

Chris H. Wilson proposes the following substitute bill:

1 **Higher Education Institutional Governance**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Chris H. Wilson**

House Sponsor: Karen M. Peterson

---

---

2 **LONG TITLE**

3 **General Description:**

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

6 **Highlighted Provisions:**

7 This bill:

8 ▶ consolidates and reorganizes general duties of boards of trustees for institutions of higher  
9 education;

10 ▶ establishes certain aspects of the relationship between an institution's board of trustees  
11 and the institution's president, including:

- 12
- 13 • organizational governance;
  - 14 • roles and responsibilities in the budgeting process;
  - 15 • faculty and personnel issues; and
  - 16 • presidential performance evaluation;

17 ▶ establishes the authority of the board of trustees over internal audits of an institution;

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

20 ▶ enacts provisions regarding the duties of an institution's legal counsel, including requiring  
21 the Board of Higher Education to make rules regarding the scope of the role of an  
22 institution's legal counsel;

23 ▶ prohibits the president of an institution from retaining outside legal counsel for litigation;  
24 ▶ amends the membership of a technical college board of trustees with a service region  
25 containing a certain number of school districts;

26 ▶ requires reporting of certain institutional compensation information;  
27 ▶ amends provisions regarding agencies hiring and paying for outside legal counsel rather  
28 than the attorney general; and

29           ▸ 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,  
37       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,  
40       Chapter 8

41       **53H-3-303**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
42       Chapter 8

43       **53H-3-405**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
44       Chapter 8

45       **53H-3-603**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
46       Chapter 8

47       **53H-8-202**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
48       Chapter 8

49       **53H-9-603**, as renumbered and amended by Laws of Utah 2025, First Special Session,  
50       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,  
56       Chapter 8

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

---

---

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.**

- 63 (1) The [board] Utah Board of Higher Education is the successor to and is vested with all  
64 rights, duties, obligations, and liabilities to which [its] the Utah Board of Higher  
65 Education's predecessor governing boards, the Utah System of Technical Colleges  
66 Board of Trustees, and the Coordinating Council of Higher Education were subject,  
67 except as otherwise provided by law.
- 68 (2) For the Utah System of Technical Colleges Board of Trustees, the [board] Utah Board of  
69 Higher Education:
- 70 (a) is vested with all rights, titles, privileges, powers, obligations, liabilities, immunities,  
71 franchises, endowments, assets, property, and claims;
- 72 (b) shall fulfill and perform all obligations, including obligations relating to outstanding  
73 bonds and notes; and
- 74 (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  
79 control, oversee, and regulate the Utah System of Higher Education under Subsection  
80 53H-1-203(1)(a)(ii), each board of trustees shall act in alignment with the board and  
81 through the following powers and duties:
- 82 (a) act on behalf of the institution in performing fiduciary and other duties,  
83 responsibilities, and functions that either statute or the board authorizes;
- 84 (b) facilitate communication between the institution and the community;
- 85 (c) in consultation with stakeholders in the institution's region, prepare, approve, and  
86 monitor progress on a strategic plan for the institution that aligns with:
- 87 (i) state attainment goals;
- 88 (ii) workforce needs;
- 89 (iii) the institution's role, mission, and distinctiveness;
- 90 (iv) board goals and metrics described in Section 53H-1-203; and
- 91 (v) the Utah Board of Higher Education strategic plan;
- 92 (d) carry out duties regarding institutional governance described in Subsection  
93 53H-1-203(2)(m);
- 94 (e) regarding the institution's president:
- 95 (i) participate in a presidential search in accordance with Section 53H-3-302;
- 96 (ii)(A) establish key performance indicators and annually evaluate the president's

97                   performance against the key performance indicators; and  
98                   (B) consult the board regarding the president's performance to help the board  
99                   facilitate the board's responsibility in Subsection 53H-3-303(11)(b) to evaluate  
100                   presidential performance; and

101                   (iii) consult with the president regarding:

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

103                   (B) the organization and governance of faculty, tenure and post-tenure, and other  
104                   personnel issues;

105                   (f) consult with the president and approve a recommendation to the board to annually  
106                   determine the institution's proposed tuition and general fees;

107                   (g) assist the president in executing budget processes, including:

108                   (i) approving an annual budget and fund balances;

109                   (ii) planning, implementing, and executing fund raising and development projects for  
110                   supplementing institutional appropriations; and

