

January 10, 2018

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Annual Report on Institutional Revenue Bonded Indebtedness

Issue

Regent Policy R590, *Issuance of Bonds for Colleges and Universities* requires the Office of the Commissioner to prepare and submit an annual report on institutional indebtedness for the USHE system to the Board. The attached report for 2017 fulfills this requirement. All bonds are being retired on schedule and all institutions with outstanding debt have sufficient revenues to pay principal and interest payments for calendar year 2018.

Background

State statute allows the State Board of Regents to issue revenue bonds on behalf of USHE institutions after the bonds have been approved by the State Legislature. Seven of the eight USHE institutions had outstanding debt as of June 30, 2017. Salt Lake Community College paid its last principal payment in June, 2016 and no longer has debt outstanding. The following table summarizes the outstanding indebtedness of each institution:

Institution	Original Amount	Outstanding Balance as of June 30, 2017	% Outstanding
University of Utah	\$1,256,600,000	\$807,570,000	64%
Utah State University	234,615,000	199,025,000	85%
Weber State University	56,745,000	50,080,000	88%
Southern Utah University	28,730,000	14,385,000	50%
Snow College	16,810,000	14,370,000	85%
Dixie State University	26,510,000	23,080,000	87%
Utah Valley University	64,170,000	44,410,000	69%
Salt Lake Community College		No Debt Outstanding	
<b>USHE Total</b>	<b>\$1,684,180,000</b>	<b>\$1,152,920,000</b>	<b>68%</b>

The attached Annual Report on Institutional and Revenue Bonded Indebtedness provides additional information on each of the USHE revenue bonds that were outstanding as of June 30, 2017. All bonds are being retired on schedule with debt service requirements being met or exceeded in every case.

Revenue bonds issued by the State Board of Regents on behalf of the institutions are not indebtedness of the State of Utah. However, statute requires the Chair of the Board of Regents to certify annually by December 1 any amount required to restore debt service reserve funds or to meet projected shortfalls of principal or interest for the coming year. Based on the Chair's certification, the Governor may request a legislative appropriation to restore the debt service reserve fund or meet a projected principal or interest payment deficiency. For the calendar year 2018, all seven USHE institutions with outstanding revenue bond debt have certified to the Commissioner that they have sufficient revenue to pay principal and interest payments and that all debt service reserve funds are fully funded and will not need any additional legislative appropriations.

Commissioner's Recommendation

This is an information item; no action is required.

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David L. Buhler  
Commissioner of Higher Education

DLB/KLH/RPA  
Attachment

**Utah System of Higher Education - Annual Report on Institutional and Revenue Bonded Indebtedness**  
**Fiscal Year 2017 - July 1, 2016 to June 30, 2017**



