

**UTAH BOARD OF HIGHER EDUCATION
FINANCE AND FACILITIES COMMITTEE
TELECONFERENCE
Thursday, May 20, 2021**

AGENDA

2:00 p.m.

ACTION:

- | | |
|--|-------|
| 1. Weber State University – Series 2021 Revenue Bonds | TAB A |
| 2. University of Utah – Series 2021C Revenue Bonds | TAB B |
| 3. Southern Utah University – Property Transactions | TAB C |
| 4. 2022-23 Capital Development Priority Guidelines | TAB D |
| 5. Revision to Policy R741, <i>Nondedicated Capital Project Prioritization Process</i> | TAB E |
| 6. Revision to Policy R567, <i>Internal Audit Program</i> | TAB F |
| 7. Adoption of Policy R517, <i>Course Fees and Program Fees</i> | TAB G |
| 8. Adoption of Policy R743, <i>Process of Use of Dedicated Capital Project Funds</i> | TAB H |

DISCUSSION:

- | | |
|-------------------|-------|
| 1. Strategic Plan | TAB I |
|-------------------|-------|

INFORMATION:

- | | |
|--|-------|
| 1. Health Plan Changes | TAB J |
| 2. Capital Improvement Update for 2021-22 | TAB K |
| 3. Office of the Commissioner Quarterly Budget Update – 3 rd Quarter FY2021 | TAB L |

Projected times for the various meetings are estimates only. The Board Chair retains the right to take action at any time. In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify ADA Coordinator, 60 South 400 West, Salt Lake City, UT 84180 (801-646-4783), at least three working days prior to the meeting. TDD # 801-321-7130.



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB A

May 20, 2021

Weber State University – Series 2021 Revenue Bonds

Board Policy R590, Issuance of Revenue Bonds for Colleges and Universities, requires the Board to review and approve the issuance and sale of revenue bonds that have been affirmatively authorized by the Utah State Legislature. Weber State University requests Board authorization to issue up to \$8,800,000 of Student Facilities System Revenue Bonds for the construction of the Noorda Engineering and Applied Science building, as approved by the Board in October 2020 and authorized in the 2021 Legislative Session (S.B. 143).

The relevant parameters of the requested issue are:

- Principal amount not to exceed \$8,800,000 (including costs of issuance and capitalized interest)
- Interest rate not to exceed 5%
- Discount from par not to exceed 2%
- Final maturity not to exceed 25 years from the date of issue

A copy of the request letter from the university, a financing summary from the financial advisor, and the Approving Resolution are attached. Representatives from the university will attend the meeting to provide additional information and answer questions from the Board.

Commissioner's Recommendations

The Commissioner recommends approval of the proposed Authorizing Resolution to issue Student Facilities System Revenue bonds for Weber State University.

Attachments



WEBER STATE UNIVERSITY

April 27, 2021

Commissioner David Woolstenhulme
Utah State Board of Higher Education
Board of Regents Building, The Gateway
60 South 400 West
Salt Lake City, UT 84101-1284

Dear Commissioner Woolstenhulme:

Weber State University seeks authorization to issue revenue bonds as part of the financing plan for the Noorda Engineering Building project on WSU's Ogden Campus.

As background, most of the funding for the Noorda Engineering Building has been in place since 2020 and construction is well under way. In addition to state funding and private gifts, the financing plan for the building also includes \$8.5 million in revenue bond proceeds. The revenue bonds will be serviced by lease revenue from the Northern Utah Academy for Math Engineering and Science (NUAMES)--a charter high school that has partnered in multiple ways with WSU.

The 2021 Utah State Legislature authorized \$8.5 million in revenue bonds for this purpose. The University desires to move forward quickly with the bond issue to take advantage of the current favorable interest rate environment.

Overall funding for the project total's \$64 million. The scope of the project is approximately 140,000 square feet of new or improved space and a significant investment in additional campus infrastructure. The bonding team assembled includes Zions Bank Capital Markets as financial advisor and Chapman & Cutler as bond counsel. It is anticipated that the bonds will be sold through a competitive bid process.

Please place this item on the next Utah State Board of Higher Education action agenda.

Sincerely,

A handwritten signature in purple ink, appearing to read 'Norm Tarbox'.

Norm Tarbox
Vice President for Administrative Services

Weber State University
Student Facilities System Revenue Bonds, Series 2021
Preliminary Summary Sheet

Proposed Issue: Student Facilities System Revenue Refunding Bonds

Total Approximate Issue Size: \$8,075,000

Use of Funds: To provide up to \$8,500,000 to finance the costs of constructing the Noorda Engineering and Applied Science building, together with other amounts necessary to pay capitalized interest, pay costs of issuance, and fund a debt service reserve.

