verify reported data.



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

July 14, 2022

## **New Board Policy R1001, *Utah Data Research Center***

### **Background**

As part of the move of the Utah Data Research Center ("UDRC") from the Utah Department of Workforce Services to the Utah System of Higher Education and as required by statute, new Board Policy R1001, *Utah Data Research Center* proposes to adopt an existing administrative rule with minor modifications and relocate it under the Utah Board of Higher Education's policies.

R1001, *Utah Data Research Center* governs data research requests made to UDRC.

The proposed policy is formatted slightly different than most Board policies and follows special formatting requirements so that it might also be codified in the Utah Administrative Code.

In its July meeting, the Executive Committee approved the proposed policy.

### **Commissioner's Recommendation**

The Commissioner recommends that the Board approve new Board Policy R1001, *Utah Data Research Center*.

### **Attachments**

# R1001, Utah Data Research Center<sup>1</sup>

R1001-1 The following rule has been codified as Utah Administrative Code R765-1001.

## R-1001-2 References

2.1 Utah Code Title 53B, Chapter 33, Utah Data Research Center

2.2 Utah Administrative Code R765-1001

## R1001-3 Policy

### R765. Higher Education (Board of).

#### R765-1001. Utah Data Research Center.

##### R765-1001-101. Background; Definitions.

(1) The rules in this chapter govern data research requests made to the Utah Data Research Center established pursuant to Utah Code Section 53B-33-101 et seq.

(2) Terms used in these rules that are defined in Section 53B-33-101 et seq. have the same definitions as stated in those statutes.

(3) In addition, the following definitions apply:

(a) "Primary requester" means one of the following, as set forth in Subsection 53B-33-302(3)(a):

(i) A legislative committee or a legislative staff office;

(ii) The governor or an executive branch agency;

(iii) The State Board of Education; or

(iv) The State Board of Higher Education.

(b) "Ancillary requester" means one of the following, as set forth in Section 53B-33-302:

(i) A state government entity that is not a primary requester;

(ii) A political subdivision of the state;

(iii) A private entity; or

(iv) A member of the public.

(c) "Requester" means a person making a data research request.

##### R765-1001-102. Data Research Request Procedures.

(1) Data research requests shall be submitted via an electronic form available on the center's website.

(2) Each data research request must include the information set forth in Section R765-1001-104. If the requester fails to include that information:

(a) In the case of a primary requester, the center shall seek the necessary additional information and clarification from the requester, and may decline to act on the request until the necessary additional information and clarification is received;

(b) In the case of an ancillary requester, the center may:

(i) Seek the necessary additional information and clarification from the requester, and may decline to act on the request until the necessary additional information and clarification is received; or

(ii) Deny the request and provide to the requester the reason(s) for the denial of the request.

(3)(a) If the center accepts a data research request from an ancillary requester, the center shall submit to the ancillary requester a payment agreement setting forth at least the following:

(i) The reasonable estimated cost of completing the data research request; and

<sup>1</sup> Adopted by the Utah Board of Higher Education on XXX; codified by the Utah Administrative Code on XXX.



(i) The obligation of the ancillary requester to pay the full cost of completing the data research request, even if the full cost differs from the reasonable estimated cost.

(b) The ancillary requester shall execute the payment agreement and return it to the center. If the ancillary requester fails or refuses to execute and return the payment agreement, the center may decline the data research request.

**R765-1001-103. Criteria for Priority of Data Research Requests.**

(1) The director, in consultation with the Board of Higher Education, shall use the following criteria to determine the priority of the data research requests the center receives:

(a) The type of requester;

(b) The potential of the requester's research to lead to meaningful policy changes or other meaningful impacts for members of the general public; and

(c) The availability of the data being requested.

(2) The director, in consultation with the Board, shall evaluate the criteria described in Subsection (1) and assign a numerical score for each data research request. The data research request with the highest score shall be given the highest priority. Remaining data research requests are sorted in order thereafter.

(3) The director, in consultation with the Board, may, in their discretion, deviate from the criteria described in Subsection (1) if the requester makes a showing of a compelling public interest sufficient to justify deviating from the criteria.

**R765-1001-104. Information Required for Data Research Requests.**

(1) The following information shall be included in every data research request:

(a) The name of the requester;

(b) The agency or organization with which the requester is affiliated, if any;

(c) The requester's thesis, together with the research question(s) the requester is seeking to answer, described in sufficient detail to allow the center to properly evaluate the request;

(d) A specific description of the data the requester is seeking, including the date range(s) and the variable(s) being studied; and

(e) Any applicable timeframes or deadlines by which the requester seeks to obtain the data being requested.

(2) The center may request other information in addition to the information listed in Subsection (1).



# R1001, Utah Data Research Center<sup>1</sup>

**R1001-1** The following rule has been codified as Utah Administrative Code R765-1001.

## **R-1001-2 References**

**2.1** [Utah Code Title 53B, Chapter 33](#), Utah Data Research Center

**2.2** [Utah Administrative Code R765-1001](#)

## **R1001-3 Policy**

### **R765. Higher Education (Board of).**

#### **R765-1001. Utah Data Research Center.**

##### **R765-1001-101. Background; Definitions.**

(1) The rules in this chapter govern data research requests made to the Utah Data Research Center established pursuant to Utah Code Section 53B-33-101 et seq.

