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Geoffrey Landward
Commissioner of the Utah System of Higher Education

On behalf of the Utah Board of Higher Education, thank you for the honor of providing testimony regarding one of the Utah System of Higher Education's highest priorities—keeping higher education affordable and accessible. We view this as a top priority because we recognize higher education's indispensable responsibility to cultivate minds, foster discovery, build a civil society, and prepare students for meaningful lives and successful careers.

One of the most significant barriers to higher education is the expense. Public perception that college is unattainable is fueled by alarming increases in tuition and fees. Over the past 50 years, the average rates of tuition and fees at public four-year colleges and universities in the United States has outpaced headline inflation by nearly 270%, going from $3,230 in 2025 dollars in 1975-76 to almost $12,000 in 2025-2026.[i] This rate of increase risks making higher education unreachable for many, which we view as an unacceptable outcome.

Upward Cost Pressures

I first want to state that I am not an economist. I have, however, studied the problem of escalating college costs and consulted with economists. Moreover, college cost inflation has been a topic of debate and study for years, and material on the subject is widely available. A common theme in the research is that there are macroeconomic influences driving higher education costs. The long-term rise in higher education costs reflects a convergence of structural forces rather than a single cause. Over the decades, the information age has transformed our economy, and a knowledge-driven labor market has put an increased premium on advanced credentials.[ii] As that premium rose, demand for postsecondary education expanded accordingly. At the same time, technology and a more connected world have driven down the prices of many goods, making labor-intensive services—like teaching, advising, research support, compliance, and student services—comparatively more expensive.[iii] Finally, as real per-capita incomes increased, aggregate consumer demand rose across most sectors of the economy; for many years, that demand very clearly included higher education.[iv] More recently we have seen signs of intensified softening, as families and students reassess value, financing, and alternatives in a changing marketplace.[v]

There are cost catalysts beyond macroeconomic forces, however. Institutional operational costs are also rising, including faculty salaries, staff compensation, utilities, technology, and student services. In other words, it has become more expensive to operate an institution of higher education.

There are many reasons for escalating operational costs, some of those include—in my opinion and observation—institutional mission creep and unfocused expansion; increasing federal and state regulatory obligations; budget models disconnected from strategic outcomes; expectations for expanded ancillary student services such as mental healthcare, child care, or food pantries; and marketing and recruiting costs in response to intense competitive pressures for growth and revenue.

Despite the complexity, policymakers and higher education leaders can take steps to significantly influence higher education affordability. In this written testimony, I will cover strategies we are pursuing in Utah and the potential benefits of federal policies.

Specific Utah strategies I will cover include:

- Aggressive tuition and fee policies and practices
- Strategic reallocation of institutional appropriations
- Redesigning the Utah System of Higher Education to capture statewide efficiencies and develop centers of excellence through "systemness."
- Establishing system governance and presidential authority that empowers nimble decision making
- Policies that establish clear accountability and incentivizes high performance in strategic areas such as completion, retention, workforce alignment
- Embracing broader higher education offerings, including expanding technical college certificates, prior learning assessments, accelerated bachelor's degrees.

Federal policy benefits

- Financial aid reform that encourages informed consumer choices and responsible program offerings and pricing based on value and return on investment
- Transparent value reporting
- Accountability measures for academic program performance
- Expansion of Pell opportunities for short term certificates

System Redesign

Many public institutions of higher education reside within a state system, and there as many variations on how these systems are structured as there are states. Most systems, however, seek to create efficiency and effectiveness through collaborative planning and partnerships.

The Utah System of Higher Education was designed to have a central governing board, distinctive institutional roles, and prioritize seamless articulation and program review. This was a deliberate, strategic decision intended to capture the unique benefits available to a unified, centrally governed system, often referred to as 'systemness'.

