

November 9, 2016

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Fiscal Health Dashboard

Issue

At the July Board meeting, the Board requested the Office of the Commissioner develop a fiscal health dashboard to give the Board greater insight to the key factors that help determine the financial health and wellbeing of a college or university in the Utah System of Higher Education. This is an update on the status of that project.

Background

To address the Board's growing interest in receiving reports on the financial health and wellbeing of the Utah System of Higher Education, the Commissioner has directed staff to develop an online fiscal health dashboard for each institution. The expectation is the dashboards will be in a format that is online and easy to access, provide a snapshot of how the institution is performing on the identified metric as compared to an established benchmark, and outline the performance trend overtime.

There are several variations on how financial health of an institution can be measured and assessed. The American Governing Board (AGB) suggests a list of various metrics boards may want to consider when reviewing the financial wellbeing of an institution of higher education including:

Trends in institutional enrollment	Revenue allocation	Institution debt
Expenditures	Capital needs	Financial trends vs. peers

Currently the Commissioner's Office collects a significant amount of data from institutions including enrollment, completion, tuition, budget and financial, student financial aid, staffing counts and salary comparisons, and space inventories. This information is published annually in the USHE Data Book and posted on the USHE website www.higheredutah.org.

In addition to Data Book, the Commissioner's Office has developed 9 different dashboard reports that review enrollments, completion, workforce data, high school performance, and USHE peer comparisons. However, USHE currently does not have a dashboard for fiscal health measures.

Over the last several months the Commissioner's staff has worked on developing the first phase of the fiscal health project. The first phase of the dashboard project will focus on key metrics for the following areas:

- Enrollment Trends
- Revenue
- Expenditures
- Financial Ratios

Additional information regarding tuition and fees, student debt, faculty/staff levels and salaries, and facilities will be added in future phases of the project.

Staff has identified several key metrics for each of these areas and has developed some recommended benchmarks to help the Board and others understand how the USHE institutions are performing against the proposed benchmark. The Commissioner's Office will be working with the institutions over the next couple of months to continue to refine the information. Some of the metrics that will be reported include:

Annualized Budget Related FTE	Annualized Budget Related Non Resident FTE
Retention of Full-time Students	% of Part-time Students
Average undergrad credit hours taken	Diversity of student body
Total Revenue per FTE	Total Expenditure per FTE
Tax Funds vs. Tuition	Total Expenses vs. Total Revenue
Tax funds per FTE	Instructional Expenses per FTE
Academic Support Expenses per FTE	Student Services Expenses per FTE
Institutional Support Expenses per FTE	Personal Services vs Total Expense
Viability Ratio	Leverage Ratio
Primary Reserve	Return on Net Assets Ratio

Staff has engaged with our website contractor to begin building the online dashboards for the higheredutah.org website and is on track to be presented to the Board at the January meeting for review and feedback.

Commissioner's Recommendation

This is an information item only; no action is required.

David L. Buhler
Commissioner of Higher Education

DLB/KLH