Utah System of Higher Education
A Performance Audit of the Utah Board of Regents
Response Update
February 2019
A Performance Audit of the Utah Board of Regents

Report Number 2018-11

Released: October 2018
Audit scope timeframe: 2012-2017
Findings focused on three improvement areas:

• Metrics to measure strategic outcomes
• Expanded use of the Board’s audit function
• Review and analysis of proposed tuition increases
Metrics to Measure Strategic Outcomes

**Recommendation 1:**
The Board of Regents set specific and consistent metrics for each system priority and annually report the performance of those metrics. Included with each metric should be the past performance of that metric. The reports should also be clearly (and consistently) identified and accessibly located.

**Recommendation 2:**
The Board of Regents comply with statute to set performance targets for each institution (based on system targets) and to report on institutional performance annually.

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**Board of Regents adopted 10 system/institution metrics & goals**

- General Attainment: 1 metric
- Access: 2 metrics
- Affordability: 1 metric
- Timely Completion: 2 metrics
- Workforce & Research: 2 metrics
- Effective Use of Resources: 2 metrics
**Expanded Use of the Board’s Audit Function**

**Recommendation 1:**
The Board of Regents utilize an audit function to promote greater accountability throughout the Utah System of Higher Education. The internal audit director should report functionally to the Board of Regents.

Regents' Policy R567 (Revised November 2018)

“The audit director reports functionally to the Regent Audit Subcommittee and administratively to the Associate Commissioner for Finance, Facilities, and Research within the Office of the Commissioner.”
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Expanded Use of the Board’s Audit Function

**Recommendation 2:**

The Board of Regents produce formalized annual risk assessments and audit plans that include system wide risks and concerns.
Expanded Use of the Board’s Audit Function

Recommendation 3:
The internal auditor’s duties only entail audit-related activities, which should be determined by the Board of Regents Audit Committee.

Regents’ Policy R567 (Revised November 2018)
“System and institution internal auditors shall not participate in institution management or operational responsibilities that would impair independence.”

Director of Audit duties will be reviewed and approved annually by the Regent Audit Committee to ensure that the Board’s audit needs are being met.
Expanded Use of the Board’s Audit Function

Recommendation 4:
Over time, resources to the audit function increase to meet the needs of the Board of Regents. Audit Committee.

• The Board repurposed recently vacated position to recruit new Performance Auditor, posted on January 25.

• The Board will complete a comprehensive review of the overall USHE internal Audit operation in calendar year 2019 to validate current structure and policies.
Review and Analysis of Proposed Tuition Increases

**Recommendation 1:**
We recommend that the Board of Regents, when approving tuition increases, require the Commissioner’s staff to provide multiple tuition scenarios with thorough analysis of what priorities would be funded under each scenario. Implemented

Regents’ Policy R510 (Revised November 2018)
- Additional information and justification for tuition rate adjustments including a detailed list of how each institution plans to use the additional tuition revenue, if approved.
- Multiple tuition scenarios provided as considerations to the Board.
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- Multiple tuition scenarios provided as considerations to the Board.
Review and Analysis of Proposed Tuition Increases

Recommendation 2:
The Board of Regents Require Board staff to perform periodic random testing of institution’s tuition request data

WSU Use of New Tuition Funding (FY 2018)  Scheduled Completion: Feb. 2019
SLCC Use of New Tuition Funding (FY 2018)  Scheduled Completion: Feb. 2019
Review and Analysis of Proposed Tuition Increases

**Recommendation 3:**
If the Board of Regents continues to allow the Council of Presidents to review all materials before being reviewed and approved by the Board, the Board of Regents should change policy to require minutes be kept at Council of Presidents meetings.
Recommendation 4:
The Board of Regents require all institutions’ tuition increases to go through both institution and public review, as well as public hearings at the Board of Regents level where individual institutions present their needs, and provide analysis, support, and justification of tuition increases.

<table>
<thead>
<tr>
<th>Truth-in-Tuition Hearings</th>
<th>Board of Trustee Review</th>
<th>Board of Regents Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utah: March 19</td>
<td>March 12</td>
<td>Tuition Presentations March 28</td>
</tr>
<tr>
<td>USU: March 6</td>
<td>March 8</td>
<td>Public Hearing March 28</td>
</tr>
<tr>
<td>WSU: March 11</td>
<td>March 19</td>
<td>Final Tuition Decisions March 29</td>
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<td>SUU: March 5</td>
<td>March 21</td>
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<tr>
<td>SNOW: March 13</td>
<td>March 14 / 15</td>
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<td>DSU: March 5</td>
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<td>UVU: March 7</td>
<td>March 14</td>
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<tr>
<td>SLCC: March 7</td>
<td>March 13</td>
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</tbody>
</table>
UTAH SYSTEM OF HIGHER EDUCATION
Affordability & Tuition Setting Practices
Strategic Plan 2025

“To increase the educational attainment of Utahns, to enhance their overall quality of life, and to meet Utah’s current and future workforce needs.”