Systemness is the intentional coordination and collaboration among institutions within a higher education system to achieve outcomes that no single institution could accomplish alone. Hallmarks of a well-designed system include:

- Unified student access across campuses
- Strategic collaboration over competition
- Developing and leveraging institutional specializations
- Institutional mission, governance, and leadership alignment
- Systemwide strategic planning
- Systemwide data collection and governance

Utah's system has fallen short of achieving many of those system benefits, which has contributed to administrative and academic inefficiencies, institutional mission creep, and other opportunities to provide higher quality education and research more efficiently.

Indeed, a recent performance audit of the System, found the system is failing to capture the critical benefits of systemness.

Key audit findings include:

1. Institutions Acting Independently
    a. Degree-granting institutions often make decisions in isolation, without considering system-wide impacts.
    b. This leads to program duplication, competition for students and resources, and fragmented planning.
2. Competitive Behavior
    a. Some institutions are engaging in unhealthy competition, offering similar programs even when they are not well-positioned to succeed.
    b. This behavior undermines the potential for collaboration and strategic differentiation across the system.
3. Lack of Role Clarity
    a. Institutional roles are not clearly defined or coordinated.
    b. Without a long-term plan outlining each institution's unique mission, institutions risk overlapping efforts and failing to meet regional or workforce needs effectively.
4. Weak Program Oversight
    a. The Utah Board of Higher Education has improved governance (e.g., centralized budget requests, tuition oversight), but program-level coordination remains weak.
    b. Institutions are not consistently using data to evaluate whether programs should be expanded, reduced, or discontinued.
5. Data Gaps

Two Gateway
60 South 400 West
Salt Lake City, Utah 84102-1284
801.646.4784
ushe.edu

a. Institutions do not routinely calculate program-level costs, completion rates, or employment outcomes.
b. This limits their ability to assess return on investment (ROI) and make informed decisions that benefit the system.

In short, the audit calls for a shift from institution-centric decision-making to a system-wide strategic approach that maximizes efficiency, equity, and workforce alignment. Utah's system is answering that call.

In developing an approach to achieve systemness, we first had to consider what makes Utah unique:

- Utah is the largest state by population with a single higher education system. Other states our size have multiple systems.
- We only have two dedicated community colleges, with other regions covered by dual mission comprehensive universities and the land grant institution.
- We have eight technical colleges and three degree-granting institutions with a technical college role.
- We have a central governing board rather than a coordinating council model and statutorily designated institutional roles.
- We have unique geographical regions with diverse economic clusters, workforce needs, population demographics, and projected growth.
- We have a statutory responsibility to operate with a unified state vision, statewide goals, seamless articulation and transfer, specialized roles, statewide data governance and collection, shared administrative services, and unified budgeting.

With those characteristics in mind, we worked with experts in system design to review the best practices nationwide, selected approaches that made most sense for Utah, and customized a system design that sets an innovative vision for a future system unlike any other in the country.

The redesigned system will provide expansive program offerings statewide, delivered efficiently, with the student experience and value being the guiding principles.

The fundamental building blocks of the system will be horizontal integration and vertical integration. In higher education, horizontal integration and vertical integration refer to different strategies for coordinating and aligning institutions, programs, and services to improve efficiency, equity, and student outcomes. Here is a breakdown of each:

- **Horizontal Integration:** Horizontal integration involves collaboration and alignment across similar institutions—university to university for instance—working together across campuses and institutions. Examples include:
  - Joint or shared academic programs offered by multiple universities.
  - Shared services like IT, procurement, or student support across campuses.

- Cross-campus faculty research collaborations.
- Common course catalogs and transfer pathways to facilitate student mobility.
- Regional higher education centers where multiple institutions offer programs in targeted areas.

When done well, horizontal integration reduces duplication of efforts, enhances resource efficiency, promotes innovation through shared expertise, and improves access and flexibility for students.

- **Vertical Integration:** Vertical integration refers to coordination and alignment across different levels of educational hierarchy—such as between technical colleges, community colleges, teaching universities, and research universities. Examples include:
  - Integrated admissions, advising, student services, and career services.
  - Dual enrollment linking students' enrollment in multiple institutions for simultaneous credit.
  - Shared academic programing such as general education courses.
  - 2+2 transfer pathways from community colleges to four-year institutions.
  - Stackable credentials that build from certificates to associate and bachelor's degrees.