(2) Terms used in these rules that are defined in Section 53B-33-101 et seq. have the same definitions as stated in those statutes.

(3) In addition, the following definitions apply:

(a) "Primary requester" means one of the following, as set forth in Subsection 53B-33-302(3)(a):

(i) A legislative committee or a legislative staff office;

(ii) The governor or an executive branch agency;

(iii) The State Board of Education; or

(iv) The State Board of Higher Education.

(b) "Ancillary requester" means one of the following, as set forth in Section 53B-33-302:

(i) A state government entity that is not a primary requester;

(ii) A political subdivision of the state;

(iii) A private entity; or

(iv) A member of the public.

(c) "Requester" means a person making a data research request.

##### **R765-1001-102. Data Research Request Procedures.**

(1) Data research requests shall be submitted via an electronic form available on the center's website.

(2) Each data research request must include the information set forth in Section R765-1001-104. If the requester fails to include that information:

(a) In the case of a primary requester, the center shall seek the necessary additional information and clarification from the requester, and may decline to act on the request until the necessary additional information and clarification is received;

(b) In the case of an ancillary requester, the center may:

(i) Seek the necessary additional information and clarification from the requester, and may decline to act on the request until the necessary additional information and clarification is received; or

(ii) Deny the request and provide to the requester the reason(s) for the denial of the request.

(3)(a) If the center accepts a data research request from an ancillary requester, the center shall submit to the ancillary requester a payment agreement setting forth at least the following:

(i) The reasonable estimated cost of completing the data research request; and

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<sup>1</sup> Adopted by the Utah Board of Higher Education on XXX; codified by the Utah Administrative Code on XXX.

(i) The obligation of the ancillary requester to pay the full cost of completing the data research request, even if the full cost differs from the reasonable estimated cost.

(b) The ancillary requester shall execute the payment agreement and return it to the center. If the ancillary requester fails or refuses to execute and return the payment agreement, the center may decline the data research request.

**R765-1001-103. Criteria for Priority of Data Research Requests.**

(1) The director, in consultation with the Board of Higher Education, shall use the following criteria to determine the priority of the data research requests the center receives:

(a) The type of requester;

(b) The potential of the requester's research to lead to meaningful policy changes or other meaningful impacts for members of the general public; and

(c) The availability of the data being requested.

(2) The director, in consultation with the Board, shall evaluate the criteria described in Subsection (1) and assign a numerical score for each data research request. The data research request with the highest score shall be given the highest priority. Remaining data research requests are sorted in order thereafter.

(3) The director, in consultation with the Board, may, in their discretion, deviate from the criteria described in Subsection (1) if the requester makes a showing of a compelling public interest sufficient to justify deviating from the criteria.

**R765-1001-104. Information Required for Data Research Requests.**

(1) The following information shall be included in every data research request:

(a) The name of the requester;

(b) The agency or organization with which the requester is affiliated, if any;

(c) The requester's thesis, together with the research question(s) the requester is seeking to answer, described in sufficient detail to allow the center to properly evaluate the request;

(d) A specific description of the data the requester is seeking, including the date range(s) and the variable(s) being studied; and

(e) Any applicable timeframes or deadlines by which the requester seeks to obtain the data being requested.

(2) The center may request other information in addition to the information listed in Subsection (1).



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

July 14, 2022

## Executive Committee Action on University of Utah and Utah State University Capital Facilities

Board Policy R120 allows the Executive Committee to conduct business requiring the Board's action during the interim period between Board meetings. At the request of the institutions, and on account of timing considerations, the Executive Committee reviewed and acted on capital facility projects for the University of Utah and Utah State University on June 1, 2022.

### University of Utah Housing Sublease Agreement

Board Policy R705, *Lease Space*, requires the Board to approve institutional leases with costs that exceed \$500,000 per year for the University of Utah or \$250,000 per year for all other USHE institutions.

The Executive Committee approved the University of Utah's request to enter into a sublease agreement with Westminster College for use of The Draw, a 162-bed apartment building located at 2100 South and 1300 East in Salt Lake City. Upon this approval, the University executed an initial 5-year agreement starting July 1, 2022.

### Utah State University Disposal of Real Property

Board Policy 740, *Disposal of Real Property*, requires the Board to approve the disposal of institutional property valued at greater than \$1 million. Utah State University requested the Board's approval to sell a Bedford, Massachusetts property for a negotiated price of \$1.55 million during the May 2022 Board meeting. The appraisal commissioned by the buyer showed a value of \$1.23 million while the appraisal commissioned by USU showed a value of \$1.65 million. Just prior to the Board meeting, a new offer of \$1.7 million was submitted by another party. The Board postponed approval pending additional information.

With the initial \$1.55 million sale agreement set to close on June 9, USU requested direction in the June 1 Executive Committee meeting. The Executive Committee passed a motion directing the school to seek an updated agreement with the initial buyer for a \$1.7 million price or to move on to the other party's offer.

After the Executive Committee met, the initial buyer agreed to a sales price of \$1.7 million and the transaction is expected to close on July 15, 2022.