

**Higher Education Institutional Governance**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Chris H. Wilson**

House Sponsor: Karen M. Peterson

**LONG TITLE****General Description:**

This bill addresses roles and responsibilities of a higher education institution's board of trustees and president.

**Highlighted Provisions:**

This bill:

- ▶ consolidates and reorganizes general duties of boards of trustees for institutions of higher education;
- ▶ establishes certain aspects of the relationship between an institution's board of trustees and the institution's president, including:
  - organizational governance;
  - roles and responsibilities in the budgeting process;
  - faculty and personnel issues; and
  - presidential performance evaluation;
- ▶ establishes the authority of the board of trustees over internal audits of an institution;
- ▶ enacts provisions regarding a president's authority in relation to administrative roles, cabinet members, and the institution's general counsel;
- ▶ enacts provisions regarding the duties of an institution's legal counsel, including requiring the Board of Higher Education to make rules regarding the scope of the role of an institution's legal counsel;
- ▶ amends the membership of a technical college board of trustees with a service region containing a certain number of school districts;
- ▶ requires reporting of certain institutional compensation information; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

31 **Utah Code Sections Affected:**

## 32 AMENDS:

33 **53H-1-210**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
 34 Chapter 8

35 **53H-3-201**, as enacted by Laws of Utah 2025, First Special Session, Chapter 8

36 **53H-3-205**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
 37 Chapter 8

38 **53H-3-303**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
 39 Chapter 8

40 **53H-3-405**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
 41 Chapter 8

42 **53H-3-603**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
 43 Chapter 8

44 **53H-8-202**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
 45 Chapter 8

46 **53H-9-603**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
 47 Chapter 8

48 **63I-5-102**, as last amended by Laws of Utah 2023, Chapter 16

49 **63I-5-201**, as last amended by Laws of Utah 2022, Chapters 169, 447

## 50 REPEALS AND REENACTS:

51 **53H-3-202**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
 52 Chapter 8

53 **53H-3-204**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
 54 Chapter 8

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56 *Be it enacted by the Legislature of the state of Utah:*

57 Section 1. Section **53H-1-210** is amended to read:

58 **53H-1-210 . Utah Board of Higher Education successor to rights and duties.**

59 (1) The [board] Utah Board of Higher Education is the successor to and is vested with all  
 60 rights, duties, obligations, and liabilities to which [its] the Utah Board of Higher  
 61 Education's predecessor governing boards, the Utah System of Technical Colleges  
 62 Board of Trustees, and the Coordinating Council of Higher Education were subject,  
 63 except as otherwise provided by law.

64 (2) For the Utah System of Technical Colleges Board of Trustees, the [board] Utah Board of

65 Higher Education:

66 (a) is vested with all rights, titles, privileges, powers, obligations, liabilities, immunities,  
67 franchises, endowments, assets, property, and claims;

68 (b) shall fulfill and perform all obligations, including obligations relating to outstanding  
69 bonds and notes; and

70 (c) may continue an administrative rule.

71 Section 2. Section **53H-3-201** is amended to read:

72 **53H-3-201 . General provisions -- Definitions -- General powers and duties.**

73 [~~Reserved.~~]

74 (1) To assist the Utah Board of Higher Education fulfill the board's statutory duty to  
75 control, oversee, and regulate the Utah System of Higher Education under Subsection  
76 53H-1-203(1)(a)(ii), each board of trustees shall act in alignment with the board and  
77 through the following powers and duties:

78 (a) act on behalf of the institution in performing fiduciary and other duties,  
79 responsibilities, and functions that either statute or the board authorizes;

80 (b) facilitate communication between the institution and the community;

81 (c) in consultation with stakeholders in the institution's region, prepare, approve, and  
82 monitor progress on a strategic plan for the institution that aligns with:

83 (i) state attainment goals;

84 (ii) workforce needs;

85 (iii) the institution's role, mission, and distinctiveness;

86 (iv) board goals and metrics described in Section 53H-1-203; and

87 (v) the Utah Board of Higher Education strategic plan;

88 (d) carry out duties regarding institutional governance described in Subsection  
89 53H-1-203(2)(m);

90 (e) regarding the institution's president:

91 (i) participate in a presidential search in accordance with Section 53H-3-302;

92 (ii)(A) establish key performance indicators and annually evaluate the president's  
93 performance against the key performance indicators; and

94 (B) consult the board regarding the president's performance to help the board  
95 facilitate the board's responsibility in Subsection 53H-3-303(11)(b) to evaluate  
96 presidential performance; and

97 (iii) consult with the president regarding:

98 (A) the organization and structure of the institution; and

- 99                    (B) the organization and governance of faculty, tenure and post-tenure, and other  
 100                    personnel issues;
- 101            (f) consult with the president and approve a recommendation to the board to annually  
 102                    determine the institution's proposed tuition and general fees;
- 103            (g) assist the president in executing budget processes, including:
- 104                    (i) approving an annual budget and fund balances;
- 105                    (ii) planning, implementing, and executing fund raising and development projects for  
 106                    supplementing institutional appropriations; and
- 107                    (iii) establishing budgetary policies, including:
- 108                    (A) policies regarding benefits and endowment investments; and
- 109                    (B) presidential expenditures, including thresholds that require notification of  
 110                    expenditures to the board of trustees;
- 111            (h) review, consider, and approve the institution's awards, credentials, minors, and  
 112                    emphases, including programs in accordance with Section 53H-3-603 and board  
 113                    guidelines and board policies, changes to existing programs, and expedited program  
 114                    approval and termination procedures to meet market needs;
- 115            (i) approve budgetary and audit policies that are necessary for the effective  
 116                    administration of the institution;
- 117            (j) oversee internal audits of the institution, including serving as or creating a  
 118                    subcommittee of the board of trustees to serve as the institution's audit committee, as  
 119                    that term is defined in Section 63I-5-102;
- 120            (k) report to the board in accordance with statutory requirements and board policies; and
- 121            (l) perpetuate and strengthen alumni and community identification with the institution's  
 122                    traditions and goals.
- 123            (2) The board shall provide independent, professional staffing and advising support to  
 124                    institutional boards of trustees.

125            Section 3. Section **53H-3-202** is repealed and reenacted to read:

126            **53H-3-202 . Degree-granting institution board of trustees -- Unique powers and**  
 127            **duties.**

128            In addition to the duties described in Section 53H-3-201, a board of trustees of a  
 129            degree-granting institution may select recipients of honorary degrees.

130            Section 4. Section **53H-3-204** is repealed and reenacted to read:

131            **53H-3-204 . Technical college board of trustees -- Unique powers and duties.**

132            In addition to the duties described in Section 53H-3-201, a technical college board of

133 trustees shall, regarding the strategic plan described in Subsection 53H-3-201(2), consult with  
 134 the board, other higher education institutions, school districts, and charter schools within the  
 135 technical college's region regarding the delivery of technical education within the region.

136 Section 5. Section **53H-3-205** is amended to read:

137 **53H-3-205 . Technical college boards of trustees -- Membership -- Appointments.**

138 (1) As used in this section[;] :

139 (a) "Higher education institution" means the same as that term is defined in Section  
 140 53H-9-603.

141 (b) "Technical college service area" means the geographic area served by each technical  
 142 college as described in Section 53H-3-1202.

143 (2) A technical college board of trustees consists of:

144 (a) one member [~~of the local school board for each school district~~] each from no more  
 145 than four of the local school boards for the school districts in the technical college  
 146 service area, appointed by the local school board to which the member belongs, in a  
 147 rotation that the technical college specifies in accordance with Subsection (6);

148 (b) except as provided in Subsection (3)(b), one individual who is a member of the  
 149 higher education institution board of trustees, appointed by the higher education  
 150 institution board of trustees; and

151 (c) a number of individuals, appointed by the governor with the advice and consent of  
 152 the Senate and in accordance with Title 63G, Chapter 24, Part 2, Vacancies, that is:

153 (i) seven for:

154 (A) Tooele Technical College;

155 (B) Uintah Basin Technical College; and

156 (C) Dixie Technical College;

157 (ii) eight for:

158 (A) Bridgerland Technical College;

159 (B) Ogden-Weber Technical College;

160 (C) Davis Technical College; and

161 (D) Southwest Technical College; or

162 (iii) nine for Mountainland Technical College.

163 (3)(a) In appointing the members described in Subsection (2)(c), the governor shall  
 164 appoint individuals who represent the interests of business, industry, or labor in the  
 165 technical college service area.

166 (b) If no member of the institution of higher education board of trustees lives within the

167 technical college service area, the institution of higher education board of trustees  
 168 may nominate an individual to be appointed by the governor with the advice and  
 169 consent of the Senate instead of appointing a member described in Subsection (2)(b).

170 (4)(a) The governor may remove a member appointed under Subsection (2)(c) or (3)(b)  
 171 for cause.

172 (b) The governor shall consult with the president of the Senate before removing a  
 173 member appointed under Subsection (2)(c) or (3)(b).