111                   (iii) establishing budgetary policies, including:

112                   (A) policies regarding benefits and endowment investments; and

113                   (B) presidential expenditures, including thresholds that require notification of  
114                   expenditures to the board of trustees;

115                   (h) review, consider, and approve the institution's awards, credentials, minors, and  
116                   emphases, including programs in accordance with Section 53H-3-603 and board  
117                   guidelines and board policies, changes to existing programs, and expedited program  
118                   approval and termination procedures to meet market needs;

119                   (i) approve budgetary and audit policies that are necessary for the effective  
120                   administration of the institution;

121                   (j) oversee internal audits of the institution, including serving as or creating a  
122                   subcommittee of the board of trustees to serve as the institution's audit committee, as  
123                   that term is defined in Section 63I-5-102;

124                   (k) report to the board in accordance with statutory requirements and board policies; and

125                   (l) perpetuate and strengthen alumni and community identification with the institution's  
126                   traditions and goals.

127                   (2) The board shall provide independent, professional staffing and advising support to  
128                   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**

131 **duties.**

132 In addition to the duties described in Section 53H-3-201, a board of trustees of a  
133 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.**

136 In addition to the duties described in Section 53H-3-201, a technical college board of  
137 trustees shall, regarding the strategic plan described in Subsection 53H-3-201(2), consult with  
138 the board, other higher education institutions, school districts, and charter schools within the  
139 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.**

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

- 143 (a) "Higher education institution" means the same as that term is defined in Section  
144 53H-9-603.
- 145 (b) "Technical college service area" means the geographic area served by each technical  
146 college as described in Section 53H-3-1202.

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

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

- 152 (b) except as provided in Subsection (3)(b), one individual who is a member of the  
153 higher education institution board of trustees, appointed by the higher education  
154 institution board of trustees; and

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

157 (i) seven for:

- 158 (A) Tooele Technical College;  
159 (B) Uintah Basin Technical College; and  
160 (C) Dixie Technical College;

161 (ii) eight for:

- 162 (A) Bridgerland Technical College;  
163 (B) Ogden-Weber Technical College;  
164 (C) Davis Technical College; and

165 (D) Southwest Technical College; or

166 (iii) nine for Mountainland Technical College.

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

170 (b) If no member of the institution of higher education board of trustees lives within the  
171 technical college service area, the institution of higher education board of trustees  
172 may nominate an individual to be appointed by the governor with the advice and  
173 consent of the Senate instead of appointing a member described in Subsection (2)(b).

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

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

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

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

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

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

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

190 **53H-3-303 . Duties and responsibilities of the president of an institution of higher**  
191 **education -- Approval by board of trustees.**

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

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

198 (3) A president may:

- 199 (a) appoint or employ[-] :
- 200 (i) administrative officers, other cabinet members, and a general counsel described in  
Section 53H-3-405:
- 201 (A) who are at-will employees;
- 202 (B) who serve in the administrative, cabinet, or general counsel role at the  
pleasure of the president; and
- 203 (C) whom the president may remove at any time; and
- 204 (ii) deans, faculty members, professional personnel, and support personnel;
- 205 (b) prescribe duties for a position described in Subsection (3)(a); and
- 206 (c) determine the salary for an employed position described in Subsection (3)(a), in  
207 accordance with the institution's human resources policies.
- 208 (4)[(a)] A president may, after consultation with the institution's board of trustees,  
209 exercise powers related to the institution's employees, including faculty and persons  
210 under contract with the institution, by implementing:
- 211 (i) policies governing personnel;
- 212 (ii) furloughs;
- 213 (iii) reductions in force;
- 214 (iv) program reductions or discontinuance;
- 215 (v) early retirement incentives that provide cost savings to the institution; or
- 216 (vi) other measures that provide cost savings, facilitate efficiencies, or otherwise  
217 enable the institution to meet the institution's mission and role.

- 218 (5) A president shall:
- 219 (a) control and manage the budget and finances of the institution in consultation with the  
board of trustees in accordance with Section 53H-3-201, including by, as determined  
220 by the president:
- 221 (i) establishing the institution's budget; and
- 222 (ii) establishing or adjusting administrative or academic unit budgets; [and]
- 223 (b) subject to Section 53H-8-202, establish:
- 224 (i) tuition for the institution, including both resident and nonresident tuition if the  
225 institution is a degree-granting institution, subject to the approval of the board as  
226 described in Section 53H-1-203; and
- 227 (ii) fees and other charges for the institution; and
- 228 (c) establish the organization and structure of the institution, including by, as determined  
229 by the president, creating, merging, or eliminating a college, department, or other

233 administrative or academic unit of the institution.

