

SB0240S01 compared with SB0240

{Omitted text} shows text that was in SB0240 but was omitted in SB0240S01
{inserted text} shows text that was not in SB0240 but was inserted into SB0240S01

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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;
- ▶

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enacts provisions regarding a president's authority in relation to administrative roles, cabinet members, and the institution's general counsel;

- 20 ▶ 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;
- 23 ▶ **prohibits the president of an institution from retaining outside legal counsel for litigation;**
- 23 ▶ amends the membership of a technical college board of trustees with a service region containing a certain number of school districts;
- 25 ▶ requires reporting of certain institutional compensation information; {**and**}
- 27 ▶ **amends provisions regarding agencies hiring and paying for outside legal counsel rather than the attorney general; and**
- 26 ▶ makes technical and conforming changes.

30 **Money Appropriated in this Bill:**

31 None

32 **Other Special Clauses:**

33 None

34 **Utah Code Sections Affected:**

35 **AMENDS:**

36 **53H-1-210** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 8
38 **53H-3-201** , as enacted by Laws of Utah 2025, First Special Session, Chapter 8
39 **53H-3-205** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 8
41 **53H-3-303** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 8
43 **53H-3-405** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 8
45 **53H-3-603** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 8
47 **53H-8-202** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 8
49 **53H-9-603** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 8
51 **63I-5-102** , as last amended by Laws of Utah 2023, Chapter 16
52 **63I-5-201** , as last amended by Laws of Utah 2022, Chapters 169, 447
53 **67-5-5 , as last amended by Laws of Utah 2025, Chapter 302**

54 **REPEALS AND REENACTS:**

55 **53H-3-202** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 8
57 **53H-3-204** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 8

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59
60 *Be it enacted by the Legislature of the state of Utah:*

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

62 **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 rights, duties, obligations, and liabilities to which [its] the Utah Board of Higher Education's predecessor governing boards, the Utah System of Technical Colleges Board of Trustees, and the Coordinating Council of Higher Education were subject, except as otherwise provided by law.

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

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

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

70 (c) may continue an administrative rule.

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

76 **53H-3-201. General provisions -- Definitions -- General powers and duties.**

77 [Reserved.]

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

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

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

82 (c) in consultation with stakeholders in the institution's region, prepare, approve, and 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;

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88 (d) carry out duties regarding institutional governance described in Subsection 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)
93 (A) establish key performance indicators and annually evaluate the president's performance against the
94 key performance indicators; and
95 (B) consult the board regarding the president's performance to help the board facilitate the board's
96 responsibility in Subsection 53H-3-303(11)(b) to evaluate 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 personnel issues;
100 (f) consult with the president and approve a recommendation to the board to annually determine the
101 institution's proposed tuition and general fees;
102 (g) assist the president in executing budget processes, including:
103 (i) approving an annual budget and fund balances;
104 (ii) planning, implementing, and executing fund raising and development projects for supplementing
105 institutional appropriations; and
106 (iii) establishing budgetary policies, including:
107 (A) policies regarding benefits and endowment investments; and
108 (B) presidential expenditures, including thresholds that require notification of expenditures to the board
109 of trustees;
110 (h) review, consider, and approve the institution's awards, credentials, minors, and emphases, including
111 programs in accordance with Section 53H-3-603 and board guidelines and board policies, changes
112 to existing programs, and expedited program approval and termination procedures to meet market
113 needs;
114 (i) approve budgetary and audit policies that are necessary for the effective administration of the
115 institution;
116 (j) oversee internal audits of the institution, including serving as or creating a subcommittee of the
117 board of trustees to serve as the institution's audit committee, as that term is defined in Section
118 63I-5-102;
119 (k) report to the board in accordance with statutory requirements and board policies; and

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121 (1) perpetuate and strengthen alumni and community identification with the institution's traditions and
goals.

123 (2) The board shall provide independent, professional staffing and advising support to institutional
boards of trustees.

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

130 **53H-3-202. Degree-granting institution board of trustees -- Unique powers and duties.**

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

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

135 **53H-3-204. Technical college board of trustees -- Unique powers and duties.**

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

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

141 **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 53H-9-603.

141 (b) "Technical college service area" means the geographic area served by each technical 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 than four of the
local school boards for the school districts in the technical college service area, appointed by the
local school board to which the member belongs, in a 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 higher education
institution board of trustees, appointed by the higher education institution board of trustees; and

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

153 (i) seven for:

154 (A) Tooele Technical College;

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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)
164 (a) In appointing the members described in Subsection (2)(c), the governor shall appoint individuals
165 who represent the interests of business, industry, or labor in the technical college service area.
166 (b) If no member of the institution of higher education board of trustees lives within the technical
167 college service area, the institution of higher education board of trustees may nominate an individual
168 to be appointed by the governor with the advice and consent of the Senate instead of appointing a
169 member described in Subsection (2)(b).

