



July 25, 2019

USHE – Finance and Facilities Committee Overview and Accomplishments

As a new fiscal year begins, this discussion item is a chance to review the work of the Finance and Facilities Committee from July 2018 to June 2019 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. The Committee assists the Board in meeting statutory requirements to ensure affordability in higher education and focuses on budget and capital funding priorities, reasonable tuition and fee adjustments, and efficient systemwide business practice.

In addition to the special topics for discussion, regular business of the Committee this year included the following:

45 Action Items

- Approval of operating budget and capital development guidelines
- Approval of new performance based funding modifications
- Approval of 8 new policies or policy revisions related to capital developments, space utilization, tuition waivers, and prospective saving program
- Approval of new endowment asset policy for UVU
- Four new bond issuances for the University of Utah and Utah State University
- Approval of 12 non-state funded projects for Building Board consideration
- Approval of 8 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 FY2020.

Commissioner's Recommendation

This is a discussion item only; no action is required.

Attachment

Finance and Facilities Committee

Committee Purpose:

The Finance and Facilities Committee is a standing committee of the Utah System of Higher Education (USHE) Board of Regents. The Committee assists the Board in meeting statutory requirements to ensure affordability in higher education. To do so the Committee ensures focused budget and capital funding priorities, reasonable tuition and fee adjustments, and efficient systemwide business practice.

Primary Statutory Requirements:

- To establish unified budget, finance, and capital funding priorities and practices for the Utah System of Higher Education (53B-1-103)
- To enhance the impact and efficiency of the USHE System (53B-1-103)
- To establish measurable goals and metrics and delineate the expected contributions of individual institutions of higher education toward these goals (53B-1-103)

Other Statutory Requirements:

- To recommend a combined appropriation for the operating budgets of higher education institutions for inclusion in a state appropriations act including (53B-7-101):
 - Employee compensation
 - Mandatory costs
 - Performance funding
 - Statewide priorities
 - Enrollment growth
- To fix the tuition, fees, and charges for each institution at levels the board finds necessary to meet budget requirements (53B-7-101)
- To allocate performance funding and assign weights to performance measures (53B-7-701)
- To control and manage USHE institutional property including approving property acquisitions and disposals, non-traditional arrangements, and construction on state property (53B-20)
- To enter into revenue bond debt covenants and borrow funds on behalf of institutions (53B-21)
- May establish policies regarding the use of tuition waivers and scholarships (53B-8-101)

Immediate Priorities:

- Streamline cost analysis and budgeting that considers tuition rates, tuition revenue growth, and state appropriations via performance funding and limited statewide initiatives
- Unify and simplify system metrics and performance funding
 - Improve flexibility of institutions under performance funding
 - Work with the legislature to make needed statutory changes
- Implement Senate Bill 102, *Higher Education Capital Facilities* (2019) with the two-fold process of prioritization and funding formula allocation
- Deepen systemwide business planning and capabilities and identify specific shared opportunities to reduce costs

Ongoing Committee Work:

- Review and approval of systemwide budget priorities
- Review of institutional uses of legislative appropriations for performance funding and other initiatives
- Setting institutional tuition and fees
- Review of institutional finances and debt ratios
- Approval of institutional property purchases, disposals, leases, and master plans
- Approval of institutional capital project requests including non-traditional arrangements, non-state funded projects, and state-funded projects
- Issuance and approval of institutional revenue bonds
- Review of required reports:
 - Space Utilization (R751)
 - Institutional and Revenue Bonded Indebtedness (R591)
 - Institutional Audit Reports (R565)
 - Auxiliary Funds Report (R550)
 - Money Management Report (R541)
 - Capital Improvement Requests (R701)
 - Report on Foreign Gifts and Donations (R545)
 - Institutional Residence Expense Report (R207)
 - Report on Leased Space (R705)
 - Report on Contracts and Grants (R532)

Finance and Facilities Policy List:

- [Section 5. Business and Financial Affairs \(R500 – R599\)](#)
- [Section 6. Student Financial Aid \(R600 – R699\)](#)
- [Section 7. Capital Facilities \(R700 – R799\)](#)

Data Needs:

- Institutional tuition and fees
- Institutional financial information
- Institutional space inventory and utilization
- Enrollment projections
- Performance metrics
- Budget implementation
- Institutional employee benefits and counts
- Institutional financial accountability and cost studies

**Board of Regents Finance and Facilities Standing Committee
Events and USHE Prepared Agenda Items**

Information:	Action:
USHE – Space Utilization Report	USHE – Proposed Tuition Rate Changes
USHE – Tuition & Fees Discussion	USHE – Proposed Student Fee Changes
USHE – Annual Report on Institutional and Revenue Bonded Indebtedness	USHE – Enrollment Forecasts
USHE – Databook Update	USHE – Performance Funding Model and Allocations
USHE – Update on Institutional Audit Reports to the Regents’ Audit Committee	USHE – Capital Development Prioritization (CDP) Cycle
USHE – Annual Auxiliary Funds Report	USHE – Budget Development
USHE- Review of Financial Statements	USHE - Capital Development – State Funded Projects
USHE – Legislative Summary Report	USHE – Performance Based Funding Modifications
USHE – Fiscal Health Dashboard Presentation & Discussion	USHE – Capital Development Non – State Funded Projects
USHE – Proposed Tuition Adjustments	
USHE – Annual Money Management Report	
USHE – Debt Ratio Analysis	
USHE – Fall and Spring Enrollment Report	
USHE – Institutions’ Health Plan Changes	
USHE – Capital Improvement Update	
USHE – Review of Finance & Facilities Committee Accomplishments	
USHE – Performance Funding Initiatives	
USHE – Growth Funding Initiatives	
USHE – End of Year Enrollment Report	
USHE – Annual Report on Foreign Gifts/Donations	
USHE – Institutional Budget Request Detail	
USHE – Annual Institutional Residence Expense Report	
USHE – Annual Report on Leased Space	
USHE – Annual Report on Contracts and Grants	
USHE – Fall Third-week Enrollment Report	

Budget Deep Dive Meetings

March 2018: In-depth Institution Budget Review at University of Utah

October 2018: In-depth Institution Budget Review at Weber State University

November 2018: In-depth Institution Budget Review at Salt Lake Community College

January: In-depth Institution Budget Review at Utah Valley University

February: In-depth Institution Budget Review at Utah State University

March: In-depth Institution Budget Review at Southern Utah University

April: In-depth Institution Budget Review at Dixie State University

May: In-depth Institution Budget Review at Snow College