

## **R903432, Custom Fit<sup>1</sup>**

**432903-1. Purpose:** -To establish ~~polices~~guidelines, standards, and procedures for Utah System of Higher Education (“USHE”) institutions to administer the Custom Fit program.

### **432903-2. References**

~~\_\_\_\_\_ 2.1. Utah Code §53B-16-101.-(Establishment of Iinstitutional Rroles and Ggeneral Ceourses of Sstudy)~~

~~\_\_\_\_\_ 2.2. Utah Code §53B-2a-105.-(Technical Ceolleges)~~

~~\_\_\_\_\_ 2.3. Utah Code §53B-2a-201.-(Geographic Sservice Aareas for Ddegree-granting Iinstitutions that Pprovide Ttechnical Eeducation)~~

### **432903-3. Definitions**

**3.1. “Custom Fit Administrator”** means a primary administrator designated by a USHE~~n~~ institution to manage and represent its Custom Fit program.

**3.2. “Custom Fit Funds”** means funds provided to a USHE~~n~~ institution for administration and delivery of Custom Fit ~~t~~Training, inclusive of state appropriations and company contributions.

**3.3. “Custom Fit Recipient”** means a company that receives Custom Fit ~~t~~Training.

**3.4. “Custom Fit Training”** means training provided to a company utilizing any amount of Custom Fit ~~f~~Funds.

**3.5. “Institution”** means a USHE~~higher education~~ institution ~~with a technical education~~ ~~role~~that is a technical college or degree-granting institution that provides technical education as specified in Utah Code section 53B-16-101(1)(b)(iv).

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<sup>1</sup> Adopted May 7, 2003 (UTech – unnumbered); amended September 1, 2004; June 15, 2005; June 7, 2006; June 6, 2007; ~~Replaced with Policy 451~~ June 11, 2008 (renumbered Policy 451); ~~amended~~ January 13, 2010; June 15, 2010; September 30, 2010 (renumbered Policy 202); April 18, 2012; June 5, 2013; June 8, 2016; September 13, 2017; March 15, 2018; January 16, 2020; July 1, 2020; May 21, 2021 (renumbered Policy 432); and March 27, 2025 (renumbered Policy R903).

USHE adaptation: July 1, 2020; amended May 21, 2021 (renumbered R-432).

**3.6. “Region”** means the geographic area specified for an institution in Utah Code section 53B-2a-105 or Utah Code section 53B-2a-201.

**~~432903-4~~ Custom Fit Mission:** As a state investment with industry in Utah’s economic vitality and workforce development, Custom Fit provides and supports training designed to aid in retention and expansion of Utah companies, attract new businesses to the state, and meet employers’ specific educational needs. Custom Fit accomplishes this through jointly ~~-~~funded partnerships between Utah companies and ~~Utah System of Higher Education~~USHE institutions.

#### **~~432903-5~~ Custom Fit Funds**

**5.1. Fund Restrictions:** Custom Fit ~~f~~Funds are restricted to expenditure for the Custom Fit program and ~~may~~shall not be moved or spent on any other program outside of the Custom Fit program.

**5.2. Funding Adjustments:** Adjustments to an institution’s Custom Fit ~~line item~~line-item appropriation shall be considered in the Board’s annual budget recommendation process, with attention to statewide economic priorities and institution needs.

#### **5.3. Use of Custom Fit Funds**

**5.3.1. Direct Training Costs:** An institution shall maximize its use of Custom Fit ~~f~~Funds for direct costs of training, in support of the Custom Fit mission.

**5.3.2. Direct Administrative Costs:** An institution may use Custom Fit ~~f~~Funds for administrative costs, including staff compensation and other costs directly related to the administration of the Custom Fit program.

**5.3.3. Indirect Costs and Overhead:** An institution may not charge costs to the Custom Fit program that are not directly related to the administration or mission thereof (e.g., lease expenses, custodial support, electrical/heating costs, etc.).

**5.3.4. Disbursement of Funds:** When feasible, Custom Fit ~~f~~Funds should be disbursed by an institution directly to a provider of a training, for materials, or for other goods or services. When advantageous, an institution may authorize a Custom Fit ~~r~~Recipient to pay a provider under an agreement wherein the ~~r~~Recipient shall submit payment documentation, and the institution shall reimburse the ~~r~~Recipient for the net amount.

**5.3.5. Company Purchases:** Custom Fit ~~f~~Funds may not be used to purchase equipment or operational software for a Custom Fit ~~r~~Recipient.

**5.4- Company Contribution:** A Custom Fit ~~r~~Recipient shall pay at least 50% of the direct costs for ~~the~~ Custom Fit ~~t~~Training. Exceptions may be considered on a case-by-case basis and must be approved in writing by the president of the institution or the president's designee.

**5.5- Expected Costs:** Prior to providing Custom Fit ~~t~~Training to an eligible company, an institution shall document the full expected cost of each proposed training event and the associated company contribution.

**5.6- Procurement:** Processes for the purchase of goods and services using Custom Fit ~~f~~Funds shall provide an appropriate level of rigor and competition, and shall be in accordance with the institution's purchasing policies and state procurement code.

