

## Part 1 Budgets and Funding

### **53B-7-101 Combined requests for appropriations -- Board review of operating budgets -- Submission of budgets -- Recommendations -- Hearing request -- Appropriation formulas -- Allocations -- Dedicated credits -- Financial affairs.**

- (1) As used in this section:
  - (a) "Higher education institution" or "institution" means an institution of higher education listed in Section 53B-1-102.
  - (b) "Research university" means the University of Utah or Utah State University.
- (2)
  - (a) Subject to Subsection (3), the board shall recommend a combined appropriation for the operating budgets of higher education institutions for inclusion in a state appropriations act.
  - (b) The board's combined budget recommendation shall include:
    - (i) employee compensation;
    - (ii) mandatory costs, including building operations and maintenance, fuel, and power;
    - (iii) performance funding described in Part 7, Performance Funding;
    - (iv) statewide and institutional priorities, including scholarships, financial aid, and technology infrastructure; and
    - (v) enrollment growth.
  - (c) The board's recommendations shall be available for presentation to the governor and to the Legislature at least 30 days before the convening of the Legislature, and shall include schedules showing the recommended amounts for each institution, including separately funded programs or divisions.
  - (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.
- (3) In the combined request for appropriation, the board shall differentiate between appropriations requested for academic education and appropriations requested for technical education.
- (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 53B-2a-117 and 53B-22-204, 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.
- (5)
  - (a) The budget recommendations of the board shall be accompanied by full explanations and supporting data.
  - (b) The appropriations recommended by the board shall be made with the dual objective of:
    - (i) justifying for higher education institutions appropriations consistent with their 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.
- (6)
  - (a) The board shall request a hearing with the governor on the recommended appropriations.

- (b) After the governor delivers his budget message to the Legislature, the board shall request hearings on the recommended appropriations with the Higher Education Appropriations Subcommittee.
- (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.
- (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.
- (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.
  - (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.
- (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.
- (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.
- (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.
- (12) If the Legislature appropriates money in accordance with this section, the money shall be distributed to the board and higher education institutions to fund the items described in Subsection (2)(b).
- (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:
  - (a) is homeless, as defined in Section 26B-3-207;
  - (b) is a person who is homeless, as defined in Section 35A-5-302;
  - (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;
  - (d) is a homeless child or youth, as defined in 42 U.S.C. Sec. 11434a;
  - (e) is in the custody of the Division of Child and Family Services; or
  - (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.

Amended by Chapter 527, 2024 General Session

**53B-7-101.5 Proposed tuition increases -- Notice -- Hearings.**

- (1) If an institution within the State System of Higher Education listed in Section 53B-1-102 considers increasing tuition rates for undergraduate students in the process of preparing or implementing its budget, it shall hold a meeting to receive public input and response on the issue.
- (2) The institution shall advertise the hearing required under Subsection (1) using the following procedure:

- (a) the institution shall advertise the institution's intent to consider an increase in student tuition rates:
    - (i) in the institution's student newspaper twice during a period of 10 days before the meeting; and
    - (ii) for each county where the institution has a campus, as a class A notice under Section 63G-30-102, for at least 10 days before the meeting; and
  - (b) the advertisement shall state that the institution will meet on a certain day, time, and place fixed in the advertisement, which shall not be less than seven days after the day the advertisement is published, for the purpose of hearing comments regarding the proposed increase and to explain the reasons for the proposed increase.
- (3) The form and content of the notice shall be substantially as follows:
- "NOTICE OF PROPOSED TUITION INCREASE**
- The (name of the higher education institution) is proposing to increase student tuition rates. This would be an increase of \_\_\_\_\_ %, which is an increase of \$\_\_\_\_\_ per semester for a full-time resident undergraduate student. All concerned students and citizens are invited to a public hearing on the proposed increase to be held at (meeting place) on (date) at (time)."
- (4)
- (a) The institution shall provide the following information to those in attendance at the meeting required under Subsection (1):
    - (i) the current year's student enrollment for:
      - (A) the State System of Higher Education, if a systemwide increase is being considered; or
      - (B) the institution, if an increase is being considered for just a single institution;
    - (ii) total tuition revenues for the current school year;
    - (iii) projected student enrollment growth for the next school year and projected tuition revenue increases from that anticipated growth; and
    - (iv) a detailed accounting of how and where the increased tuition revenues would be spent.
  - (b) The enrollment and revenue data required under Subsection (4)(a) shall be broken down into majors or departments if the proposed tuition increases are department or major specific.
- (5) If the institution does not make a final decision on the proposed tuition increase at the meeting, it shall announce the date, time, and place of the meeting where that determination shall be made.