234 (6) Subject to the approval of the institution's board of trustees, a president:

235 ~~[(a) shall establish a budgetary policy, such as policy regarding benefits and endowment~~  
236 ~~investments;]~~

237 ~~[(b)] (a)~~ subject to Section 53H-3-406, shall provide for the constitution, government,  
238 and organization of the faculty and administration, including:

239 (i) enacting and implementing rules;

240 (ii) ensuring that the faculty may only have jurisdiction over:

241 (A) academic requirements for admission, degrees, and certificates; and

242 (B) course curriculum and instruction;

243 (iii) permitting faculty to have jurisdiction over a matter other than a matter described  
244 in Subsection ~~[(6)(b)(ii)] (6)(a)(ii)~~ only if the following entities expressly authorize  
245 or delegate such power:

246 (A) the Legislature;

247 (B) the board;

248 (C) institution's board of trustees; or

249 (D) the institution's president; and

250 (iv) if the institution is a degree-granting institution, the establishment of a prescribed  
251 system of tenure; and

252 ~~[(e)] (b)~~ may authorize the faculty to determine the general initiation and direction of  
253 instruction and of the examination, admission, and classification of students.

254 (7) A president may establish policies for the administration and operation of the institution  
255 that:

256 (a) are consistent with the institution's role that the board establishes, rules which the  
257 board enacts, and the laws of the state; and

258 (b) may provide for:

259 (i) administrative, faculty, student, and joint committees with jurisdiction over  
260 specified institutional matters;

261 (ii) student government and student affairs organizations;

262 (iii) the establishment of institutional standards in furtherance of the ideals of higher  
263 education to which the institution and the institution's administration, faculty, and  
264 students subscribe and foster; and

265 (iv) the holding of classes on legal holidays, other than Sunday.

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

267       Higher Education.

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

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

273       (11)(a) A president is subject to[-] :

274            (i) an annual performance review and evaluation that the institution's board of  
275            trustees administers, in accordance with Section 53H-3-201, and in consultation  
276            with the Utah Board of Higher Education; and

277            (ii) regular review and evaluation that the board administers, in consultation with the  
278            institution's board of trustees, through a process the board approves.

279       (b) Only the board may [formally assess a president's performance,]formally declare a  
280            president's standing[; or take other formal action [to evaluate] regarding a president.

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

282       **53H-3-405 . Degree-granting institution attorneys -- Appointment -- Duties.**

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

286            (a) provide legal advice to the degree-granting institution's administration; and  
287            (b) coordinate legal affairs within the degree-granting institution.

288       (2) A degree-granting institution shall fund compensation costs and related office expenses  
289            for an attorney described in Subsection (1) within existing budgets.

290       (3) The board shall coordinate the activities of attorneys described in Subsection (1).

291       (4) To ensure alignment with the requirements described in Subsection (1), the board shall  
292            make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
293            Act, that:

294            (a) define the scope of duties and responsibilities of attorneys; and  
295            (b) provide guidance to presidents for establishing lines of accountability for attorneys.

296       [4)] (5) An attorney described in Subsection (1):

297            (a) may not:

298                    (i) conduct litigation;  
299                    (ii) settle a claim covered by the State Risk Management Fund;[-or]  
300                    (iii) issue a formal legal opinion;[-and] or

301 (iv) serve in or exercise:

302 (A) a role outside the scope of authority that board rules described in Subsection

303 (4) establish; or

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

305 and

306 (b) shall cooperate with the Office of the Attorney General in providing legal

307 representation to a degree-granting institution.

308 (6) Notwithstanding Subsection (1), a president of a degree-granting institution may not

309 appoint, contract, hire, or otherwise retain outside legal counsel for the purpose of

310 prosecuting or defending litigation.