**Strategic Priority Areas**
- Affordable Access
- Timely Completion
- Workforce and Research
- Student Growth & Capacity
Regents’ Commitment to Affordable College

“Ensure all Utahns can affordably access a quality postsecondary education with the tools, resources, and information that start them on the path to completion, especially for underserved populations and first-generation college students.”

FY19-20 Affordability Focused Initiatives

• College Access Advisor Program
• Improved State Aid (HB260 - Utah Access Promise Scholarship Program
• Tuition & Student Aid Policy Review (Mid-2019)
• Examination of Higher Education Costs Drivers and Cost Saving Strategies
2018-19 In-State Tuition/Fees
Average 4-Year Public Colleges/Universities

By the Numbers

College Board, Trends in College Pricing (https://trends.collegeboard.org/college-pricing/figures-tables/variation-published-priced/Published%20Tuition%20and%20Fees%20by%20Region%20and%20by%20State)
By the Numbers

Average Student Debt of Those with Loans at Graduation (Class of 2017)

The Institute for College Access & Success, Project on Student Debt (https://ticas.org/posd/map-state-data#)
By the Numbers

% who Graduate with Debt
(Class of 2017)

The Institute for College Access & Success, Project on Student Debt (https://ticas.org/posd/map-state-data/)
By the Numbers

Concurrent Enrollment

• Over 50% of all high school seniors take at least one concurrent enrollment course.

• Enrollment increased by 10.6 percent over prior year.

• Students saved $48.7 million in future tuition expenses.
But...

Utahns cite “the cost of attending college” as the most important higher education issue.
But...is college in Utah affordable?

Utahns cite “the cost of attending college” as the most important higher education issue.

- Do the comparatively low rates of student borrowing and student debt mean Utah’s colleges and universities are affordable?
- Do the comparatively low rates of tuition/fees mean Utah’s colleges and universities are affordable?
- The state has provided programs that help to reduce the overall cost of college for students through dual credit and tuition reduction strategies – how does that impact affordability?
## Board of Regents Affordability Metric

<table>
<thead>
<tr>
<th>Type</th>
<th>Institution</th>
<th>Benchmark</th>
<th>Published Tuition &amp; Fees as % of State Median Household Income</th>
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<tbody>
<tr>
<td>Research</td>
<td>UU</td>
<td>15%</td>
<td>14.8%</td>
</tr>
<tr>
<td></td>
<td>USU – Main Campus</td>
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<td>11.9%</td>
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<tr>
<td>Regional</td>
<td>WSU</td>
<td>10%</td>
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<td>SUU</td>
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<td>10.8%</td>
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<td>DSU</td>
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<td>8.4%</td>
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<tr>
<td></td>
<td>UVU</td>
<td></td>
<td>9.2%</td>
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<tr>
<td>Community College</td>
<td>USU – Eastern</td>
<td>7%</td>
<td>6.2%</td>
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<tr>
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<td>SNOW</td>
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<td>6.0%</td>
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<tr>
<td></td>
<td>SLCC</td>
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<td>6.1%</td>
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</table>
Affordability Considerations prior to Approving Tuition Adjustments:

- National and regional tuition and fee comparisons for each institution
- Institution cost data
- How the proposed tuition rate compares to the state’s median income statistics
- Average student debt load in Utah
- Combined impact of tuition rate adjustments and general student fee increases
- State funding received by the legislature for the year
- Student and public comment
Revisions to Board Tuition Setting Procedures:

- Discontinued uniform first-tier + institution second-tier tuition structure to an institution specific tuition rate approach (2019-20)
- Additional detail from institutions including:
  - A detailed list of uses for tuition revenue
  - Demonstrated support from students and Trustees
  - Anticipated impact on student access, retention, and completion rates
  - Dollar and percentage adjustment being requested
- Institutions use of tuition dollars will be subject to spot audits
UTAH SYSTEM OF HIGHER EDUCATION