174 (5) A member described in Subsection (2)(c) shall comply with the conflict of interest  
 175 provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

176 (6)(a) A technical college with a service region containing more than four school  
 177 districts shall create, in the bylaws of the technical college's board of trustees, a  
 178 rotation schedule for local school board representation on the technical colleges  
 179 board of trustees.

180 (b) The commissioner, on behalf of the board, shall review the bylaw components  
 181 described in Subsection (6)(a) before the technical college formally adopts the bylaw  
 182 amendments.

183 (c) The rotation required for an appointed board member under Subsection (2)(a) applies  
 184 only to a board member who is appointed on or after May 6, 2026.

185 Section 6. Section **53H-3-303** is amended to read:

186 **53H-3-303 . Duties and responsibilities of the president of an institution of higher**  
 187 **education -- Approval by board of trustees.**

188 (1) As used in this section, "president" means the president of an institution.

189 (2) The president of each institution may exercise grants of power and authority as the  
 190 board delegates, as well as the necessary and proper exercise of powers and authority  
 191 not denied to the institution or the institution's administration, faculty, or students by the  
 192 board or by law, to ensure the effective and efficient administration and operation of the  
 193 institution consistent with the statewide strategic plan for higher education.

194 (3) A president may:

195 (a) appoint or employ[-] :

196 (i) administrative officers, other cabinet members, and a general counsel described in  
 197 Section 53H-3-405:

198 (A) who are at-will employees;

199 (B) who serve in the administrative, cabinet, or general counsel role at the  
 200 pleasure of the president; and

- 201                   (C) whom the president may remove at any time; and
- 202                   (ii) deans, faculty members, professional personnel, and support personnel;
- 203                   (b) prescribe duties for a position described in Subsection (3)(a); and
- 204                   (c) determine the salary for an employed position described in Subsection (3)(a), in
- 205                   accordance with the institution's human resources policies.
- 206 (4)[(a)] A president may, after consultation with the institution's board of trustees,
- 207                   exercise powers related to the institution's employees, including faculty and persons
- 208                   under contract with the institution, by implementing:
- 209                   [(i)] (a) policies governing personnel;
- 210                   [(ii)] (b) furloughs;
- 211                   [(iii)] (c) reductions in force;
- 212                   [(iv)] (d) program reductions or discontinuance;
- 213                   [(v)] (e) early retirement incentives that provide cost savings to the institution; or
- 214                   [(vi)] (f) other measures that provide cost savings, facilitate efficiencies, or otherwise
- 215                   enable the institution to meet the institution's mission and role.
- 216 (5) A president shall:
- 217                   (a) control and manage the budget and finances of the institution in consultation with the
- 218                   board of trustees in accordance with Section 53H-3-201, including by, as determined
- 219                   by the president:
- 220                   (i) establishing the institution's budget; and
- 221                   (ii) establishing or adjusting administrative or academic unit budgets; [~~and~~]
- 222                   (b) subject to Section 53H-8-202, establish:
- 223                   (i) tuition for the institution, including both resident and nonresident tuition if the
- 224                   institution is a degree-granting institution, subject to the approval of the board as
- 225                   described in Section 53H-1-203; and
- 226                   (ii) fees and other charges for the institution; and
- 227                   (c) establish the organization and structure of the institution, including by, as determined
- 228                   by the president, creating, merging, or eliminating a college, department, or other
- 229                   administrative or academic unit of the institution.
- 230 (6) Subject to the approval of the institution's board of trustees, a president:
- 231                   [(a)] ~~shall establish a budgetary policy, such as policy regarding benefits and endowment~~
- 232                   ~~investments;]~~
- 233                   [(b)] (a) subject to Section 53H-3-406, shall provide for the constitution, government,
- 234                   and organization of the faculty and administration, including:

- 235 (i) enacting and implementing rules;
- 236 (ii) ensuring that the faculty may only have jurisdiction over:
- 237 (A) academic requirements for admission, degrees, and certificates; and
- 238 (B) course curriculum and instruction;
- 239 (iii) permitting faculty to have jurisdiction over a matter other than a matter described
- 240 in Subsection [~~(6)(b)(ii)~~] (6)(a)(ii) only if the following entities expressly authorize
- 241 or delegate such power:
- 242 (A) the Legislature;
- 243 (B) the board;
- 244 (C) institution's board of trustees; or
- 245 (D) the institution's president; and
- 246 (iv) if the institution is a degree-granting institution, the establishment of a prescribed
- 247 system of tenure; and
- 248 [~~(e)~~] (b) may authorize the faculty to determine the general initiation and direction of
- 249 instruction and of the examination, admission, and classification of students.
- 250 (7) A president may establish policies for the administration and operation of the institution
- 251 that:
- 252 (a) are consistent with the institution's role that the board establishes, rules which the
- 253 board enacts, and the laws of the state; and
- 254 (b) may provide for:
- 255 (i) administrative, faculty, student, and joint committees with jurisdiction over
- 256 specified institutional matters;
- 257 (ii) student government and student affairs organizations;
- 258 (iii) the establishment of institutional standards in furtherance of the ideals of higher
- 259 education to which the institution and the institution's administration, faculty, and
- 260 students subscribe and foster; and
- 261 (iv) the holding of classes on legal holidays, other than Sunday.
- 262 (8) A president shall manage the president's institution as a part of the Utah System of
- 263 Higher Education.
- 264 (9) In performing any of the acts described in this section, a president may, in the
- 265 president's sole discretion, seek input from the institution's faculty, staff, or students.
- 266 (10) The board shall establish guidelines relating to the roles and relationships between
- 267 presidents and boards of trustees, including those matters for which law requires the
- 268 approval of a board of trustees before implementation by the president.

- 269 (11)(a) A president is subject to[-] :
- 270 (i) an annual performance review and evaluation that the institution's board of
- 271 trustees administers, in accordance with Section 53H-3-201, and in consultation
- 272 with the Utah Board of Higher Education; and
- 273 (ii) regular review and evaluation that the board administers, in consultation with the
- 274 institution's board of trustees, through a process the board approves.
- 275 (b) Only the board may [~~formally assess a president's performance,~~] formally declare a
- 276 president's standing[;] or take other formal action [~~to evaluate~~] regarding a president.

277 Section 7. Section **53H-3-405** is amended to read:

278 **53H-3-405 . Degree-granting institution attorneys -- Appointment -- Duties.**

- 279 (1) Recognizing the status of degree-granting institutions within the Utah System of Higher
- 280 Education as bodies politic and corporate, the president of a degree-granting institution
- 281 may appoint attorneys to:
- 282 (a) provide legal advice to the degree-granting institution's administration; and
- 283 (b) coordinate legal affairs within the degree-granting institution.
- 284 (2) A degree-granting institution shall fund compensation costs and related office expenses
- 285 for an attorney described in Subsection (1) within existing budgets.
- 286 (3) The board shall coordinate the activities of attorneys described in Subsection (1).
- 287 (4) To ensure alignment with the requirements described in Subsection (1), the board shall
- 288 make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
- 289 Act, that:
- 290 (a) define the scope of duties and responsibilities of attorneys; and
- 291 (b) provide guidance to presidents for establishing lines of accountability for attorneys.
- 292 [(4)] (5) An attorney described in Subsection (1):
- 293 (a) may not:
- 294 (i) conduct litigation;
- 295 (ii) settle a claim covered by the State Risk Management Fund;[~~or~~]
- 296 (iii) issue a formal legal opinion;[~~and~~] or
- 297 (iv) serve in or exercise:
- 298 (A) a role outside the scope of authority that board rules described in Subsection
- 299 (4) establish; or
- 300 (B) a non-legal administrative role or in another administrative function or office;
- 301 and
- 302 (b) shall cooperate with the Office of the Attorney General in providing legal

303 representation to a degree-granting institution.

304 Section 8. Section **53H-3-603** is amended to read:

305 **53H-3-603 . Changes in curriculum -- Substantial alterations in institutional**  
306 **operations -- Program approval -- Periodic review of programs -- Career and technical**  
307 **education curriculum changes.**

308 (1) As used in this section, "program of instruction" means a program of curriculum that  
309 leads to the completion of a degree, diploma, certificate, or other credential.

310 (2)(a) Under procedures and policies approved by the board and developed in  
311 consultation with each institution of higher education, each institution of higher  
312 education may make such changes in the institution of higher education's curriculum  
313 as necessary to better effectuate the institution of higher education's primary role; and

314 (b) subject to Subsection (2)(a), an institution of higher education's faculty shall  
315 establish and have primary responsibility for the curriculum of a course within a  
316 program of instruction at the institution.

317 (3) The board shall establish criteria for whether an institution of higher education may  
318 approve a new program of instruction, including criteria related to whether:

319 (a) the program of instruction meets identified workforce needs;

320 (b) the institution of higher education is maximizing collaboration with other institutions  
321 of higher education to provide for efficiency in offering the program of instruction;

322 (c) the new program of instruction is within the institution of higher education's mission  
323 and role; and

324 (d) the new program of instruction meets other criteria determined by the board.

325 (4)(a) Except as board policy permits, an institution of higher education may not  
326 establish a branch, extension center, college, or professional school.