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

312 **53H-3-603 . Changes in curriculum -- Substantial alterations in institutional**  
**313 operations -- Program approval -- Periodic review of programs -- Career and technical**  
**314 education curriculum changes.**

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

317 (2)(a) Under procedures and policies approved by the board and developed in  
318 consultation with each institution of higher education, each institution of higher  
319 education may make such changes in the institution of higher education's curriculum  
320 as necessary to better effectuate the institution of higher education's primary role; and  
321 (b) subject to Subsection (2)(a), an institution of higher education's faculty shall  
322 establish and have primary responsibility for the curriculum of a course within a  
323 program of instruction at the institution.

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

326 (a) the program of instruction meets identified workforce needs;  
327 (b) the institution of higher education is maximizing collaboration with other institutions  
328 of higher education to provide for efficiency in offering the program of instruction;  
329 (c) the new program of instruction is within the institution of higher education's mission  
330 and role; and  
331 (d) the new program of instruction meets other criteria determined by the board.

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

334 (b) The president of an institution of higher education may, with the approval of the

335 institution of higher education's board of trustees, establish a new program of  
336 instruction that meets the criteria described in Subsection (3), subject to board review  
337 for pathway articulation.

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

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

344 (5)(a)(i) Except as provided in Subsection (5)(a)(ii), a degree-granting institution may  
345 not offer a degree with a credit-hour requirement, comprising general education  
346 and degree-specific requirements, that exceeds 120 total credit hours.

347 (ii) The board may authorize a degree-granting institution to exceed the credit-hour  
348 limit described in Subsection (5)(a)(i) if the relevant degree:

349 (A) is required for professional licensure; or  
350 (B) has a nationally recognized accreditation standard that mandates a higher  
351 credit-hour minimum, including circumstances where additional coursework is  
352 necessary to protect public health, safety, and welfare.

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

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

359 (7)(a) The board shall conduct a periodic review of all new programs of instruction,  
360 including those funded by gifts, grants, and contracts, no later than two years after the  
361 first cohort to begin the program of instruction completes the program of instruction.

362 (b) The board may conduct a periodic review of any program of instruction at an  
363 institution of higher education, including a program of instruction funded by a gift,  
364 grant, or contract.

365 (c) The board shall conduct:

366 (i) at least once every five years, at least one review described in Subsection (7)(b) of  
367 each program of instruction at each institution; and  
368 (ii) annually, a qualitative and quantitative review of academic disciplines across the

369 system, including enrollment, graduation rates, and workforce placement,  
370 ensuring that the board conducts a review of all disciplines within the system at  
371 least once every five years.

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

- 377 (i) shall modify, consolidate, or terminate the program of instruction; and
- 378 (ii) may require an institution to develop a performance improvement plan and  
379 annually report back to the board regarding the plan.

380 (e) The board shall:

- 381 (i) develop qualitative and quantitative standards for program review under this  
382 Subsection (7); and
- 383 (ii) ensure the application of the standards the board develops under Subsection  
384 (7)(e)(i) in each program review.

385 (8) In making decisions related to career and technical education curriculum changes, the  
386 board shall coordinate, on behalf of the boards of trustees of higher education institutions,  
387 a review of the proposed changes by the State Board of Education to ensure an orderly  
388 and systematic career and technical education curriculum that eliminates overlap and  
389 duplication of course work with high schools and technical colleges.

390 (9) The board shall demonstrate compliance with Subsection (7) by:

- 391 (a) creating a list of programs and corresponding review schedules;
- 392 (b) upon request of the Higher Education Appropriations Subcommittee, providing the  
393 list described in Subsection (9)(a); and
- 394 (c) providing a written report on or before October 1 to the Higher Education  
395 Appropriations Subcommittee of each year regarding relevant findings from the  
396 reviews conducted under Subsection (7).

397 (10) On or before October 1, 2026, if the Higher Education Appropriations Subcommittee  
398 finds the board to be out of compliance with Subsection (9), the Legislature shall:

- 399 (a) deduct 10% of the appropriation described in Section 53H-8-302 for the following  
400 fiscal year; and
- 401 (b) deduct an additional 10% of the appropriation described in Section 53H-8-302 for  
402 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**  
405       **budgets -- Submission of budgets -- Recommendations -- Hearing request --**  
406       **Appropriation formulas -- Allocations -- Dedicated credits -- Financial affairs.**

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

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

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

- 413           (i) employee compensation for each institution that demonstrates that the institution  
414           is meeting the board's faculty teaching and instructional workload metrics;
- 415           (ii) mandatory costs, including building operations and maintenance, fuel, and power;
- 416           (iii) performance funding described in Part 3, Performance Funding;
- 417           (iv) statewide and institutional priorities, including scholarships, financial aid, and  
418           technology infrastructure; and
- 419           (v) enrollment growth.