170 (4)
171 (a) The governor may remove a member appointed under Subsection (2)(c) or (3)(b) for cause.
172 (b) The governor shall consult with the president of the Senate before removing a member appointed
173 under Subsection (2)(c) or (3)(b).

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

176 (6)
177 (a) A technical college with a service region containing more than four school districts shall create, in
178 the bylaws of the technical college's board of trustees, a rotation schedule for local school board
179 representation on the technical colleges board of trustees.
180 (b) The commissioner, on behalf of the board, shall review the bylaw components described in
181 Subsection (6)(a) before the technical college formally adopts the bylaw amendments.
182 (c) The rotation required for an appointed board member under Subsection (2)(a) applies only to a
183 board member who is appointed on or after May 6, 2026.

184 Section 6. Section **53H-3-303** is amended to read:
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53H-3-303. Duties and responsibilities of the president of an institution of higher 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 board delegates, as well as the necessary and proper exercise of powers and authority not denied to the institution or the institution's administration, faculty, or students by the board or by law, to ensure the effective and efficient administration and operation of the 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 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 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 accordance with the institution's human resources policies.

206 (4)

[{a}] A president may, after consultation with the institution's board of trustees, exercise powers related to the institution's employees, including faculty and persons 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 enable the institution to meet the institution's mission and role.

216 (5) A president shall:

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217 (a) control and manage the budget and finances of the institution in consultation with the board of
218 trustees in accordance with Section 53H-3-201, including by, as determined by the president:
219 (i) establishing the institution's budget; and
220 (ii) establishing or adjusting administrative or academic unit budgets; [and]
221 (b) subject to Section 53H-8-202, establish:
222 (i) tuition for the institution, including both resident and nonresident tuition if the institution is a degree-
223 granting institution, subject to the approval of the board as described in Section 53H-1-203; and
224 (ii) fees and other charges for the institution; and
225 (c) establish the organization and structure of the institution, including by, as determined by the
226 president, creating, merging, or eliminating a college, department, or other administrative or
227 academic unit of the institution.
228 (6) Subject to the approval of the institution's board of trustees, a president:
229 [~~(a) shall establish a budgetary policy, such as policy regarding benefits and endowment investments;~~]
230 [~~(b)~~] (a) subject to Section 53H-3-406, shall provide for the constitution, government, and organization
231 of the faculty and administration, including:
232 (i) enacting and implementing rules;
233 (ii) ensuring that the faculty may only have jurisdiction over:
234 (A) academic requirements for admission, degrees, and certificates; and
235 (B) course curriculum and instruction;
236 (iii) permitting faculty to have jurisdiction over a matter other than a matter described in Subsection [~~(6)~~
237 ~~(b)(ii)~~] (6)(a)(ii) only if the following entities expressly authorize or delegate such power:
238 (A) the Legislature;
239 (B) the board;
240 (C) institution's board of trustees; or
241 (D) the institution's president; and
242 (iv) if the institution is a degree-granting institution, the establishment of a prescribed system of tenure;
243 and
244 [~~(e)~~] (b) may authorize the faculty to determine the general initiation and direction of instruction and of
245 the examination, admission, and classification of students.
246 (7) A president may establish policies for the administration and operation of the institution that:
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- (a) are consistent with the institution's role that the board establishes, rules which the board enacts, and the laws of the state; and
- (b) may provide for:
 - (i) administrative, faculty, student, and joint committees with jurisdiction over specified institutional matters;
 - (ii) student government and student affairs organizations;
 - (iii) the establishment of institutional standards in furtherance of the ideals of higher education to which the institution and the institution's administration, faculty, and students subscribe and foster; and
 - (iv) the holding of classes on legal holidays, other than Sunday.

(8) A president shall manage the president's institution as a part of the Utah System of Higher Education.

(9) In performing any of the acts described in this section, a president may, in the president's sole discretion, seek input from the institution's faculty, staff, or students.

(10) The board shall establish guidelines relating to the roles and relationships between presidents and boards of trustees, including those matters for which law requires the approval of a board of trustees before implementation by the president.