Details of Proposed Series 2021 Bonds:

Principal Amount: Not to exceed \$8,800,000

Interest Rate: Not to exceed 5%

Maturity Date: Not to exceed 25 years

Aggregate Discount: Not to exceed 2%

Bond Rating: AA from S&P utilizing the State Moral Obligation

Bond Insurance/
Surety Bond: TBD, provided by AGM or BAM

Source of Repayment: Student Facilities System Revenues

Timetable Considerations: Board of Higher Education approval will be sought at the May 21 meeting. The University is proceeding with plans to sell bonds soon after approval is received, with a tentative sale date planned for Thursday, June 17, 2021. The University anticipates selling bonds by competitive sale, and the underwriter will be whichever provides the lowest borrowing cost as a combination of each bidder's proposed rates and fees. The anticipated closing date is June 29, 2021.

May 21, 2021

The Utah Board of Higher Education (the “*Board*”) met in regular session, by electronic means, on May 21, 2021, commencing at 8:00 a.m. The following members of the Board were present:

Harris H. Simmons	Chair
Nina Barnes	Vice Chair
Jessellie Barlow Anderson	Member
Mike Angus	Member
Jera L. Bailey	Member
Stacey K. Bettridge	Member
Lisa Michele Church	Member
Wilford Clyde	Member
Candyce Damron	Student Representative
Sanchaita Datta	Member
Alan E. Hall	Member
Patricia Jones	Member
Crystal Maggelet	Member
Arthur E. Newell	Member
Shawn Newell	Member
Aaron V. Osmond	Member
Glen J. Rivera	Student Representative
Scott L. Theurer	Member

ABSENT:

ALSO PRESENT:	Norm Tarbox, Ph.D.	Vice President of Administrative Services, Weber State University.
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As required by Section 52-4-203, Utah Code Annotated 1953, as amended, written minutes and a recording of this meeting are being kept.

After the meeting had been duly convened and called to order by the Chair and the roll had been called with the above result, and after other business had been conducted, the Chair announced that one of the purposes of the meeting was the consideration of various matters with respect to the issuance and sale of the Utah Board of Higher Education, Weber State University Student Facilities System Revenue Bonds.

The following resolution was introduced in written form and, after full discussion, pursuant to motion duly made and seconded, was adopted by the following vote:

YEA:

NAY:

ABSENT:

The resolution is as follows:

RESOLUTION

A RESOLUTION OF THE UTAH BOARD OF HIGHER EDUCATION AUTHORIZING THE ISSUANCE AND SALE OF ITS WEBER STATE UNIVERSITY STUDENT FACILITIES SYSTEM REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,800,000; AUTHORIZING THE EXECUTION OF A SUPPLEMENTAL INDENTURE OF TRUST, AN OFFICIAL STATEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the Utah Board of Higher Education (the “*Board*”) is established and exists under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended;

WHEREAS, pursuant to the provisions of Title 53B Chapter 1, Utah Code Annotated 1953, as amended, the Board is authorized to act as the governing authority of Weber State University (the “*University*”) for the purpose of exercising the powers contained in Title 53B, Chapter 21, Utah Code Annotated 1953, as amended (the “*Act*”);

WHEREAS, pursuant to the Act, the Board is, for and on behalf of the University, authorized to issue bonds payable from a special fund into which the revenues of the University may be deposited;

WHEREAS, pursuant to the provisions of Section 63B-31-201(5), Utah Code Annotated, as amended, the Board is authorized to issue revenue bonds on the credit and income of the University, other than appropriations by the Utah Legislature, to provide up to \$8,500,000 to finance the costs of constructing the Noorda Engineering and Applied Science building (the “*Project*”), together with other amounts necessary to pay capitalized interest, pay costs of issuance, and fund a debt service reserve;

WHEREAS, the Board considers it desirable and necessary for the benefit of the residents of the State of Utah to issue its Utah Board of Higher Education, Weber State University Student Facilities System Revenue Bonds,” in one or more series (the “*Bonds*”), for the purpose of financing, together with any available funds of the University to be used for such purpose, the cost of the Project, satisfying a debt service reserve requirement, providing capitalized interest on the Bonds, and paying costs of issuance of the Bonds;