420       (c) The board's recommendations shall be available for presentation to the governor and  
421       to the Legislature at least 30 days before the convening of the Legislature, and shall  
422       include schedules showing the recommended amounts for each institution and the  
423       board, including separately funded programs or divisions.

424       (d) The recommended appropriations shall be determined by the board only after the  
425       board has reviewed the proposed institutional operating budgets, and has consulted  
426       with the various institutions and board staff in order to make appropriate adjustments.

427       (3) In the combined request for appropriation, the board shall differentiate between  
428       appropriations requested for academic education and appropriations requested for  
429       technical education.

430       (4)(a) Institutional operating budgets shall be submitted to the board at least 90 days  
431       before the convening of the Legislature in accordance with procedures established by  
432       the board.

433       (b) Except as provided in Sections 53H-9-604 and 53H-9-504, funding requests  
434       pertaining to capital facilities and land purchases shall be submitted in accordance  
435       with procedures prescribed by the Division of Facilities Construction and  
436       Management.

- 437 (5)(a) The budget recommendations of the board shall be accompanied by full  
438 explanations and supporting data[-] , including, regarding employee compensation:  
439 (i) each institution's current staffing salary base, including the sources of funds for  
440 any salary base;  
441 (ii) the total amount each institution spends on compensation; and  
442 (iii) the method each institution and the board uses for calculating compensation.  
443 (b) The appropriations recommended by the board shall be made with the dual objective  
444 of:  
445 (i) justifying for institutions appropriations consistent with the institutions' needs, and  
446 consistent with the financial ability of the state; and  
447 (ii) determining an equitable distribution of funds among the respective institutions in  
448 accordance with the aims and objectives of the statewide master plan for higher  
449 education.  
450 (6)(a) The board shall request a hearing with the governor on the recommended  
451 appropriations.  
452 (b) After the governor delivers the governor's budget message to the Legislature, the  
453 board shall request hearings on the recommended appropriations with the Higher  
454 Education Appropriations Subcommittee.  
455 (c) If either the total amount of the state appropriations or its allocation among the  
456 institutions as proposed by the Legislature or the Higher Education Appropriations  
457 Subcommittee is substantially different from the recommendations of the board, the  
458 board may request further hearings with the Legislature or the Higher Education  
459 Appropriations Subcommittee to reconsider both the total amount and the allocation.  
460 (7) The board may devise, establish, periodically review, and revise formulas for the  
461 board's use and for the use of the governor and the Higher Education Appropriations  
462 Subcommittee in making appropriation recommendations.  
463 (8)(a) The board shall recommend to each session of the Legislature the minimum  
464 tuitions, resident and nonresident, for each institution which it considers necessary to  
465 implement the budget recommendations.  
466 (b) Subject to Subsection (13), the board may fix the tuition, fees, and charges for each  
467 institution at levels the board finds necessary to meet budget requirements.  
468 (9) Money allocated to each institution by legislative appropriation may be budgeted in  
469 accordance with institutional work programs approved by the board, provided that the  
470 expenditures funded by appropriations for each institution are kept within the

471 appropriations for the applicable period.

472 (10) The dedicated credits, including revenues derived from tuitions, fees, federal grants,  
473 and proceeds from sales received by the institutions are appropriated to the respective  
474 institutions to be used in accordance with institutional work programs.

475 (11) An institution may do the institution's own purchasing, issue the institution's own  
476 payrolls, and handle the institution's own financial affairs under the general supervision  
477 of the board.

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

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

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

- 486 (a) is homeless, as defined in Section 26B-3-207;
- 487 (b) is a person who is homeless, as defined in Section 35A-5-302;
- 488 (c) is an individual whose primary nighttime residence is a location that is not designed  
489 for or ordinarily used as a sleeping accommodation for an individual;
- 490 (d) is a homeless child or youth, as defined in 42 U.S.C. Sec. 11434a;
- 491 (e) is in the custody of the Division of Child and Family Services; or
- 492 (f) was in the custody of the Division of Child and Family Services but is no longer in  
493 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**  
496 **education institutions -- Agreements -- Priorities -- New capital facilities.**