(11)

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

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

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

(1) Recognizing the status of degree-granting institutions within the Utah System of Higher Education as bodies politic and corporate, the president of a degree-granting institution may appoint attorneys to:

(a) provide legal advice to the degree-granting institution's administration; and

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283 (b) coordinate legal affairs within the degree-granting institution.

284 (2) A degree-granting institution shall fund compensation costs and related office expenses 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 make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking 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 (4) establish; or

300 (B) a non-legal administrative role or in another administrative function or office; and

302 (b) shall cooperate with the Office of the Attorney General in providing legal representation to a degree-granting institution.

308 (6) Notwithstanding Subsection (1), a president of a degree-granting institution may not appoint, contract, hire, or otherwise retain outside legal counsel for the purpose of prosecuting or defending litigation.

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

53H-3-603. Changes in curriculum -- Substantial alterations in institutional operations --

Program approval -- Periodic review of programs -- Career and technical education curriculum changes.

308 (1) As used in this section, "program of instruction" means a program of curriculum that 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 consultation with each institution of higher education, each institution of higher education may make such changes in the

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institution of higher education's curriculum 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 establish and have
primary responsibility for the curriculum of a course within a program of instruction at the
institution.

317 (3) The board shall establish criteria for whether an institution of higher education may 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 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 and role; and

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

325 (4)

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

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

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

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

(5)

(a)

(i) Except as provided in Subsection (5)(a)(ii), a degree-granting institution may not offer a degree
with a credit-hour requirement, comprising general education 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 limit described
in Subsection (5)(a)(i) if the relevant degree:

342 (A) is required for professional licensure; or

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343 (B) has a nationally recognized accreditation standard that mandates a higher credit-hour minimum, including circumstances where additional coursework is necessary to protect public health, safety, and welfare.

346 (b) The board shall develop a process to grant conditional approval of accelerated three-year degrees to allow for the implementation of an accelerated degree upon accreditation.

349 (6) The president of an institution of higher education may discontinue a program of instruction in accordance with criteria that the president and the institution of higher education's board of trustees establish.

352 (7)

(a) The board shall conduct a periodic review of all new programs of instruction, including those funded by gifts, grants, and contracts, no later than two years after the 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 institution of higher education, including a program of instruction funded by a gift, 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 each program of instruction at each institution; and

361 (ii) annually, a qualitative and quantitative review of academic disciplines across the system, including enrollment, graduation rates, and workforce placement, ensuring that the board conducts a review of all disciplines within the system at least once every five years.

365 (d) Following a review described in this Subsection (7) that finds that a program is underperforming, as the board defines, across the system of higher education or at an individual institution, and after providing the relevant institution of higher education an opportunity to respond to the board's review of a given program of instruction, the 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 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 Subsection (7); and

376 (ii) ensure the application of the standards the board develops under Subsection (7)(e)(i) in each program review.

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378 (8) In making decisions related to career and technical education curriculum changes, the board shall coordinate, on behalf of the boards of trustees of higher education institutions, a review of the proposed changes by the State Board of Education to ensure an orderly and systematic career and technical education curriculum that eliminates overlap and 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 list described in Subsection (9)(a); and

387 (c) providing a written report on or before October 1 to the Higher Education Appropriations Subcommittee of each year regarding relevant findings from the reviews conducted under Subsection (7).

390 (10) On or before October 1, 2026, if the Higher Education Appropriations Subcommittee 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 fiscal year; and

394 (b) deduct an additional 10% of the appropriation described in Section 53H-8-302 for each subsequent year of noncompliance up to a maximum deduction of 30%.

403 Section 9. Section **53H-8-202** is amended to read:

404 **53H-8-202. Combined requests for appropriations -- Board review of operating budgets -- Submission of budgets -- Recommendations -- Hearing request -- Appropriation formulas -- Allocations -- Dedicated credits -- Financial affairs.**

400 (1) As used in this section, "research university" means the University of Utah or Utah State University.

402 (2)

403 (a) Subject to Subsection (3), the board shall recommend a combined appropriation for the operating budgets of institutions and the board for inclusion in a state appropriations act.

405 (b) The board's combined budget recommendation shall include:

406 (i) employee compensation for each institution that demonstrates that the institution 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;

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- (iv) statewide and institutional priorities, including scholarships, financial aid, and technology infrastructure; and
- (v) enrollment growth.

412 (c) The board's recommendations shall be available for presentation to the governor and to the

413 Legislature at least 30 days before the convening of the Legislature, and shall include schedules showing the recommended amounts for each institution and the board, including separately funded programs or divisions.