Ideal vertical integration creates seamless admissions and educational pathways; improves student access, retention and completion; creates natural partnerships for shared administrative services; and aligns education with labor market needs.

Trying to establish vertical and horizontal integration statewide fails to adequately recognize the unique qualities of Utah's System and potentially undermines the viability of a redesigned structure. The better path forward is through regional higher education centers comprised two to five institutions of differing missions. Institutions vertical integrate within their regions rather than statewide (although institutions may vertically integrate outside of regions when practicable). Horizontal integration happens within regions across regions, such as the Wasatch front, and statewide.

Within this new framework, the Board can:

- Strategically design missions and roles around regional and statewide needs and measure performance not on enrollment growth, but on how well an institution executes on its mission and role.
- Engage in strategic planning that leverages institutional specialization and regional need.
- Incentivize and capitalize on institutional partnerships vertically and horizontally to deliver more program offerings statewide without duplicating them at every institution.
- Eschew competition within the System and instead foster collaboration among institutions, with the benefits and quality of the whole System being greater than the sum of its parts.

- Position every institution within the system to thrive as part of a unified alliance of partners that can withstand impending demographic shifts, fiscal uncertainty, and political turmoil.

Redesigning the system will be a multi-year process, requiring careful and deliberate planning, stakeholder guidance, and change management. The first step is to establish the framework of regional higher education centers and directives to horizontally and vertically integrate within those regions and across regions.

As we redesign our system to capture the benefits of systemness, we can leverage the strategic architecture to combat operational costs.

Tuition and Fees Policies

As our higher education institutions expand partnerships and improve operational efficiencies to better serve students at lower cost, we must also uphold our responsibility to promote student accountability in decision-making. It is widely recognized that, much like the healthcare sector, higher education has not traditionally functioned as a standard market good. Price signals are often difficult to interpret, third-party payment systems can distort students' time horizons and ROI considerations, and incomplete information can obscure choices about fields of study. However, as with healthcare, credible evidence shows that these market challenges can be addressed.[vi] More consumer-driven approaches—paired with strong governance and transparent processes—can improve outcomes for both students and taxpayers.

This is starkly evident in Utah's strong governance and transparent tuition policies. In Utah, state law requires institutions to hold **truth-in-tuition hearings** and provide **clear cost disclosures**. Institutions must publicly advertise proposed tuition increases and disclose instructional costs and funding sources at the point of course registration. Student body leadership councils are briefed annually on proposed tuition rate adjustments, which must be approved by institutional presidents and boards of trustees before advancing to the System office for evaluation.

To support this "eyes-wide-open" approach, the Utah Board of Higher Education issues annual guidance that outlines acceptable levels and justifications for any proposed tuition and fee increases. Institutions are required to demonstrate the necessity of each increase and articulate the added value to students. Recognizing the needs of nontraditional learners and demographic shifts ahead, the Board also requires that any proposed general fee increases be justified as costs borne by all enrolled students. The guidance further directs institutions to explore alternative revenue sources and cost-offset strategies, prohibits institutions from shifting the costs of legislative or Board-directed affordability initiatives onto students, and instructs them to consider near-term inflation expectations when submitting proposals.

This annual process culminates in a full-day public meeting where institutions present detailed tuition and general fee proposals. Board members closely scrutinize each element, asking questions and debating the merits of every component. Under the current Board leadership, this structure has led to meaningful downward revisions of institutional requests—something not seen in decades.

Although Utah's four-year institutions already hold the nation's fourth-lowest average tuition and general fee levels for full-time resident students, the Board's actions have produced an additional real decrease of nearly 4 percent over the past three years.[vii] Utah's two-year institutions have experienced similar reductions, and base-rate tuition at the state's technical colleges has remained unchanged since 2018.