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

- 498 (a) Utah State University for:
  - 499 (i) Bridgerland Technical College;
  - 500 (ii) Tooele Technical College; and
  - 501 (iii) Uintah Basin Technical College;
- 502 (b) Weber State University for:
  - 503 (i) Ogden-Weber Technical College; and
  - 504 (ii) Davis Technical College;

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

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

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

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

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

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

512 (3) Before a technical college develops new instructional facilities, the technical college

513 shall give priority to:

514 (a) maintaining the technical college's existing instructional facilities for both secondary  
515 and adult students;

516 (b) coordinating with the president of the technical college's degree-granting partner and  
517 entering into any necessary agreements to provide career and technical education to  
518 secondary and adult students that:

519 (i) maintain and support existing higher education career and technical education  
520 programs; and

521 (ii) maximize the use of existing higher education facilities; and

522 (c) developing cooperative agreements with school districts, charter schools, other  
523 higher education institutions, businesses, industries, and community and private  
524 agencies to maximize the availability of career and technical education instructional  
525 facilities for both secondary and adult students.

526 (4)(a) Before submitting a funding request pertaining to new capital facilities and land

527 purchases to the board, a technical college shall:

528 (i) ensure that all available instructional facilities are maximized in accordance with  
529 Subsections (3)(a) through (c); and

530 (ii) coordinate the request with the president of the technical college's  
531 degree-granting partner, if applicable.

532 (b) The Division of Facilities Construction and Management shall make a finding that  
533 the requirements of this section are met before the Division of Facilities Construction  
534 and Management may consider a funding request from the board pertaining to new  
535 capital facilities and land purchases for a technical college.

536 (c) A technical college may not construct, approve the construction of, or consent to the  
537 construction of a career and technical education facility without approval of the  
538 Legislature.

- 539 (5) Before acquiring new fiscal and administrative support structures, a technical college  
540 shall:  
541 (a) review the use of existing public or higher education administrative and accounting  
542 systems, financial record systems, and student and financial aid systems for the  
543 delivery of education in the region;  
544 (b) determine the feasibility of using existing systems; and  
545 (c) ~~[with the approval of]~~ consult the technical college board of trustees and the board~~[,~~  
546 ~~use]~~ regarding the use of the existing systems.

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

548 **63I-5-102 . Definitions.**

549 As used in this chapter:

- 550 (1) "Agency governing board" is any board or commission that has policy making and  
551 oversight responsibility over the agency, including the authority to appoint and remove  
552 the agency director.  
553 (2) "Agency head" means a cabinet officer, an elected official, an executive director, or a  
554 board or commission vested with responsibility to administer or make policy for a state  
555 agency.  
556 (3) "Agency internal audit director" or "audit director" means the person who:  
557 (a) directs the internal audit program for the state agency; and  
558 (b) is appointed by the audit committee or, if no audit committee has been established,  
559 by the agency head.  
560 (4) "Appointing authority" means:  
561 (a) the governor, for state agencies other than the State Tax Commission;  
562 (b) the Judicial Council, for judicial branch agencies;  
563 (c) the Utah Board of Higher Education, for higher education entities;  
564 (d) the State Board of Education, for entities administered by the State Board of  
565 Education; or  
566 (e) the four tax commissioners, for the State Tax Commission.

- 567 (5) "Audit committee" means~~[ - ]~~ :  
568 (a) a standing committee composed of members who:  
569 [(a)] (i) are appointed by an appointing authority;  
570 [(b)] (ii) ~~(i)~~ (A) do not have administrative responsibilities within the agency; and  
571 [(ii)] (B) are not an agency contractor or other service provider; and  
572 [(e)] (iii) have the expertise to provide effective oversight of and advice about internal

573 audit activities and services[-] ; or

574 (b) for an institution of higher education, as that term is defined in Section 53H-1-101,  
575 the institution's board of trustees or a subcommittee of the institution's board of  
576 trustees.

577 (6) "Audit plan" means a prioritized list of audits to be performed by an internal audit  
578 program within a specified period of time.

579 (7) "Higher education entity" means the Utah Board of Higher Education, an institution of  
580 higher education board of trustees, or each higher education institution.

581 (8) "Internal audit" means an independent appraisal activity established within a state  
582 agency as a control system to examine and evaluate the adequacy and effectiveness of  
583 other internal control systems within the agency.