417 (d) The recommended appropriations shall be determined by the board only after the board has reviewed the proposed institutional operating budgets, and has consulted 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 appropriations requested for academic education and appropriations requested for technical education.

423 (4)

- (a) Institutional operating budgets shall be submitted to the board at least 90 days before the convening of the Legislature in accordance with procedures established by the board.
- (b) Except as provided in Sections 53H-9-604 and 53H-9-504, funding requests pertaining to capital facilities and land purchases shall be submitted in accordance with procedures prescribed by the Division of Facilities Construction and Management.

430 (5)

- (a) The budget recommendations of the board shall be accompanied by full explanations and supporting data[.] , including, employee compensation:
 - (i) each institution's current staffing salary base, including the sources of funds for any salary base;
 - (ii) the total amount each institution spends on compensation; and
 - (iii) the method each institution and the board uses for calculating compensation.
- (b) The appropriations recommended by the board shall be made with the dual objective of:
 - (i) justifying for institutions appropriations consistent with the institutions' needs, and consistent with the financial ability of the state; and
 - (ii) determining an equitable distribution of funds among the respective institutions in accordance with the aims and objectives of the statewide master plan for higher education.

443 (6)

- (a) The board shall request a hearing with the governor on the recommended appropriations.

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445 (b) After the governor delivers the governor's budget message to the Legislature, the board shall request hearings on the recommended appropriations with the Higher Education Appropriations Subcommittee.

448 (c) If either the total amount of the state appropriations or its allocation among the institutions as proposed by the Legislature or the Higher Education Appropriations Subcommittee is substantially different from the recommendations of the board, the board may request further hearings with the Legislature or the Higher Education 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 board's use and for the use of the governor and the Higher Education Appropriations Subcommittee in making appropriation recommendations.

456 (8)

(a) The board shall recommend to each session of the Legislature the minimum tuitions, resident and nonresident, for each institution which it considers necessary to implement the budget recommendations.

459 (b) Subject to Subsection (13), the board may fix the tuition, fees, and charges for each 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 accordance with institutional work programs approved by the board, provided that the expenditures funded by appropriations for each institution are kept within the appropriations for the applicable period.

465 (10) The dedicated credits, including revenues derived from tuitions, fees, federal grants, and proceeds from sales received by the institutions are appropriated to the respective 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 payrolls, and handle the institution's own financial affairs under the general supervision of the board.

471 (12)

(a) If the Legislature appropriates money in accordance with this section, the money shall be distributed to the board and institutions to fund the items described in Subsection (2)(b).

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

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(13) The board shall create policies requiring an institution of higher education to waive 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 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 the custody of the Division of Child and Family Services due to the individual's age.

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

495 **53H-9-603. Technical colleges -- Relationships with other public and higher 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 education within the technical college's region.

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

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- (a) maintaining the technical college's existing instructional facilities for both secondary and adult students;
- 509 (b) coordinating with the president of the technical college's degree-granting partner and entering into any necessary agreements to provide career and technical education to secondary and adult students that:
 - 512 (i) maintain and support existing higher education career and technical education programs; and
 - 514 (ii) maximize the use of existing higher education facilities; and
 - 515 (c) developing cooperative agreements with school districts, charter schools, other higher education institutions, businesses, industries, and community and private agencies to maximize the availability of career and technical education instructional facilities for both secondary and adult students.
- 519 (4)
 - (a) Before submitting a funding request pertaining to new capital facilities and land purchases to the board, a technical college shall:
 - 521 (i) ensure that all available instructional facilities are maximized in accordance with Subsections (3)
 - (a) through (c); and
 - 523 (ii) coordinate the request with the president of the technical college's degree-granting partner, if applicable.
 - 525 (b) The Division of Facilities Construction and Management shall make a finding that the requirements of this section are met before the Division of Facilities Construction and Management may consider a funding request from the board pertaining to new 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 construction of a career and technical education facility without approval of the Legislature.
- 532 (5) Before acquiring new fiscal and administrative support structures, a technical college shall:
 - 534 (a) review the use of existing public or higher education administrative and accounting systems, financial record systems, and student and financial aid systems for the 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[, use] regarding the use of the existing systems.

547 Section 11. Section **63I-5-102** is amended to read:

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63I-5-102. Definitions.

