

July 12, 2017

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Review of Finance and Facilities Committee Accomplishments FY 2017

Issue

At the July 2016 Board meeting, the Finance and Facilities Committee identified several topics of discussion that they hoped to engage in over the year. As a new fiscal year begins, this discussion item is a chance to review the work of the Finance and Facilities Committee from September 2016 to May 2017 and provide an opportunity for the committee to advise the Commissioner's staff on topics they would like to discuss over the course of the next year.

Background

During the July 2016 Board meeting, the Finance and Facilities committee engaged in a broad discussion identifying the issues they would like to discuss and address over FY 2017. The committee specifically asked that the Commissioner's staff help the committee by providing more insight on the following topics:

- Overall fiscal health status of the USHE institutions
- In depth review of institution financial statements
- A discussion on system master planning and review of branch campuses and decision processes
- Delegation of certain property transactions to the Boards of Trustees as appropriate
- Discussion on efforts regarding IT security and how best to protect student and institution data

Over the course of the last 5 meetings, the committee has engaged in discussions regarding these various topics, specifically:

- Information Technology and Security Efforts at USHE institutions – this discussion resulted in the Board revising the IT security policies for the system and required that institutions all purchase data breach insurance and implement dual factor authentication to protect student and institution related data.
- Board delegation to Boards of Trustees for certain property transactions – this discussion resulted in the revision of several Board policies increasing the dollar threshold for property transactions that require Board approval and delegating more to the Board of Trustees with an informational report back to the Board regarding transactions.
- A comprehensive review of the relevant data elements associated with recommended tuition adjustments prior to the Board taking action on tuition changes for the next year.
- Branch campus and location of major instructional sites - this discussion resulted in a follow up discussion of the larger Board and direction to staff to create a policy that helps guide the Board's review process for new branch campus locations. A new policy will be shared with the Board later this fall for review and final approval.

- Review of Institution Fiscal Health – during this discussion a new fiscal health dashboard was launched that reviews key financial metrics including enrollment, revenues, expenditures, and financial ratios.
- Institution financial statement review – during this discussion the committee reviewed institution financial statements for FY 2015 and were given the opportunity to ask institutions questions about their general financial positions.

Regular business of the committee this year included the following:

37 Action Items

- Approval of Operating Budget and Capital Development Guidelines
- Approval of new general student fees
- Review and approval of 3 campus master plans
- Approval of new investment policy and guidelines for USU
- Approval of 16 new policies or policy revisions related to IT audit, capital facilities, purchasing, and new student aid programs
- 4 new bond issuances for Utah, WSU, and DSU
- Approval 6 non-state funded projects for Building Board consideration
 - Utah scoreboard
 - Utah energy efficiency project
 - Utah Burbidge Athletic Center
 - USU dairy barn
 - WSU Stewart Stadium addition
 - SUU sports performance center
- Approved 6 property transactions including acquisition, disposal and new long-term leases

27 Informational Items

- Annual reports from the Commissioner's Office regarding tuition rates, enrollment, institution auxiliary operations, institutional residences, leased space, annual money management reports, debt service report, and contracts and grants received
- Updates on the legislative session, capital improvement projects, institutions' health insurance changes, the audit committee, and indebtedness.
- Board of Trustee reports on property transactions

As we begin a new fiscal year, the Commissioner's staff looks forward to receiving direction from the committee on projects and goals to complete in FY18.

Commissioner's Recommendation

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

David L. Buhler
Commissioner of Higher Education

DLB/KLH