327 (b) The president of an institution of higher education may, with the approval of the  
328 institution of higher education's board of trustees, establish a new program of  
329 instruction that meets the criteria described in Subsection (3), subject to board review  
330 for pathway articulation.

331 (c) An institution of higher education shall notify the board of a proposed new program  
332 of instruction, including how the proposed new program of instruction meets the  
333 criteria described in Subsection (3).

334 (d) The board shall establish procedures and guidelines for institutional boards of  
335 trustees to consider an institutional proposal for a new program of instruction  
336 described in Subsection (4)(b).

- 337 (5)(a)(i) Except as provided in Subsection (5)(a)(ii), a degree-granting institution may  
338 not offer a degree with a credit-hour requirement, comprising general education  
339 and degree-specific requirements, that exceeds 120 total credit hours.
- 340 (ii) The board may authorize a degree-granting institution to exceed the credit-hour  
341 limit described in Subsection (5)(a)(i) if the relevant degree:  
342 (A) is required for professional licensure; or  
343 (B) has a nationally recognized accreditation standard that mandates a higher  
344 credit-hour minimum, including circumstances where additional coursework is  
345 necessary to protect public health, safety, and welfare.
- 346 (b) The board shall develop a process to grant conditional approval of accelerated  
347 three-year degrees to allow for the implementation of an accelerated degree upon  
348 accreditation.
- 349 (6) The president of an institution of higher education may discontinue a program of  
350 instruction in accordance with criteria that the president and the institution of higher  
351 education's board of trustees establish.
- 352 (7)(a) The board shall conduct a periodic review of all new programs of instruction,  
353 including those funded by gifts, grants, and contracts, no later than two years after the  
354 first cohort to begin the program of instruction completes the program of instruction.
- 355 (b) The board may conduct a periodic review of any program of instruction at an  
356 institution of higher education, including a program of instruction funded by a gift,  
357 grant, or contract.
- 358 (c) The board shall conduct:  
359 (i) at least once every five years, at least one review described in Subsection (7)(b) of  
360 each program of instruction at each institution; and  
361 (ii) annually, a qualitative and quantitative review of academic disciplines across the  
362 system, including enrollment, graduation rates, and workforce placement,  
363 ensuring that the board conducts a review of all disciplines within the system at  
364 least once every five years.
- 365 (d) Following a review described in this Subsection (7) that finds that a program is  
366 underperforming, as the board defines, across the system of higher education or at an  
367 individual institution, and after providing the relevant institution of higher education  
368 an opportunity to respond to the board's review of a given program of instruction, the  
369 board:  
370 (i) shall modify, consolidate, or terminate the program of instruction; and

- 371 (ii) may require an institution to develop a performance improvement plan and  
 372 annually report back to the board regarding the plan.
- 373 (e) The board shall:
- 374 (i) develop qualitative and quantitative standards for program review under this  
 375 Subsection (7); and
- 376 (ii) ensure the application of the standards the board develops under Subsection  
 377 (7)(e)(i) in each program review.
- 378 (8) In making decisions related to career and technical education curriculum changes, the  
 379 board shall coordinate, on behalf of the boards of trustees of higher education institutions,  
 380 a review of the proposed changes by the State Board of Education to ensure an orderly  
 381 and systematic career and technical education curriculum that eliminates overlap and  
 382 duplication of course work with high schools and technical colleges.
- 383 (9) The board shall demonstrate compliance with Subsection (7) by:
- 384 (a) creating a list of programs and corresponding review schedules;
- 385 (b) upon request of the Higher Education Appropriations Subcommittee, providing the  
 386 list described in Subsection (9)(a); and
- 387 (c) providing a written report on or before October 1 to the Higher Education  
 388 Appropriations Subcommittee of each year regarding relevant findings from the  
 389 reviews conducted under Subsection (7).
- 390 (10) On or before October 1, 2026, if the Higher Education Appropriations Subcommittee  
 391 finds the board to be out of compliance with Subsection (9), the Legislature shall:
- 392 (a) deduct 10% of the appropriation described in Section 53H-8-302 for the following  
 393 fiscal year; and
- 394 (b) deduct an additional 10% of the appropriation described in Section 53H-8-302 for  
 395 each subsequent year of noncompliance up to a maximum deduction of 30%.
- 396 Section 9. Section **53H-8-202** is amended to read:
- 397 **53H-8-202 . Combined requests for appropriations -- Board review of operating**  
 398 **budgets -- Submission of budgets -- Recommendations -- Hearing request --**  
 399 **Appropriation formulas -- Allocations -- Dedicated credits -- Financial affairs.**
- 400 (1) As used in this section, "research university" means the University of Utah or Utah State  
 401 University.
- 402 (2)(a) Subject to Subsection (3), the board shall recommend a combined appropriation  
 403 for the operating budgets of institutions and the board for inclusion in a state  
 404 appropriations act.