Amended by Chapter 435, 2023 General Session

**53B-7-102 Fiscal year.**

The fiscal year for each institution and for the board begins on July 1 and ends on June 30 in each year.

Enacted by Chapter 167, 1987 General Session

**53B-7-103 Board designated state educational agent for federal contracts and aid -- Individual research grants -- Powers of institutions or foundations under authorized programs.**

- (1)
- (a) The board is the designated state educational agency authorized to negotiate and contract with the federal government and to accept financial or other assistance from the federal government or any of its agencies in the name of and in behalf of the state of Utah, under

terms and conditions as may be prescribed by congressional enactment designed to further higher education.

- (b) Nothing in this chapter alters or limits the authority of the Division of Facilities Construction and Management to act as the designated state agency to administer programs on behalf of and accept funds from federal, state, and other sources, for capital facilities for the benefit of higher education.

(2)

- (a) Subject to policies and procedures established by the board, an institution of higher education and the institution of higher education's employees may apply for and receive grants or research and development contracts within the educational role of the recipient institution.
- (b) A program described in Subsection (2)(a) may be conducted by and through the institution, or by and through any foundation or organization that is established for the purpose of assisting the institution in the accomplishment of the institution's purposes.

(3) An institution or the institution's foundation or organization engaged in a program authorized by the board may do the following:

- (a) enter into contracts with federal, state, or local governments or their subsidiary agencies or departments, with private organizations, companies, firms, or industries, or with individuals for conducting the authorized programs;
- (b) subject to the approval of the controlling state agency, conduct authorized programs within any of the penal, corrective, or custodial institutions of this state and engage the voluntary participation of inmates in those programs;
- (c) accept contributions, grants, or gifts from, and enter into contracts and cooperative agreements with, any private organization, company, firm, industry, or individual, or any governmental agency or department, for support of authorized programs within the educational role of the recipient institution, and may agree to provide matching funds with respect to those programs from resources available to the institution; and
- (d) retain, accumulate, invest, commit, and expend the funds and proceeds from programs funded under Subsection (3)(c), including the acquisition of real and personal property reasonably required for their accomplishment, except that no portion of the funds and proceeds may be diverted from or used for purposes other than those authorized or undertaken under Subsection (3)(c), or may ever become a charge upon or obligation of the state of Utah or the general funds appropriated for the normal operations of the institution unless otherwise permitted by law.

(4)

- (a) Except as provided in Subsection (4)(b), all contracts and research or development grants or contracts requiring the use or commitment of facilities, equipment, or personnel under the control of an institution of higher education are subject to the approval of the board.
- (b)
  - (i) The board may delegate the approval of a contract or grant described in Subsection (4)(a) to an institution of higher education board of trustees.
  - (ii) If the board makes a delegation described in Subsection (4)(b)(i), the board of trustees shall annually report to the board on all approved contracts or grants.

Amended by Chapter 421, 2022 General Session

### **53B-7-103.5 Uses of revenue for athletic gender equity.**

Beginning on July 1, 1998, a state institution of higher education shall annually use for the purposes described in Title IX of the Education Amendments of 1972, 20 U.S.C. Sec. 1681 et seq.,

an amount of revenue equal to the total amount of sales and use tax revenue collected under Title 59, Chapter 12, Sales and Use Tax Act:

- (1) during the one-year period beginning on July 1, 1997, and ending on June 30, 1998; and
- (2) on amounts paid for admission to athletic events at the institution of higher education.

