

January 16, 2019

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Annual Report on Institutional Revenue Bond 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 2018 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 2019.

Background

State statute allows the State Board of Regents to issue revenue bonds on behalf of USHE institutions after the bonds are approved by the State Legislature. All eight USHE institutions had outstanding debt as of June 30, 2018. The following table summarizes the outstanding indebtedness of each institution:

Institution	Original Amount	Outstanding Balance as of June 30, 2018	% Outstanding
University of Utah	\$ 1,437,310,000	\$ 905,785,000	63%
Utah State University	300,811,000	231,451,000	77%
Weber State University	56,745,000	47,470,000	84%
Southern Utah University	16,705,000	13,135,000	79%
Snow College	16,810,000	13,835,000	82%
Dixie State University	47,280,000	43,045,000	91%
Utah Valley University	64,170,000	41,880,000	65%
Salt Lake Community College	11,735,000	11,735,000	100%
<b>USHE Total</b>	<b>\$ 1,951,566,000</b>	<b>\$ 1,308,336,000</b>	<b>67%</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, 2018. All bonds are being retired on schedule with debt service requirements being met or exceeded in every case.

Commissioner's Recommendation

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

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David L. Buhler  
Commissioner of Higher Education

DLB/KLH/RPA  
Attachment



## USHE Annual Report on Institutional and Revenue Bonded Indebtedness

Fiscal Year 2018 - July 1, 2017 to June 30, 2018

Institutional Bond System	Original Amount	Series	Debt Service Coverage Requirement	Debt Service Coverage as of June 30, 2018	Maturity Date	Continuing Disclosure Submittal	Recent Material Event	Outstanding Balance as of June 30, 2018	
<b>University of Utah</b>									
Auxiliary & Campus Facilities	\$ 120,240,000	1998A	1.00	*	4.00	2029	15-Dec-2017	No	\$ 30,365,000
Auxiliary & Campus Facilities	23,515,000	2010A	1.00	*	4.00	2020	15-Dec-2017	No	320,000
Auxiliary & Campus Facilities	42,525,000	2010C	1.00	*	4.00	2036	15-Dec-2017	No	37,085,000
Auxiliary & Campus Facilities	46,235,000	2012A	1.00	*	4.00	2022	15-Dec-2017	No	7,910,000
<i>Subtotal Auxiliary &amp; Campus</i>	<i>232,515,000</i>								<i>75,680,000</i>
Hospital Revenue	77,145,000	2006A	1.10	*		2021	15-Dec-2017	No	10,375,000
Hospital Revenue	41,785,000	2009B	1.10	*		2030	15-Dec-2017	No	39,450,000
Hospital Revenue	36,120,000	2010	1.10	*		2020	15-Dec-2017	No	7,795,000
Hospital Revenue	20,145,000	2011A	1.10	*		2026	15-Dec-2017	No	3,865,000
Hospital Revenue	66,480,000	2011B	1.10	*		2020	15-Dec-2017	No	9,440,000
<i>Subtotal Hospital Revenue</i>	<i>241,675,000</i>								<i>70,925,000</i>
Research Facilities	19,080,000	2009A	2.50	*	21.10	2019	15-Dec-2017	No	2,220,000
Research Facilities	27,730,000	2009B	2.50	*	21.10	2029	15-Dec-2017	No	27,730,000
<i>Subtotal Research Facilities</i>	<i>46,810,000</i>								<i>29,950,000</i>
General Revenue	127,925,000	2013A	N/A	*	10.61	2043	15-Dec-2017	No	21,950,000
General Revenue	32,785,000	2014A	N/A	*	10.61	2027	15-Dec-2017	No	29,530,000
General Revenue	76,200,000	2014B	N/A	*	10.61	2038	15-Dec-2017	No	33,200,000
General Revenue	45,330,000	2015A	N/A	*	10.61	2034	15-Dec-2017	No	21,030,000
General Revenue	91,570,000	2015B	N/A	*	10.61	2035	15-Dec-2017	No	83,105,000
General Revenue	68,210,000	2016A	N/A	*	10.61	2036	15-Dec-2017	No	67,950,000
General Revenue	131,720,000	2016B	N/A	*	10.61	2036	15-Dec-2017	No	131,220,000
General Revenue	155,930,000	2017A	N/A	*	10.61	2039	15-Dec-2017	No	155,930,000
General Revenue	96,550,000	2017B	N/A	*	10.61	2038	15-Dec-2017	No	96,550,000
General Revenue	80,040,000	2018A	N/A	*	10.61	2044	15-Dec-2017	No	80,040,000
<i>Subtotal General Revenue</i>	<i>906,260,000</i>								<i>720,505,000</i>
Certificates of Participation	10,050,000	2015	N/A		N/A	2022	15-Dec-2017	No	8,725,000
<i>Subtotal Cert. of Participation</i>	<i>10,050,000</i>								<i>8,725,000</i>
<b>UU Total</b>	<b>\$ 1,437,310,000</b>								<b>\$ 905,785,000</b>