These outcomes reflect a combination of disciplined governance, market-oriented mechanisms, and strong legislative appropriations that recognize the essential economic role of higher education.

Responsible Financial Aid and Informed Investment

Affordability depends not only on institutional cost structures but also on a student's ability to pay and the individual and societal returns on investing in human capital. To meet this full definition of affordability, we must continue expanding access to financial aid while equipping students with the information and incentives needed to make wise educational choices—choices that improve their immediate circumstances and strengthen their long-term economic futures.

Federal and state grant and scholarship programs have been highly successful in expanding access to higher education. Likewise, student loans create opportunities for low- or middle-income students to obtain degrees with significantly higher lifetime earnings that may otherwise be out of reach[viii]. We should maintain all of these pathways for upward economic mobility. However, unnecessary or excessive student debt can have the opposite impact, particularly when a student incurs that debt for credentials that do not translate into high occupational earnings.

Recent federal legislation may help students avoid excessive student debt by placing per year and lifetime caps on student loans. Knowing loan amounts are limited, prospective students are incentivized to more carefully consider program cost and likely employment outcomes after graduation.

Moreover, several studies have concluded that unlimited student loan capacity can and—over some periods of time—has led to increased tuition and fees.[ix] Loan caps introduce downward pressures on cost and will also incentivize institutions to offer programs with a better return on investment and positive student employment outcomes. Additionally, to remain competitive, institutions will likely seek ways to reduce cost.

I am also encouraged by federal policies promoting program and institutional accountability. Tying financial aid eligibility to program outcomes further incentivizes institutions to ensure the programs we offer provide a high return on investment. It also provides valuable consumer insight into program cost versus relative earning, placing the student in a stronger position to make an informed decision. This may lead to students gravitating toward lower cost degrees, or credentials with verified earnings that outpace the debt costs.

Utah Students' Low Debt Burden

Keeping student debt low is not just aspirational policy exploration. Utah has the lowest average student loan debt in the U.S. and the lowest proportion of students who graduate with debt.[x] There are many reasons for this distinction, but several are worth noting as validation that strong governance, prudent policies, state support, and cultural viewpoints do advance better student outcomes.

Perhaps the strongest and most intuitive correlation is that Utah's four-year institutions have among the very lowest tuition and fees in the country. As already discussed, this is the result of careful fiscal management, aggressive tuition and fee policies, strong governance, and ongoing state support.

Utah also has one of the largest concurrent enrollment programs in the nation. More than 61,000Utah high school students participated in concurrent enrollment in the 2025 school year—about 26% of all high schoolers statewide. Participation now spans nearly every district and charter network.

This also significantly reduces that cost of higher education after graduation from high school. Utah students also earned 495,117 college credit hours through concurrent enrollment in 2024–25, an exceptionally high volume compared to most states. Perhaps most importantly, in 2024–25 alone, students saved $125.2 million in tuition by taking low-cost concurrent enrollment courses instead of traditional college classes.

Lastly, the people of Utah, culturally, value self-reliance and commonly avoid debt whenever possible. This debt-averse mindset compels students to seek all other options to pay for college, including attending lower-cost public institutions, pursuing high ROI credentials, maintaining part-time and fulltime employment, and leveraging existing resources.

Institutional Accountability

While it is vitally important we better inform students about cost and return on investment so they can make informed choices, we are responsible for the programs we offer and from which students are choosing. for high value, workforce aligned programs requires institutions to offer those programs at scale. Achieving this balance—transparent consumer information, institutional responsiveness, and responsible stewardship of public resources—is essential to ensuring that higher education fulfills its promise for Utahns.

The Board of Higher Education has directed the system of higher education expand our methods of accountability to ensure all decisions will build value and ROI for students and the State. This includes detailed reporting on employment outcomes, enrollment, completion rates, workforce alignment, regional and statewide need, program costs, and quality, allowing the Board to make strategic decisions about resource allocation, explained in more detail below.