Enacted by Chapter 318, 1998 General Session

**53B-7-104 Retention of net reimbursed overhead revenues.**

- (1) For fiscal year 1990-91 and for each succeeding year, all budget documents for the system of higher education shall reflect retention by the institutions within the system of their net reimbursed overhead revenues for support of research and related programs under policies established by the board. These overhead revenues may not be considered a dedicated credit.
- (2) The board, in conjunction with institutions within the system, shall provide the Legislature, through the Office of Legislative Fiscal Analyst, with a complete accounting of the net reimbursed overhead revenues on an annual basis. This accounting shall include actual expenditures for the prior fiscal year, budgeted expenditures for the current fiscal year, and planned expenditures for the following fiscal year.

Amended by Chapter 365, 2020 General Session

**53B-7-105 Higher education cost disclosure.**

- (1) Each institution within the Utah system of higher education shall, at the time of registration, plainly disclose to all of the institution's undergraduate resident students the following amounts, in dollar figures for a full-time equivalent student:
  - (a) the full cost of instruction;
  - (b) the amount collected from student tuition and fees; and
  - (c) the difference between the amounts described under Subsections (1)(a) and (b).
- (2) The disclosure under Subsection (1)(c) shall also clearly indicate that this balance was paid by state tax dollars and other money.

Amended by Chapter 187, 2021 General Session

**53B-7-106 Personal use expenditures for officers and employees of institutions of higher education.**

- (1) As used in this section:
  - (a) "Employee" means a person who is not an elected or appointed officer and who is employed on a full- or part-time basis by an institution of higher education.
  - (b) "Institution of higher education" means an institution that is part of the state system of higher education as described in Section 53B-1-102.
  - (c) "Officer" means a person who is elected or appointed to an office or position within an institution of higher education.
  - (d)
    - (i) "Personal use expenditure" means an expenditure made without the authority of law that:
      - (A) is not directly related to the performance of an activity as an officer or employee of an institution of higher education;
      - (B) primarily furthers a personal interest of an officer or employee of an institution of higher education or the family, a friend, or an associate of an officer or employee of an institution of higher education; and

- (C) would constitute taxable income under federal law.
- (ii) "Personal use expenditure" does not include:
  - (A) a de minimis or incidental expenditure; or
  - (B) a state vehicle or a monthly stipend for a vehicle that an officer or employee uses to travel to and from the officer or employee's official duties, including a minimal allowance for a detour as provided by the institution of higher education.
- (e) "Public funds" means the same as that term is defined in Section 51-7-3.
- (2) An officer or employee of an institution of higher education may not:
  - (a) use public funds for a personal use expenditure; or
  - (b) incur indebtedness or liability on behalf of, or payable by, an institution of higher education for a personal use expenditure.
- (3) If the institution of higher education determines that an officer or employee of an institution of higher education has intentionally made a personal use expenditure in violation of Subsection (2), the institution of higher education shall:
  - (a) require the officer or employee to deposit the amount of the personal use expenditure into the fund or account from which:
    - (i) the personal use expenditure was disbursed; or
    - (ii) payment for the indebtedness or liability for a personal use expenditure was disbursed;
  - (b) require the officer or employee to remit an administrative penalty in an amount equal to 50% of the personal use expenditure to the institution of higher education; and
  - (c) deposit the money received under Subsection (3)(b) into the operating fund of the institution of higher education.
- (4)
  - (a) Any officer or employee of an institution of higher education who has been found by the institution of higher education to have made a personal use expenditure in violation of Subsection (2) may appeal the finding of the institution of higher education.
  - (b) The institution of higher education shall establish an appeal process for an appeal made under Subsection (4)(a).
- (5)
  - (a) Subject to Subsection (5)(b), an institution of higher education may withhold all or a portion of the wages of an officer or employee of the institution of higher education who has violated Subsection (2) until the requirements of Subsection (3) have been met.
  - (b) If the officer or employee has requested an appeal under Subsection (4), the institution of higher education may only withhold the wages of the officer or employee after the appeal process has confirmed that the officer or employee violated Subsection (2).
- (6) Nothing in this chapter immunizes an officer or employee of an institution of higher education from or precludes any criminal prosecution or civil or employment action for an unlawful personal use expenditure.
- (7) An officer or employee of an institution of higher education who is convicted of misusing public money or public property under Section 76-8-402 may not disburse public funds or access public accounts.

