



OFFICE OF THE
STATE AUDITOR

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**Office of the State Auditor Releases Special Report on
Course and Program Fees in the Utah System of Higher Education**

Salt Lake City, UTAH – The Office of the State Auditor (Office) today released its Special Report on Course and Program Fees in the Utah System of Higher Education (USHE). Following its previous review of various general (or mandatory) student fees, the Office deemed it important to review the oversight and use of course and program fees within USHE. In addition, the Office was asked to review to what extent higher education institutions implemented recommendations regarding fees identified by the USHE Office of Commissioner.

A service fee is a charge in return for a specific benefit to the one paying the fee. To be a legitimate fee for service, the amount charged must bear a reasonable relationship to the services provided, the benefits received, or a need created by those who must pay the fee. Course fees are a type of service fee associated with specific education course costs, such as clinical or lab fees, intended to cover associated clinical or lab costs, whether in whole or in part.

The audit reviewed 15 fees from each of Utah's eight degree-granting public colleges and universities. The audit identified eight findings:

1. Institutions of higher education created course fees outside of policy.
2. Course and program fees could not be reasonably traced to original justification.
3. Many course descriptions did not include the purpose and amount of course fees.
4. Course fees are not adequately tracked.
5. Course fees are not used for purposes detailed in fee descriptions.
6. Course fees generated excess revenue.
7. Course fee payers did not receive proportional benefits.
8. Course fees revenue was used for unallowed purposes.

State Auditor John Dougall emphasized, "Without appropriate controls, it can be easy for a fee to be on autopilot, setting a fee and then forgetting about it, or becoming lax with the appropriate use of those revenues. I appreciate the Commissioner working with all of Utah's public institutions of higher education to strengthen oversight and being sensitive to the confusion some fees cause and to the financial burden these fees place on students."

The report may be found on the Office's website, auditor.utah.gov. The Report is available specifically at <https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000005Spd6QAC>.

About the Office of the State Auditor

The Office of the State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Office also provides interactive graphical tools to help taxpayers and policymakers gain greater insight into governmental financial activities.

The State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every 4 years. The role of the Utah State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

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