

# Shared Services Update

February 1, 2024



UTAH  
SYSTEM OF  
HIGHER  
EDUCATION

## Utah Code 53B-1-402

(2)(p) [The Board shall:]...maximize efficiency throughout the Utah System of Higher Education by identifying and establishing shared administrative services beginning with:

- i) commercialization;
  - ii) services for compliance with Title IX of the Education Amendments of 1972, 20 U.S.C. Sec. 1681 et seq;
  - iii) information technology services; and
  - iv) human resources, payroll, and benefits administration
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# Shared Services Actions to Date

- Previous Board adopted guiding principles for shared services initiatives.
  - Commissioner's office contracted with the Huron Consulting Group to explore, identify, and assess opportunities for shared services.
  - Commissioner's office continues to support and expand existing shared services such as internal audits and the Utah Academic Library Consortium, etc.
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# Shared Services in Prioritized Areas: Commercialization

- **Current:** Partnering with the Innovation District at The Point to expand internship programs for USHE students.
  - **Proposed:** Support Innovation District efforts to establish a shared service commercialization hub with Convergence Hall at The Point, the Utah Policy Innovation Lab, internship programs, and the Utah Innovation Fund.
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# Shared Services in Prioritized Areas: Title IX

- **Current:** Regional institution-level collaborations, training, and sharing of best practices.
  - **Proposed:** Board budget request of \$255,600 in ongoing funds to assign an additional Attorney General to the technical college system.
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# Shared Services in Prioritized Areas: Information Technology

- **Current:** Centralized procurement, policy development, and audit work through the University of Utah Technology Department & USHE institution Chief Information Officers.
  - **Proposed:** Support Utah Education and Telehealth Network's (UETN) request for \$6,900,000 in ongoing funds for staffing, resources, and tools to increase institution cybersecurity efforts. The board recommends a budget request of \$1,500,000 in one-time funding to rewrite the NorthStar student information system.
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# Shared Services in Prioritized Areas: Benefits/Payroll

- **Current:** Centralized procurement, policy development, and sharing of best practices through the Utah Higher Education Personnel Administrators Committee (UHEPAC).
  - **Proposed:** Support and approve a request for proposals for centralized health benefit brokering and technical college payroll processing services.
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# Shared Services: Health Benefits Administration

- USHE institutions currently use six different health benefit carriers with varying cost, coverage, and negotiation processes. Increased system-level health benefit-related efficiencies may be possible by centralizing USHE institutions' health benefit negotiation, procurement, and administration.
  - The Commissioner's office is working on a request for proposals to assess solutions for shared services in this area.
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## Shared Services: Health Benefit Carriers

- **Self-Insured:** Five of the degree-granting institutions are self-insured for employee health benefits. Four of those institutions use the same benefits administrator.
  - **Not Self-insured:** Three of the degree-granting institutions and all eight technical colleges are not self-insured for employee health benefits. Eight of these institutions are insured by PEHP. Three institutions use other carriers.
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## Shared Services: PEHP

- **Public Employees Health Program (PEHP):** PEHP works well for the institutions using it for employee health benefits.
  - **Utah Code:** The Public Employees' Benefit and Insurance Program Act places restrictions on PEHP insuring large higher education institutions. This code restriction encourages those larger institutions to seek self-insured employee health benefits.
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# Shared Services: Payroll

- USHE technical colleges use diverse and unstandardized payroll processing systems. Payroll at the eight technical colleges is processed with five different payroll systems. Some systems that process employee payments and file taxes are outsourced. Other systems only process payroll and payments, and tax filing is done by the institutions. Establishing a common vendor to provide payroll processing services for USHE technical colleges could increase efficiencies.
  - The Commissioner's office is working on a request for proposals to assess solutions for shared services in this area. Through coordination with each technical college, an RFP draft was completed and is being refined by procurement.
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# Shared Services: Payroll

## **Minimum mandatory requirements for a new payroll system:**

- Proposed system must provide integrated functionality for time and attendance, payroll, benefit management, and human resource information systems.
  - Full federal, state, and local tax filing administration.
  - Direct deposit allowing paycheck distribution.
  - W-2 preparation.
  - Training for human resource and payroll personnel to understand and operate all functions of the system.
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**Questions?**

**THANK YOU!**



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