Amended by Chapter 211, 2019 General Session

**53B-7-107 Higher education strategic reinvestment.**

- (1) As used in this section:
  - (a) "Reinvestment funds" means the amount of money the Legislature appropriates to the board for strategic reinvestment in accordance with this section.

- (b) "Strategic reinvestment plan" means a plan described in Subsection (3) that each degree-granting institution develops to reallocate reinvestment funds to certain strategic investments.
- (2) The board may transfer to a degree-granting institution the reinvestment funds dedicated to the institution if:
  - (a) for the 2026 fiscal year:
    - (i) the respective degree-granting institution provides to the board the institution's strategic reinvestment plan;
    - (ii) the board approves the institution's strategic reinvestment plan; and
    - (iii) after receiving a report from the board regarding the strategic reinvestment plan in the meeting of the Executive Appropriations Committee in September 2025, the Executive Appropriations Committee makes a determination that the relevant institution's strategic reinvestment plan satisfies the requirements of this section; and
  - (b) for each of the 2027 and 2028 fiscal years:
    - (i) the respective degree-granting institution provides to the board a report on the institution's progress in executing the institution's strategic reinvestment plan; and
    - (ii) after receiving a report from the board regarding the institution's execution of the strategic reinvestment plan in the meeting of the Executive Appropriations Committee in September of 2026 and 2027, respectively, the Executive Appropriations Committee makes a determination that the relevant institution has progressed in executing the institution's strategic reinvestment plan in accordance with this section.
- (3) Each degree-granting institution shall:
  - (a) prepare and submit the institution's strategic reinvestment plan in accordance with Subsections (3)(b) and (c) based on:
    - (i) demonstrated enrollment data;
    - (ii) completion rate and timely completion;
    - (iii) discipline-related professional outcomes, including placement, employment, licensure, and wage outcomes;
    - (iv) current and future localized and statewide workforce demands;
    - (v) program-level cost; and
    - (vi) the institution's mission and role within the statewide system;
  - (b) in consultation with the board, develop a strategic reinvestment plan that:
    - (i) identifies programs, courses, degrees, departments, colleges, or other divisions of the institution, operational efficiencies, and other components of the institution's instruction and administrative functions, including dean positions and other administration positions, that merit further investment;
    - (ii) identifies programs, courses, degrees, departments, colleges or other divisions of the institution, operational inefficiencies, and other components of the institution's instruction and administrative functions, including dean positions and other administration positions, that the institution will reduce or eliminate to shift resources, in an amount at least equal to the amount of reinvestment funds dedicated to the institution, to the strategic investments described in Subsection (3)(b)(i);
    - (iii) retains a core general education curricula that enables students to acquire critical thinking, problem solving, citizenship, communication, and other durable skills; and
    - (iv) includes an accounting demonstrating the reallocation of resources from the reduced or eliminated items described in Subsection (3)(b)(ii) to the strategic investments described in Subsection (3)(b)(i) in the following amounts:
      - (A) for fiscal year 2026, at least 30% of the total of the reinvestment funds dedicated to the institution;