Institutional Bond System	Original Amount	Series	Purpose	Debt Service Coverage Requirement	Debt Service Coverage as of June 30, 2017	Maturity Date	Continuing Disclosure Submitted	Outstanding Balance as of June 30, 2017
<b>University of Utah</b>								
Auxiliary & Campus Facilities	\$ 120,240,000	1998A	Student Housing and Refunding	1.00	4.05	2029	15-Dec-2017	30,365,000
Auxiliary & Campus Facilities	23,515,000	2010A	Student Housing Refunding (1998A, 1999A, and 2001)	1.00	4.05	2020	15-Dec-2017	470,000
Auxiliary & Campus Facilities	42,525,000	2010C	Honors Housing and Guest House Expansion (taxable)	1.00	4.05	2036	15-Dec-2017	38,535,000
Auxiliary & Campus Facilities	46,235,000	2012A	Parking and Athletic Center	1.00	4.05	2022	15-Dec-2017	9,725,000
<i>Subtotal Auxiliary &amp; Campus</i>	<i>232,515,000</i>							<i>79,095,000</i>
Hospital Revenue	77,145,000	2006A	Hospital West Pavilion Expansion and Refunding (2001)	1.10	11.27	2021	15-Dec-2017	10,375,000
Hospital Revenue	41,785,000	2009B	Neuropsychiatric Institute expansion (taxable)	1.10	11.27	2030	15-Dec-2017	41,785,000
Hospital Revenue	36,120,000	2010	Ambassador Building, Orthopaedic Center	1.10	11.27	2020	15-Dec-2017	9,550,000
Hospital Revenue	20,145,000	2011A	Hospital Revenue Refunding (2008A)	1.10	11.27	2026	15-Dec-2017	14,215,000
Hospital Revenue	66,480,000	2011B	South Jordan Health Center	1.10	11.27	2020	15-Dec-2017	12,285,000
<i>Subtotal Hospital Revenue</i>	<i>241,675,000</i>							<i>88,210,000</i>
Research Facilities	9,360,000	2008A	Research Facilities Refunding (2007A)	2.50	18.15	2022	15-Dec-2017	725,000
Research Facilities	19,080,000	2009A	USTAR Infrastructure (nontaxable)	2.50	18.15	2019	15-Dec-2017	4,335,000
Research Facilities	27,730,000	2009B	USTAR Infrastructure (taxable)	2.50	18.15	2029	15-Dec-2017	27,730,000
<i>Subtotal Research Facilities</i>	<i>56,170,000</i>							<i>32,790,000</i>
General Revenue	127,925,000	2013A	Law School, Student Life, Parking, Bball Training	N/A	16.24	2043	15-Dec-2017	127,925,000
General Revenue	100,000,000	2013B	Commercial Paper Refunding of Hospital and ACFS	N/A	16.24	2043	15-Dec-2017	43,000,000
General Revenue	32,785,000	2014A	Refunding of Hospital and Research Bonds	N/A	16.24	2027	15-Dec-2017	30,660,000
General Revenue	76,200,000	2014B	Lassonde, Infrastructure, Refunding of Hospital Bonds	N/A	16.24	2038	15-Dec-2017	73,240,000
General Revenue	45,330,000	2015A	MidValley Clinic, Refunding of Research and ACFS	N/A	16.24	2034	15-Dec-2017	33,955,000
General Revenue	91,570,000	2015B	Parking, Infrastructure, Refunding of Hospital and ACFS	N/A	16.24	2035	15-Dec-2017	87,405,000
General Revenue	68,210,000	2016A	Orson S. Hall, Orthopaedic Center, Refunding ACFS	N/A	16.24	2036	15-Dec-2017	68,210,000
General Revenue	131,720,000	2016B	Ambulatory Care, Exec. MBA, Refunding Research/CP	N/A	16.24	2036	15-Dec-2017	131,720,000
<i>Subtotal General Revenue</i>	<i>673,740,000</i>							<i>596,115,000</i>
Certificates of Participation	42,450,000	2007	Central and Co-generation Plants and Refunding	N/A	N/A	2017	15-Dec-2017	2,100,000
Certificates of Participation	10,050,000	2015	Certificates of Participation Refunding (2007)	N/A	N/A	2022	15-Dec-2017	9,260,000
<i>Subtotal Cert. of Participation</i>	<i>52,500,000</i>							<i>11,360,000</i>
<b>UU Total</b>	<b>\$ 1,256,600,000</b>							<b>\$ 807,570,000</b>

<b>Utah State University</b>								
Student Fee & Housing	\$ 39,155,000	2007	Student Fee & Housing Refunding (2004)	1.10	2.2	2035	23-Feb-2017	36,705,000
Student Fee & Housing	24,455,000	2015	Student Housing Facility	1.10	2.2	2038	23-Feb-2017	24,455,000
Student Fee & Housing	19,540,000	2016	Student Housing Facility	1.10	2.2	2046	23-Feb-2017	19,025,000
<i>Subtotal Student Fee &amp; Housing</i>	<i>83,150,000</i>							<i>80,185,000</i>
Research Revenue Bonds	22,000,000	2009	Early Childhood and Early Care Ed. and Bingham Bldgs.	2.50	8.22	2019	11-Dec-2017	1,850,000