WHEREAS, the Bonds will be issued in an aggregate principle amount of not to exceed \$8,800,000 and will be issued pursuant to the General Indenture of Trust dated as of July 1, 1997, as heretofore amended and supplemented (the “*General Indenture*”), and as further supplemented by one or more Supplemental Indentures of Trust (collectively, the “*Supplemental Indenture*” and, together with the General Indenture, the “*Indenture*”), each by and between the Board, acting for and on behalf of the University, and Wells Fargo Bank, National Association, as trustee (the “*Trustee*”);

WHEREAS, the Bonds shall be payable solely from the revenues and other moneys pledged therefor under the Indenture and shall not constitute nor give rise to a general obligation or liability of the State of Utah, the Board or the University or constitute a charge against the general credit of the State of Utah, the Board or the University;

WHEREAS, there have been presented to the Board at this meeting a form of a Preliminary Official Statement relating to the Bonds (the "*Preliminary Official Statement*") and a form of the Supplemental Indenture;

WHEREAS, expenditures relating to the Projects (the "*Expenditures*") have been paid from the University's general fund (the "*Fund*") within 60 days prior to the passage of this resolution (the "*Resolution*") or (ii) will be paid from the Fund on or after the passage of this Resolution and prior to the issuance of the Bonds;

WHEREAS, pursuant to Section 53B-21-102(3)(m) of the Act, the Board desires to grant to the Chair and/or Vice Chair of the Board and/or the Chair of the Finance, Facilities and Accountability Committee of the Board the authority to approve the final principal amounts, terms, maturities, interest rates and purchase prices at which the Bonds shall be sold and any changes with respect thereto from those terms which were before the Board at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth in this Resolution, and the authority to approve and execute all documents relating to the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE UTAH BOARD OF HIGHER EDUCATION, AS FOLLOWS:

Section 1. All terms defined in the foregoing recitals hereto shall have the same meanings when used herein.

Section 2. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and the officers of the Board or the University directed toward the issuance of the Bonds are hereby ratified, approved and confirmed.

Section 3. The Board hereby authorizes, approves and directs the use and distribution of the Preliminary Official Statement in such form as shall be approved by the Chair or Vice Chair of the Board or the President or Vice President for Administrative Services of the University. The Chair or Vice Chair of the Board or the President or Vice President for Administrative Services of the University are authorized to execute such certificates as shall be necessary to "deem final" the Preliminary Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Chair or Vice Chair of the Board and the President or Vice President for Administrative Services of the University are hereby authorized to execute and deliver on behalf of the Board and the University a final Official Statement in substantially the form and with substantially the same content as the Preliminary Official Statement, with such alterations, changes or additions as may be necessary to finalize the Official Statement. The use and distribution of the Official Statement are hereby authorized.

Section 4. The Supplemental Indenture, in substantially the form presented to the Board at this meeting, is in all respects authorized, approved and confirmed. The Chair or Vice Chair and Secretary of the Board and the President or the Vice President for Administrative Services of the University are hereby authorized to execute and deliver the Supplemental Indenture, in the form and with substantially the same content as presented to the Board at this meeting, for and on behalf of the Board and the University with such alterations, changes or additions as may be authorized pursuant to the terms of this Resolution.

Section 5. (a) For the purpose of providing funds to be used for the purpose of (i) financing all or a portion of the cost of the Project, (ii) providing capitalized interest on the Bonds, (iii) funding a deposit to a debt service reserve fund, and (iv) paying costs of issuance of the Bonds, the Board hereby authorizes the issuance of the Bonds, from time to time in one or more series, in the aggregate principal amount of not to exceed \$8,800,000. The Bonds shall bear interest at the rates, and shall mature in the principal amounts and on the dates, as shall be approved by the Chair or Vice Chair of the Board or the Chair of the Finance, Facilities and Accountability Committee as provided below, all within the parameters set forth in *Schedule A* attached hereto and incorporated herein by reference.

Section 6. The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Indenture. The Chair or Vice Chair and the Secretary of the Board and the President or Vice President for Administrative Services of the University are hereby authorized to execute and seal the Bonds and to deliver the Bonds to the Trustee for authentication. All terms and provisions of the Indenture and the Bonds are hereby incorporated in this resolution. The appropriate officials of the Board and the University are hereby authorized to execute and deliver to the Trustee the written order of the Board for authentication and delivery of the Bonds in accordance with the provisions of the Indenture.