As used in this chapter:

- 543 (1) "Agency governing board" is any board or commission that has policy making and oversight
responsibility over the agency, including the authority to appoint and remove the agency director.
- 546 (2) "Agency head" means a cabinet officer, an elected official, an executive director, or a board or
commission vested with responsibility to administer or make policy for a state 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, 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 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)
 - 564 [(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 [(e)] (iii) have the expertise to provide effective oversight of and advice about internal audit activities
and services[.] ; or
 - 567 (b) for an institution of higher education, as that term is defined in Section 53H-1-101, the institution's
board of trustees or a subcommittee of the institution's board of trustees.
 - 570 (6) "Audit plan" means a prioritized list of audits to be performed by an internal audit program within a
specified period of time.
 - 572 (7) "Higher education entity" means the Utah Board of Higher Education, an institution of higher
education board of trustees, or each higher education institution.

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(8) "Internal audit" means an independent appraisal activity established within a state agency as a control system to examine and evaluate the adequacy and effectiveness of 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, division, bureau, or office operations;

580 (b) objectively evaluates the effectiveness of agency, division, bureau, or office 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 United States.

586 (10) "Judicial branch agency" means each administrative entity of the judicial branch.

587 (11)

588 (a) "State agency" means:

589 (i) each department, commission, board, council, agency, institution, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, 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; or

597 (iv) any administrative subdivision of a county, municipality, school district, special district, or special service district.

606 Section 12. Section **63I-5-201** is amended to read:

607 **63I-5-201. Internal auditing programs -- State agencies.**

608 (1)

609 (a) The departments of Government Operations, Agriculture, Commerce, Cultural and Community Engagement, Corrections, Workforce Services, Environmental Quality, Health, Human Services, Natural Resources, Public Safety, and Transportation, and the State Tax Commission shall conduct various types of auditing procedures as determined by the agency head or governor.

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606 (b) The governor may, by executive order, require a state agency not described in Subsection (1)(a) to
607 establish an internal audit program.

608 (c) The governor shall ensure that each state agency that reports to the governor has adequate internal
609 audit coverage.

610 (2)

611 (a) The Administrative Office of the Courts shall establish an internal audit program under the direction
612 of the Judicial Council, including auditing procedures for courts not of record.

613 (b) The Judicial Council may, by rule, require other judicial agencies to establish an internal audit
614 program.

615 (3)

616 (a) Utah Tech University, the University of Utah, Utah State University, Salt Lake Community College,
617 Southern Utah University, Utah Valley University, Weber State University, and Snow College shall
618 establish an internal audit program under the direction of the Utah Board of Higher Education.

619 (b) The Utah Board of Higher Education may issue policies requiring other higher education entities or
620 programs to establish an internal audit program.

621 (c) The board of trustees of each institution of higher education described in this Subsection (3) shall:
622 (i) serve as the audit committee for the institution; or
623 (ii) establish a subcommittee of the board of trustees to serve as the audit committee for the institution.

624 (4) The State Board of Education shall establish an internal audit program that provides internal audit
625 services for each program administered by the State Board of Education.

626 (5) Subject to Section 32B-2-302.5, the internal audit division of the Department of Alcoholic Beverage
627 Services shall establish an internal audit program under the direction of the Alcoholic Beverage
628 Services Commission.

638 Section 13. Section 67-5-5 is amended to read:

639 **67-5-5. Hiring of legal counsel for agencies -- Costs.**

640 (1) Except where specifically authorized by the Utah Constitution[,] or statutes[-] :

641 (a) no agency [shall] may hire legal counsel[,] ; and[-]

642 (b) the attorney general alone shall have the sole right to hire legal counsel for each [such] agency.[-]

643 (2) Where the Legislature has provided by statute for separate agency counsel, [no such] the counsel
644 may not act as an assistant attorney general nor as a special assistant attorney general unless the
attorney general [shall so authorize] authorizes.[-]

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647 (3) Unless the attorney general hires [such] legal counsel from outside the attorney general's office, the attorney general shall remain the sole legal counsel for [that] each agency.[-]

649 (4) If outside counsel is hired for an agency, then the attorney general shall approve the costs of any services [to be rendered by this counsel shall be approved by the attorney general before these costs are incurred] the outside counsel renders before the outside counsel incurs the costs.[-]

653 (5)

(a) The attorney general shall approve all billing statements from outside counsel[-and] described in this section.

655 (b) The agency shall pay the full costs of [this counsel unless the agency by legislative appropriation or in the form of costs, fees, fines, penalties, forfeitures or proceeds reserved or designated for the payment of legal fees receives from any other source the equivalent cost or a portion thereof, in which case the attorney general may bill the agency for the services; provided, the agency may deduct any unreimbursed costs and expenses incurred by the agency in connection with the legal service rendered] the outside counsel described in Subsection (5)(a).

662 Section 14. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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