- 405 (b) The board's combined budget recommendation shall include:
- 406 (i) employee compensation for each institution that demonstrates that the institution
- 407 is meeting the board's faculty teaching and instructional workload metrics;
- 408 (ii) mandatory costs, including building operations and maintenance, fuel, and power;
- 409 (iii) performance funding described in Part 3, Performance Funding;
- 410 (iv) statewide and institutional priorities, including scholarships, financial aid, and
- 411 technology infrastructure; and
- 412 (v) enrollment growth.
- 413 (c) The board's recommendations shall be available for presentation to the governor and
- 414 to the Legislature at least 30 days before the convening of the Legislature, and shall
- 415 include schedules showing the recommended amounts for each institution and the
- 416 board, including separately funded programs or divisions.
- 417 (d) The recommended appropriations shall be determined by the board only after the
- 418 board has reviewed the proposed institutional operating budgets, and has consulted
- 419 with the various institutions and board staff in order to make appropriate adjustments.
- 420 (3) In the combined request for appropriation, the board shall differentiate between
- 421 appropriations requested for academic education and appropriations requested for
- 422 technical education.
- 423 (4)(a) Institutional operating budgets shall be submitted to the board at least 90 days
- 424 before the convening of the Legislature in accordance with procedures established by
- 425 the board.
- 426 (b) Except as provided in Sections 53H-9-604 and 53H-9-504, funding requests
- 427 pertaining to capital facilities and land purchases shall be submitted in accordance
- 428 with procedures prescribed by the Division of Facilities Construction and
- 429 Management.
- 430 (5)(a) The budget recommendations of the board shall be accompanied by full
- 431 explanations and supporting data[-] , including, regarding employee compensation:
- 432 (i) each institution's current staffing salary base, including the sources of funds for
- 433 any salary base;
- 434 (ii) the total amount each institution spends on compensation; and
- 435 (iii) the method each institution and the board uses for calculating compensation.
- 436 (b) The appropriations recommended by the board shall be made with the dual objective
- 437 of:
- 438 (i) justifying for institutions appropriations consistent with the institutions' needs, and

- 439 consistent with the financial ability of the state; and
- 440 (ii) determining an equitable distribution of funds among the respective institutions in
- 441 accordance with the aims and objectives of the statewide master plan for higher
- 442 education.
- 443 (6)(a) The board shall request a hearing with the governor on the recommended
- 444 appropriations.
- 445 (b) After the governor delivers the governor's budget message to the Legislature, the
- 446 board shall request hearings on the recommended appropriations with the Higher
- 447 Education Appropriations Subcommittee.
- 448 (c) If either the total amount of the state appropriations or its allocation among the
- 449 institutions as proposed by the Legislature or the Higher Education Appropriations
- 450 Subcommittee is substantially different from the recommendations of the board, the
- 451 board may request further hearings with the Legislature or the Higher Education
- 452 Appropriations Subcommittee to reconsider both the total amount and the allocation.
- 453 (7) The board may devise, establish, periodically review, and revise formulas for the
- 454 board's use and for the use of the governor and the Higher Education Appropriations
- 455 Subcommittee in making appropriation recommendations.
- 456 (8)(a) The board shall recommend to each session of the Legislature the minimum
- 457 tuitions, resident and nonresident, for each institution which it considers necessary to
- 458 implement the budget recommendations.
- 459 (b) Subject to Subsection (13), the board may fix the tuition, fees, and charges for each
- 460 institution at levels the board finds necessary to meet budget requirements.
- 461 (9) Money allocated to each institution by legislative appropriation may be budgeted in
- 462 accordance with institutional work programs approved by the board, provided that the
- 463 expenditures funded by appropriations for each institution are kept within the
- 464 appropriations for the applicable period.
- 465 (10) The dedicated credits, including revenues derived from tuitions, fees, federal grants,
- 466 and proceeds from sales received by the institutions are appropriated to the respective
- 467 institutions to be used in accordance with institutional work programs.
- 468 (11) An institution may do the institution's own purchasing, issue the institution's own
- 469 payrolls, and handle the institution's own financial affairs under the general supervision
- 470 of the board.
- 471 (12)(a) If the Legislature appropriates money in accordance with this section, the money
- 472 shall be distributed to the board and institutions to fund the items described in

473 Subsection (2)(b).

474 (b) An institution shall use any compensation money the Legislature appropriates under  
 475 Subsection (2)(b)(i) for compensation, which may include merit- or market-based  
 476 increases.