Strategic Reinvestment

Utah's strategic reinvestment program refers to House Bill 265 (HB 265): Higher Education Strategic Reinvestment, enacted in 2025. It is a statewide restructuring of higher-education funding designed to shift existing dollars—not add new ones—toward programs the Legislature and the Utah Board of Higher Education deem high-value for students and the state economy.

Utah required each of its eight public, degree-granting colleges and universities to cut and reallocate $60 million statewide, into a central Strategic Reinvestment category. Schools could earn that money back, but only if they submit—and get approved for—a data-driven plan to reinvest the funds into higher-priority academic programs, research, or effective student services.

Having completed the first year of a three-year process, we have begun to operationalize the following:

- Nearly $51 million of reinvestments in instruction and research, of which more than $22 million comprised net new investments.

- Reductions in administrative expenses such as unused software licenses, outdated remote learning modalities, and revisiting cost allocation methodologies, as well as disinvestments in administrative personnel in human resources, project management, support staff, and through the streamlining academic department dean and program staffing positions.

- Institutions identified reductions through a bottom-up process that recognized statutory requirements and Board guidance, but that involved on-campus input, faculty and staff engagement, and collective participatory decision-making.

- Disinvested resources were largely redirected to faculty positions to support learning in the classroom and research discoveries. On net, 124 faculty positions were added and there was also a net increase in full-time equivalent personnel system-wide, as this didn't require mass layoffs and firings, but rather, careful evaluations and reassignments of resources to expand capacity in critically needed workforce programs.

- Institutions made net reinvestments in the following areas:
  - Healthcare (31.6%): Nursing, Behavioral Health, Neuroscience, and various technologist programs
  - Engineering (16.5%): Industrial, Mechanical, Manufacturing and Electrical

- Computer Science/AI (11%): Software, Data Analytics, Computing and Cybersecurity
- Business (10%): Finance, Management, Accounting and Strategy
- Gen Ed (7.3%): Civic Engagement and Federalism
- Other Tech Ed (4.8%): Various high-demand programs (Welding, CDL, and Apprenticeship Programs, etc.)
- Various (18.8%): Prison Education Programming, Aviation, Hard Sciences, etc.

These are remarkable results the demonstrate a model for ongoing investment into higher education while responsibly allocating resources to ensure students and taxpayers receive high return on investment. The System intends to integrate program and course evaluation procedures, analytical methods, and lessons learned into ongoing operational practices.

Presidential Authority and Accountability

(tenure, workload, operational budgeting, appropriately scoped shared governance)

Diverse Missions

While I believe the policies and strategies I've highlighted can have an impact on college costs, they will not change the fact that operating institutions of higher education is inherently expensive. Some institutions—particularly research universities—require substantial investments in both human capital and operational infrastructure. These are good investments and worth the cost.

It is also important to recognize that operational costs vary significantly depending on an institution's mission. For example, the cost structure of a community college or technical college is very different from that of a research university. In Utah, we are mindful of these differences and have intentionally worked to expand student access to lower-cost educational pathways.

We currently maintain eight technical colleges across the state that offer high-value credentials, often at a fraction of the cost and time required to complete a traditional degree. Ensuring students have access to these programs is an important way we help keep higher education affordable.

This is one reason I applaud Congress's efforts to expand Workforce Pell opportunities. These efforts further support affordable, workforce-aligned programs that are a critical component of a broader strategy to control costs and expand access.

Conclusion

[i] https://research.collegeboard.org/trends
[ii] https://www.frbsf.org/research-and-insights/publications/working-papers/2025/01/explaining-stagnation-in-the-college-wage-premium/
[iii] https://www.bls.gov/
[iv] https://www.richmondfed.org/publications/research/econ_focus/2024/q3_district_digest
[v] https://www.chicagofed.org/publications/blogs/chicago-fed-insights/2023/higher-ed-enroll
[vi] https://www.nber.org/reporter/2021number2/new-approaches-understanding-choice-major?page=1&perPage=50
[vii] https://research.collegeboard.org/trends/college-pricing
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