**5.7- Carried Forward Balances:** Unexpended Custom Fit ~~f~~Funds at the end of a fiscal year remain within the Custom Fit program and may not be moved or spent on any other program. An institution with a year-end Custom Fit ~~f~~Fund balance exceeding 10% of its annual Custom Fit ~~f~~Funds shall submit with its annual Custom Fit report specific plans to utilize the balance carried over. Upon review of the plans, the Commissioner of Higher Education may recommend a one-time or ongoing adjustment to the institution's Custom Fit appropriation for the Board to consider in its annual budget request to address excess funds that will not be effectively utilized.

#### **~~432903-6~~ Custom Fit Training Utilization**

**6.1- Company Eligibility:** Custom Fit ~~f~~Funds shall be used to serve for-profit companies located in Utah. Not-for-profit companies/organizations may be considered on a case-by-case basis ~~but they~~, must result in economic and/or workforce development, and must be approved in writing by the institution's president.

**6.2- Company Prioritization:** An institution shall determine priorities within available funds to target company utilization of Custom Fit ~~t~~Training for maximum economic and workforce impact according to the needs and circumstances of its region and the state, with consideration to factors such as the following:

**6.2.1- Company Retention:** An institution is encouraged to provide training designed to aid in retention of existing companies in the region.

**6.2.2- New and Expanding Companies:** An institution is encouraged to seek companies each year that are new to its region or expanding to which Custom Fit training may be provided.

**6.2.3- Equitable Access:** An institution is encouraged to seek companies each year that are not utilizing Custom Fit ~~t~~Training insofar as it impacts the region's economic priorities, focusing on ~~equitable~~ access for companies that representing ~~diverse different~~ businesses, workers, and types of training.

**6.2.4 Repeated Utilization:** When considering providing continued Custom Fit ~~t~~Training for a company from year to year, careful consideration should be given to balance ~~equitable~~ access with company retention.

**6.2.5 Industry Sector:** An institution may target industries that have particular importance to the economic vitality and workforce development of the region or the state.

**6.3 Methods for Implementing Priorities:** An institution may establish policies, procedures, guidelines, and practices to target company utilization of Custom Fit ~~t~~Training for region priorities, including but not limited to: scaled company contributions that favor the most important or economical businesses, subject matter, and/or formats; company or employee funding limits; promotional activities, outreach, and emphases; relationships with local organizations and networks; etc.

#### ~~432903~~-7. Delivery of Custom Fit Training

**7.1 Planning and Selection of Providers:** Custom Fit staff shall be actively involved with a Custom Fit ~~r~~Recipient to plan the training and select a training provider acceptable to both parties. Final selection of a provider shall be made by the Custom Fit ~~a~~Administrator with consideration to effective achievement of training objectives, cost, region priorities, conflicts of interest, ~~equity~~, and company needs, and shall be vetted in accordance with institution policies for procurement, contracting, and human resources.

**7.2 Training Provider Role:** A trainer teaches a Custom Fit ~~r~~Recipient under the auspices of the institution, and may not independently represent, promote, or commit Custom Fit ~~t~~Training to a company.

**7.3 Internal Trainers:** Custom Fit ~~f~~Funds ~~may shall~~ not be used to supplant or replace existing wages of a Custom Fit ~~r~~Recipient's employee to provide training. If a recipient's employee is selected to provide training, an institution may contract separately with the employee to provide training outside the employee's regular workload.

**7.4 Institutional Courses:** If determined to most effectively meet a qualifying Custom Fit ~~r~~Recipient's specific educational needs within region priorities, a Custom Fit ~~a~~Administrator may select a short-term or program-based course regularly offered by the institution for Custom Fit ~~t~~Training as a means to efficiently leverage state-appropriated and institution resources, subject to the following:

**7.4.1** There shall be no exceptions to the 50% minimum company contribution for courses projected to result in completion of an institution's full program for which any Custom Fit ~~f~~Funds are utilized.

~~7.4.2.~~ Funds paid for the course by a ~~student~~student, or any other source, shall not be considered as part of the company contribution.

~~7.4.3.~~ Each institution shall include in its annual Custom Fit report the number of people who enroll in a regular institution course utilizing Custom Fit ~~f~~Funds and the number who graduate from a program.

#### ~~432903-8.~~ Custom Fit Reporting

**~~8.1.~~ Documentation:** An institution shall maintain source documents for all financial transactions and event details for all training engagements, including class titles and descriptions, instructor names, participant names, attendance reports, and any other information directed by the Office of the Commissioner of Higher Education ("OCHE").

**~~8.2.~~ Custom Fit Data:** An institution shall maintain a Custom Fit ~~t~~Training database and shall ~~submit~~ a quarterly upload of data securely to the ~~Office of the Commissioner~~OCHE as specified by the ~~Office of the Commissione~~OCHE.

**~~8.3.~~ Annual Report:** ~~An~~Each institution shall submit a report to the ~~Office of the Commissione~~OCHE by September 1 of each year detailing Custom Fit revenues, expenses, carry-forward balances, companies served, training hours provided, institutional course enrollments and program completions, and other information as required by the ~~Office of the Commissioner~~OCHE for the most recently ~~completed~~ fiscal year. The ~~Office of the Commissioner~~OCHE shall provide a summary report to the ~~Technical Education Committee to review in its next regular meeting and to forward to the~~ Board.