477 (13) The board shall create policies requiring an institution of higher education to waive  
 478 transcript fees for a student who is under the age of 26 and:

479 (a) is homeless, as defined in Section 26B-3-207;

480 (b) is a person who is homeless, as defined in Section 35A-5-302;

481 (c) is an individual whose primary nighttime residence is a location that is not designed  
 482 for or ordinarily used as a sleeping accommodation for an individual;

483 (d) is a homeless child or youth, as defined in 42 U.S.C. Sec. 11434a;

484 (e) is in the custody of the Division of Child and Family Services; or

485 (f) was in the custody of the Division of Child and Family Services but is no longer in  
 486 the custody of the Division of Child and Family Services due to the individual's age.

487 Section 10. Section **53H-9-603** is amended to read:

488 **53H-9-603 . Technical colleges -- Relationships with other public and higher**  
 489 **education institutions -- Agreements -- Priorities -- New capital facilities.**

490 (1) As used in this section, "higher education institution" means:

491 (a) Utah State University for:

492 (i) Bridgerland Technical College;

493 (ii) Tooele Technical College; and

494 (iii) Uintah Basin Technical College;

495 (b) Weber State University for:

496 (i) Ogden-Weber Technical College; and

497 (ii) Davis Technical College;

498 (c) Utah Valley University for Mountainland Technical College;

499 (d) Southern Utah University for Southwest Technical College; and

500 (e) Utah Tech University for Dixie Technical College.

501 (2) A technical college may enter into agreements:

502 (a) with other higher education institutions to cultivate cooperative relationships; or

503 (b) with other public and higher education institutions to enhance career and technical  
 504 education within the technical college's region.

505 (3) Before a technical college develops new instructional facilities, the technical college  
 506 shall give priority to:

- 507 (a) maintaining the technical college's existing instructional facilities for both secondary  
508 and adult students;
- 509 (b) coordinating with the president of the technical college's degree-granting partner and  
510 entering into any necessary agreements to provide career and technical education to  
511 secondary and adult students that:
- 512 (i) maintain and support existing higher education career and technical education  
513 programs; and
- 514 (ii) maximize the use of existing higher education facilities; and
- 515 (c) developing cooperative agreements with school districts, charter schools, other  
516 higher education institutions, businesses, industries, and community and private  
517 agencies to maximize the availability of career and technical education instructional  
518 facilities for both secondary and adult students.
- 519 (4)(a) Before submitting a funding request pertaining to new capital facilities and land  
520 purchases to the board, a technical college shall:
- 521 (i) ensure that all available instructional facilities are maximized in accordance with  
522 Subsections (3)(a) through (c); and
- 523 (ii) coordinate the request with the president of the technical college's  
524 degree-granting partner, if applicable.
- 525 (b) The Division of Facilities Construction and Management shall make a finding that  
526 the requirements of this section are met before the Division of Facilities Construction  
527 and Management may consider a funding request from the board pertaining to new  
528 capital facilities and land purchases for a technical college.
- 529 (c) A technical college may not construct, approve the construction of, or consent to the  
530 construction of a career and technical education facility without approval of the  
531 Legislature.
- 532 (5) Before acquiring new fiscal and administrative support structures, a technical college  
533 shall:
- 534 (a) review the use of existing public or higher education administrative and accounting  
535 systems, financial record systems, and student and financial aid systems for the  
536 delivery of education in the region;
- 537 (b) determine the feasibility of using existing systems; and
- 538 (c) ~~[with the approval of]~~ consult the technical college board of trustees and the board[  
539 use] regarding the use of the existing systems.
- 540 Section 11. Section **63I-5-102** is amended to read:

541 **63I-5-102 . Definitions.**

542 As used in this chapter:

- 543 (1) "Agency governing board" is any board or commission that has policy making and  
544 oversight responsibility over the agency, including the authority to appoint and remove  
545 the agency director.
- 546 (2) "Agency head" means a cabinet officer, an elected official, an executive director, or a  
547 board or commission vested with responsibility to administer or make policy for a state  
548 agency.
- 549 (3) "Agency internal audit director" or "audit director" means the person who:  
550 (a) directs the internal audit program for the state agency; and  
551 (b) is appointed by the audit committee or, if no audit committee has been established,  
552 by the agency head.
- 553 (4) "Appointing authority" means:  
554 (a) the governor, for state agencies other than the State Tax Commission;  
555 (b) the Judicial Council, for judicial branch agencies;  
556 (c) the Utah Board of Higher Education, for higher education entities;  
557 (d) the State Board of Education, for entities administered by the State Board of  
558 Education; or  
559 (e) the four tax commissioners, for the State Tax Commission.
- 560 (5) "Audit committee" means[-] :  
561 (a) a standing committee composed of members who:  
562 ~~[(a)]~~ (i) are appointed by an appointing authority;  
563 ~~[(b)]~~ (ii)~~[(i)]~~ (A) do not have administrative responsibilities within the agency; and  
564 ~~[(ii)]~~ (B) are not an agency contractor or other service provider; and  
565 ~~[(c)]~~ (iii) have the expertise to provide effective oversight of and advice about internal  
566 audit activities and services[-] ; or  
567 (b) for an institution of higher education, as that term is defined in Section 53H-1-101,  
568 the institution's board of trustees or a subcommittee of the institution's board of  
569 trustees.
- 570 (6) "Audit plan" means a prioritized list of audits to be performed by an internal audit  
571 program within a specified period of time.
- 572 (7) "Higher education entity" means the Utah Board of Higher Education, an institution of  
573 higher education board of trustees, or each higher education institution.
- 574 (8) "Internal audit" means an independent appraisal activity established within a state

- 575 agency as a control system to examine and evaluate the adequacy and effectiveness of  
576 other internal control systems within the agency.
- 577 (9) "Internal audit program" means an audit function that:
- 578 (a) is conducted by an agency, division, bureau, or office, independent of the agency,  
579 division, bureau, or office operations;
- 580 (b) objectively evaluates the effectiveness of agency, division, bureau, or office  
581 governance, risk management, internal controls, and the efficiency of operations; and  
582 (c) is conducted in accordance with the current:
- 583 (i) International Standards for the Professional Practice of Internal Auditing; or  
584 (ii) The Government Auditing Standards, issued by the Comptroller General of the  
585 United States.
- 586 (10) "Judicial branch agency" means each administrative entity of the judicial branch.
- 587 (11)(a) "State agency" means:
- 588 (i) each department, commission, board, council, agency, institution, officer,  
589 corporation, fund, division, office, committee, authority, laboratory, library, unit,  
590 bureau, panel, or other administrative unit of the state; or  
591 (ii) each state public education entity.
- 592 (b) "State agency" does not mean:
- 593 (i) a legislative branch agency;  
594 (ii) an independent state agency as defined in Section 63E-1-102;  
595 (iii) a county, municipality, school district, special district, or special service district;  
596 or  
597 (iv) any administrative subdivision of a county, municipality, school district, special  
598 district, or special service district.
- 599 Section 12. Section **63I-5-201** is amended to read:
- 600 **63I-5-201 . Internal auditing programs -- State agencies.**
- 601 (1)(a) The departments of Government Operations, Agriculture, Commerce, Cultural  
602 and Community Engagement, Corrections, Workforce Services, Environmental  
603 Quality, Health, Human Services, Natural Resources, Public Safety, and  
604 Transportation, and the State Tax Commission shall conduct various types of  
605 auditing procedures as determined by the agency head or governor.
- 606 (b) The governor may, by executive order, require a state agency not described in  
607 Subsection (1)(a) to establish an internal audit program.
- 608 (c) The governor shall ensure that each state agency that reports to the governor has

- 609 adequate internal audit coverage.
- 610 (2)(a) The Administrative Office of the Courts shall establish an internal audit program  
611 under the direction of the Judicial Council, including auditing procedures for courts  
612 not of record.
- 613 (b) The Judicial Council may, by rule, require other judicial agencies to establish an  
614 internal audit program.
- 615 (3)(a) Utah Tech University, the University of Utah, Utah State University, Salt Lake  
616 Community College, Southern Utah University, Utah Valley University, Weber State  
617 University, and Snow College shall establish an internal audit program under the  
618 direction of the Utah Board of Higher Education.
- 619 (b) The Utah Board of Higher Education may issue policies requiring other higher  
620 education entities or programs to establish an internal audit program.
- 621 (c) The board of trustees of each institution of higher education described in this  
622 Subsection (3) shall:
- 623 (i) serve as the audit committee for the institution; or  
624 (ii) establish a subcommittee of the board of trustees to serve as the audit committee  
625 for the institution.
- 626 (4) The State Board of Education shall establish an internal audit program that provides  
627 internal audit services for each program administered by the State Board of Education.
- 628 (5) Subject to Section 32B-2-302.5, the internal audit division of the Department of  
629 Alcoholic Beverage Services shall establish an internal audit program under the  
630 direction of the Alcoholic Beverage Services Commission.

631 Section 13. **Effective Date.**

632 This bill takes effect on May 6, 2026.