584 (9) "Internal audit program" means an audit function that:

585 (a) is conducted by an agency, division, bureau, or office, independent of the agency,  
586 division, bureau, or office operations;  
587 (b) objectively evaluates the effectiveness of agency, division, bureau, or office  
588 governance, risk management, internal controls, and the efficiency of operations; and  
589 (c) is conducted in accordance with the current:  
590 (i) International Standards for the Professional Practice of Internal Auditing; or  
591 (ii) The Government Auditing Standards, issued by the Comptroller General of the  
592 United States.

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

594 (11)(a) "State agency" means:

595 (i) each department, commission, board, council, agency, institution, officer,  
596 corporation, fund, division, office, committee, authority, laboratory, library, unit,  
597 bureau, panel, or other administrative unit of the state; or  
598 (ii) each state public education entity.

599 (b) "State agency" does not mean:

600 (i) a legislative branch agency;  
601 (ii) an independent state agency as defined in Section 63E-1-102;  
602 (iii) a county, municipality, school district, special district, or special service district;  
603 or  
604 (iv) any administrative subdivision of a county, municipality, school district, special  
605 district, or special service district.

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

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

- 607 (1)(a) The departments of Government Operations, Agriculture, Commerce, Cultural  
608 and Community Engagement, Corrections, Workforce Services, Environmental  
609 Quality, Health, Human Services, Natural Resources, Public Safety, and  
610 Transportation, and the State Tax Commission shall conduct various types of  
611 auditing procedures as determined by the agency head or governor.  
612 (b) The governor may, by executive order, require a state agency not described in  
613 Subsection (1)(a) to establish an internal audit program.  
614 (c) The governor shall ensure that each state agency that reports to the governor has  
615 adequate internal audit coverage.  
616 (2)(a) The Administrative Office of the Courts shall establish an internal audit program  
617 under the direction of the Judicial Council, including auditing procedures for courts  
618 not of record.  
619 (b) The Judicial Council may, by rule, require other judicial agencies to establish an  
620 internal audit program.  
621 (3)(a) Utah Tech University, the University of Utah, Utah State University, Salt Lake  
622 Community College, Southern Utah University, Utah Valley University, Weber State  
623 University, and Snow College shall establish an internal audit program under the  
624 direction of the Utah Board of Higher Education.  
625 (b) The Utah Board of Higher Education may issue policies requiring other higher  
626 education entities or programs to establish an internal audit program.  
627 (c) The board of trustees of each institution of higher education described in this  
628 Subsection (3) shall:  
629 (i) serve as the audit committee for the institution; or  
630 (ii) establish a subcommittee of the board of trustees to serve as the audit committee  
631 for the institution.  
632 (4) The State Board of Education shall establish an internal audit program that provides  
633 internal audit services for each program administered by the State Board of Education.  
634 (5) Subject to Section 32B-2-302.5, the internal audit division of the Department of  
635 Alcoholic Beverage Services shall establish an internal audit program under the  
636 direction of the Alcoholic Beverage Services Commission.  
637 Section 13. Section **67-5-5** is amended to read:  
638 **67-5-5 . Hiring of legal counsel for agencies -- Costs.**  
639 (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 [  
643       sueh]agency.[-]  
644 (2) Where the Legislature has provided by statute for separate agency counsel, [no such] the  
645       counsel may not act as an assistant attorney general nor as a special assistant attorney  
646       general unless the attorney general [shall so authorize] authorizes.[-]  
647 (3) Unless the attorney general hires [sueh]legal counsel from outside the attorney general's  
648       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  
650       costs of any services [~~to be rendered by this counsel shall be approved by the attorney~~  
651       general before these costs are incurred] the outside counsel renders before the outside  
652       counsel incurs the costs.[-]  
653 (5)(a) The attorney general shall approve all billing statements from outside counsel[  
654       and] described in this section.  
655 (b) The agency shall pay the full costs of [this counsel unless the agency by legislative  
656       appropriation or in the form of costs, fees, fines, penalties, forfeitures or proceeds  
657       reserved or designated for the payment of legal fees receives from any other source  
658       the equivalent cost or a portion thereof, in which case the attorney general may bill  
659       the agency for the services; provided, the agency may deduct any unreimbursed costs  
660       and expenses incurred by the agency in connection with the legal service rendered]  
661       the outside counsel described in Subsection (5)(a).

662       Section 14. **Effective Date.**

663       This bill takes effect on May 6, 2026.