Institutional Bond System	Original Amount	Series	Purpose	Debt Service Coverage Requirement	Debt Service Coverage as of June 30, 2017	Maturity Date	Continuing Disclosure Submitted	Outstanding Balance as of June 30, 2017
Research Revenue Bonds	11,070,000	2010	Research Revenue Refunding (2009, 2003, 2002A)	2.50	8.22	2018	11-Dec-2017	2,300,000
Research Revenue Bonds	19,500,000	2015A	Research Facility	2.50	8.22	2047	11-Dec-2017	19,500,000
Research Revenue Bonds	13,145,000	2015B	Research Revenue Refunding (2009)	2.50	8.22	2031	11-Dec-2017	13,145,000
Research Revenue Bonds	10,135,000	2016	Space Dynamics Laboratory	2.50	8.22	2047	11-Dec-2017	10,135,000
<i>Subtotal Research Revenue</i>	<i>75,850,000</i>							<i>46,930,000</i>
Student Building Fee Revenue	8,405,000	2013	Student Bldg. Refunding (2004: Stadium, Fieldhouse)	1.10	1.33	2026	23-Feb-2017	6,555,000
Student Building Fee Revenue	43,310,000	2013B	Life & Wellness Cntr. and Athletic Complex/Training	1.10	1.33	2045	23-Feb-2017	41,885,000
Student Building Fee Revenue	23,900,000	2015	Football Stadium Renovations	1.10	1.33	2046	23-Feb-2017	23,470,000
<i>Subtotal Student Building</i>	<i>75,615,000</i>							<i>71,910,000</i>
<b>USU Total</b>	<b>\$ 234,615,000</b>							<b>\$ 199,025,000</b>

Weber State University								
Student Facilities	\$ 14,015,000	2010A	Student Housing	1.25	1.26	2040	29-Nov-2017	12,505,000
Student Facilities	17,380,000	2012	Student Housing	1.25	1.26	2032	29-Nov-2017	14,105,000
Student Facilities	18,135,000	2015	Refunding (2005: Student Union Building)	1.25	1.26	2030	29-Nov-2017	16,255,000
Student Facilities	7,215,000	2017	Student Housing Refunding (2007)	1.25	1.26	2030	29-Nov-2017	7,215,000
<b>WSU Total</b>	<b>\$ 56,745,000</b>							<b>\$ 50,080,000</b>

Southern Utah University								
Auxiliary & Student Building Fee	\$ 12,025,000	2008	Student Housing	1.15	1.66	2033	2-Mar-2017	410,000
Auxiliary & Student Building Fee	8,285,000	2011	Student Housing	1.15	1.66	2023	2-Mar-2017	5,555,000
Auxiliary & Student Building Fee	8,420,000	2016	Student Housing Refunding (2008)	1.15	1.66	2033	2-Mar-2017	8,420,000
<b>SUU Total</b>	<b>\$ 28,730,000</b>							<b>\$ 14,385,000</b>

Snow College								
Student Fee & Housing	\$ 16,810,000	2011	Student Housing	1.10	1.14	2036	27-Jan-2018	14,370,000
<b>Snow Total</b>	<b>\$ 16,810,000</b>							<b>\$ 14,370,000</b>

Dixie State University								
Lease Revenue	\$ 5,195,000	2006	Refunding (1999A: Dixie Center)	N/A	N/A	2023	27-Dec-2017	2,180,000
General Revenue	21,315,000	2015	Student Housing	N/A	N/A	2046	27-Dec-2017	20,900,000
<b>DSU Total</b>	<b>\$ 26,510,000</b>							<b>\$ 23,080,000</b>

Utah Valley University								
Municipal Bldg. Auth. Ut. County	\$ 3,900,000	2004A	Baseball Stadium and Improvements	1.10	1.30	2019	31-Jan-2018	1,065,000
Student Cntr. Bldg. Fee & Unified	11,020,000	2004A	Refunding (2000 and 1995A: Student Center)	1.10	1.30	2020	31-Jan-2018	1,515,000
Student Cntr. Bldg. Fee & Unified	49,250,000	2012A	Student Life and Wellness Bldg. & Parking	1.10	1.30	2033	31-Jan-2018	41,830,000
<b>UVU Total</b>	<b>\$ 64,170,000</b>							<b>\$ 44,410,000</b>

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Salt Lake Community College			No Debt Outstanding					\$ -
<b>USHE Total</b>	<b>\$ 1,684,180,000</b>							<b>\$1,152,920,000</b>