- (B) for fiscal year 2027, at least 70% of the total of the amount of reinvestment funds dedicated to the institution; and
- (C) for fiscal year 2028, 100% of the total of the reinvestment funds dedicated to the institution; and
- (c) before a date that the board identifies in each of 2026 and 2027, submit to the board a report on the institution's progress in executing the institution's strategic reinvestment plan, which may include modifications to the plan if the modified plan meets the requirements of this section.
- (4) The board shall:
  - (a) during the 2025 fiscal year:
    - (i) establish standards for the reallocations described in the strategic reinvestment plans; and
    - (ii) provide guidance to the institutions of higher education on metrics and evaluative processes for the institutions to use in analyzing programs and budgets to develop the strategic reinvestment plan;
  - (b) review each institution's strategic reinvestment plan and approve plans that meet the requirements of this section; and
  - (c) report on each institution's strategic reinvestment plan to:
    - (i) in August of 2025, 2026, and 2027, the Higher Education Appropriations Subcommittee; and
    - (ii) in September of 2025, 2026, and 2027, the Executive Appropriations Committee.
- (5)
  - (a) Each year, after receiving the board report described in Subsection (4)(c)(i), the Higher Education Appropriations Subcommittee shall make a recommendation to the Executive Appropriations Committee regarding each institution's strategic reinvestment plan and compliance with this section.
  - (b) Each year, after receiving the board report described in Subsection (4)(c)(ii), the Executive Appropriations Committee shall make a determination, for each institution individually, regarding:
    - (i) for fiscal year 2026, whether the institution's strategic reinvestment plan satisfies the requirements of this section; and
    - (ii) for each of fiscal years 2027 and 2028, whether the institution has progressed in executing the institution's strategic reinvestment plan in accordance with this section.
- (6)
  - (a) A degree-granting institution may use reinvestment funds:
    - (i) for the strategic investments described in Subsection (3)(b)(i); and
    - (ii) for the reduced or eliminated items described in Subsection (3)(b)(ii) in the following amounts:
      - (A) for fiscal year 2026, no more than 70% of the total of the reinvestment funds dedicated to the institution; and
      - (B) for fiscal year 2027, no more than 30% of the total of the reinvestment funds dedicated to the institution.
  - (b) A degree-granting institution may not supplant or supplement the cost of a reduced or eliminated item described in Subsection (3)(b)(ii):
    - (i) through a tuition increase; or
    - (ii) with any state funds, except in fiscal year 2028, to the extent necessary to allow a student to complete the student's academic program as outlined in the institution's approved strategic reinvestment plan.
- (7) If a degree-granting institution fails to reallocate resources in accordance with the institution's reinvestment plan and this section, in preparing the higher education budgets immediately



following the institution's failure, the Executive Appropriations Committee shall reduce appropriations for the institution's instruction and administration in an amount equal to the amount the institution failed to properly reallocate.

- (8)
- (a) Each degree-granting institution shall:
    - (i) establish policies specifically to effectuate the strategic reinvestment plan, and that address the following:
      - (A) reduction or elimination of positions and other personnel decisions; and
      - (B) internal institutional procedures regarding the reduction, elimination, creation, or modification of programs, courses, degrees, departments, colleges, or other divisions of the institution;
    - (ii) ensure that the policies described in this Subsection (8)(a):
      - (A) create operational efficiencies in carrying out the strategic reinvestment plan;
      - (B) assist the institution to meet the timeframes described in this section and the strategic reinvestment plan; and
      - (C) are consistent with the guidance the board provides in accordance with Subsection (4)(a); and
    - (iii) prepare the policies described in this Subsection (8)(a) in consultation with the board.
  - (b) An institution's policies described in Subsection (8)(a) may supersede the following that are inconsistent with the strategic reinvestment plan or the goals of the plan:
    - (i) an existing policy, procedure, or timeframe of the institution; and
    - (ii) a board policy, if the board determines that superseding the policy is necessary or appropriate.
  - (c) Notwithstanding any other provision of this title, an institution may act in accordance with the policies described in this Subsection (8).

Enacted by Chapter 379, 2025 General Session