\* U coverage ratios are preliminary and subject to change

<b>Utah State University</b>									
Student Fee & Housing	\$ 39,155,000	2007	1.10		1.88	2035	23-Feb-2018	Yes**	\$ 35,410,000
Student Fee & Housing	24,455,000	2015	1.10		1.88	2038	23-Feb-2018	Yes**	23,665,000
Student Fee & Housing	19,540,000	2016	1.10		1.88	2046	23-Feb-2018	Yes**	18,660,000
<i>Subtotal Student Fee &amp; Housing</i>	<i>83,150,000</i>								<i>77,735,000</i>
Research Revenue Bonds	22,000,000	2009	2.50		6.72	2019	14-Dec-2017	Yes**	950,000
Research Revenue Bonds	19,500,000	2015A	2.50		6.72	2047	14-Dec-2017	Yes**	19,135,000
Research Revenue Bonds	13,145,000	2015B	2.50		6.72	2031	14-Dec-2017	Yes**	13,145,000
Research Revenue Bonds	10,135,000	2016	2.50		6.72	2047	14-Dec-2017	Yes**	9,920,000
Research Revenue Bonds	6,231,000	2018A	2.50		6.72	2028	14-Dec-2017	Yes**	6,231,000
Research Revenue Bonds	32,210,000	2018B	2.50		6.72	2050	14-Dec-2017	Yes**	32,210,000
<i>Subtotal Research Revenue</i>	<i>103,221,000</i>								<i>81,591,000</i>
Student Building Fee Revenue	8,405,000	2013	1.10		1.43	2026	23-Feb-2018	Yes**	5,930,000
Student Building Fee Revenue	43,310,000	2013B	1.10		1.43	2045	23-Feb-2018	Yes**	4,340,000
Student Building Fee Revenue	23,900,000	2015	1.10		1.43	2046	23-Feb-2018	Yes**	23,030,000
Student Building Fee Revenue	38,825,000	2017	1.10		1.43	2045	23-Feb-2018	Yes**	38,825,000
<i>Subtotal Student Building</i>	<i>114,440,000</i>								<i>72,125,000</i>
<b>USU Total</b>	<b>\$ 300,811,000</b>								<b>\$ 231,451,000</b>

\*\* Successor trustee (U.S. Bank National Association) appointed by USU

Institutional Bond System	Original Amount	Series	Debt Service Coverage Requirement	Debt Service Coverage as of June 30, 2018	Maturity Date	Continuing Disclosure Submittal	Recent Material Event	Outstanding Balance as of June 30, 2018
<b>Weber State University</b>								
Student Facilities	\$ 14,015,000	2010A	1.25	1.45	2040	29-Nov-2017	No	\$ 12,110,000
Student Facilities	17,380,000	2012	1.25	1.45	2032	29-Nov-2017	No	13,355,000
Student Facilities	18,135,000	2015	1.25	1.45	2030	29-Nov-2017	No	15,255,000
Student Facilities	7,215,000	2017	1.25	1.45	2030	29-Nov-2017	No	6,750,000
<b>WSU Total</b>	<b>\$ 56,745,000</b>							<b>\$ 47,470,000</b>

<b>Southern Utah University</b>								
Auxiliary & Student Building Fee	\$ 8,285,000	2011	1.15	1.69	2023	2-Mar-2018	No	\$ 4,715,000
Auxiliary & Student Building Fee	8,420,000	2016	1.15	1.69	2033	2-Mar-2018	No	8,420,000
<b>SUU Total</b>	<b>\$ 16,705,000</b>							<b>\$ 13,135,000</b>

<b>Snow College</b>								
Student Fee & Housing	\$ 16,810,000	2011	1.10	1.10	2036	31-Jan-2018	No	\$ 13,835,000
<b>Snow Total</b>	<b>\$ 16,810,000</b>							<b>\$ 13,835,000</b>

<b>Dixie State University</b>								
Lease Revenue	\$ 5,195,000	2006	N/A	N/A	2023	27-Dec-2017	No	\$ 1,800,000
General Revenue	21,315,000	2015	N/A	N/A	2046	27-Dec-2017	No	20,475,000
General Revenue	20,770,000	2017	N/A	N/A	2049	27-Dec-2017	No	20,770,000
<b>DSU Total</b>	<b>\$ 47,280,000</b>							<b>\$ 43,045,000</b>

<b>Utah Valley University</b>								
Municipal Bldg. Auth. Ut. County	\$ 3,900,000	2004A	1.10	1.41	2019	31-Jan-2018	No	\$ 730,000
Student Cntr. Bldg. Fee & Unifier	11,020,000	2004A	1.10	1.41	2020	31-Jan-2018	No	1,160,000
Student Cntr. Bldg. Fee & Unifier	49,250,000	2012A	1.10	1.41	2033	31-Jan-2018	No	39,990,000
<b>UVU Total</b>	<b>\$ 64,170,000</b>							<b>\$ 41,880,000</b>

<b>Salt Lake Community College</b>								
Student Building Fee	\$ 11,735,000	2018	1.25	***	2028	26-Jan-2019	No	\$ 11,735,000
<b>SLCC Total</b>	<b>\$ 11,735,000</b>							<b>\$ 11,735,000</b>

\*\*\* SLCC coverage ratios will be calculated as part of the continuing disclosure beginning January 2019

<b>USHE Total</b>	<b>\$ 1,951,566,000</b>							<b>\$1,308,336,000</b>
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