Section 7. The Bonds shall be sold to the initial purchaser (the “*Underwriter*”) pursuant to a public sale at a discount of not to exceed 2.0% of the face amount of the Bonds. Pursuant to Section 53B-21-102(3)(m) of the Act, the Chair or Vice-Chair of the Board or the Chair of the Finance, Facilities and Accountability Committee (with concurrence of the President or the Vice President for Administrative Services of the University) is hereby authorized to specify and agree as to the final principal amounts, interest rates, maturities and purchase price with respect to the Bonds for and on behalf of the Board and the University by the execution of the Indenture, such bond purchase contract or other instruments as may be necessary to confirm the award of the Bonds to the Underwriter, and any changes to the Supplemental Indenture from those terms which were before the Board at the time of adoption of this Resolution, provided such terms are within the parameters set by this Resolution.

Section 8. The appropriate officers of the Board and the University, including without limitation the Chair, Vice Chair, the Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education and Secretary of the Board and the President and Vice President for Administrative Services of the University are hereby authorized to take all action necessary or reasonably required by the Indenture to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

Section 9. The appropriate officials of the Board and the University, including without limitation the Chair or Vice Chair of the Board and/or the Chair of the Finance, Facilities and Accountability Committee and the President or the Vice President for Administrative Services of the University are authorized to make any alterations, changes or additions to the Supplemental Indenture, the Bonds, the Preliminary Official Statement, or any other document herein authorized and approved that may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of such instruments, the provisions of this Resolution or any related resolution adopted by the Board, or the provisions of laws of the State of Utah or the United States.

Section 10. The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair, the Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education and Secretary of the Board and the President and Vice president for Administrative Services of the University, are hereby authorized and directed to accept a commitment for, and agree to the terms of, a bond insurance policy or other credit enhancement that such officer or officers determine to be in the best interests of the Board and the University, execute and deliver for and on behalf of the Board and the University any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein, including (without limitation) such (i) continuing disclosure undertakings or agreements as shall be necessary under Rule 15c2-12 of the Securities and Exchange Commission and (ii) such certificates and agreements as shall be necessary to establish and maintain the tax-exempt status of interest on the Bonds under the provisions of the Internal Revenue Code of 1986, as amended.

Section 11. Upon their issuance, the Bonds will constitute special limited obligations of the Board payable solely from and to the extent of the sources set forth in the Indenture. No provision of this Resolution, the Bonds, the Indenture or any other instrument, shall be construed as creating a general obligation of the Board or the University, or of creating a general obligation of the State of Utah or any political subdivision thereof, nor as incurring or creating a charge upon the general credit of the Board, the University, the State of Utah or any political subdivision thereof.

Section 12. Reimbursement Intent. In satisfaction of certain requirements under the Internal Revenue Code of 1986, the District reasonably expects to reimburse the Expenditures with proceeds of the Bonds to be issued in the maximum principal amount of not more than \$8,800,000.

Section 13. All proceedings, resolutions and actions of the Board and the University and their officers and employees taken in connection with the Bonds are hereby ratified, confirmed and approved.

Section 14. After any of the Bonds are delivered by the Trustee to the Underwriter and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture.

Section 15. If any provisions of this Resolution should be held invalid, the invalidity of such provisions shall not affect the validity of any of the other provisions of this Resolution.

Section 16. All resolutions of the Board or parts thereof inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution or part thereof.

Section 17. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED by the Utah Board of Higher Education this 21st day of May, 2021.

UTAH BOARD OF HIGHER EDUCATION

Chair

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and seconded, adjourned.

Chair

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I do hereby certify that I am the duly qualified and acting Secretary of the Utah Board of Higher Education.

I further certify that the above and foregoing constitutes a true and correct copy of an excerpt of the minutes of a meeting of the Board held on May 21, 2021 and of a resolution adopted at such meeting, as such minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 21st day of May, 2021.

Secretary

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, the undersigned duly qualified and acting Secretary of the Utah Board of Higher Education (the “*Board*”), do hereby certify, according to the records of the Board in my official possession, and upon my own knowledge and belief, that:

(a) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave public notice of the agenda, date, time and place of the May 21, 2021 public meeting held by the members of the Board by causing a Notice of Public Meeting to be posted at the principal office of the Utah Board of Higher Education at 60 South 400 West in Salt Lake City, Utah, on _____, 2021, at least 24 hours prior to the convening of such meeting, in the form attached hereto as *Exhibit A*, such Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the Board until the convening of the meeting; causing a copy of such Notice of Public Meeting in the form attached hereto as *Exhibit A* to be provided on _____, 2021 at least 24 hours prior to the convening of such meeting, to *The Salt Lake Tribune*, a newspaper of general circulation within the geographic jurisdiction of the Board, and to each local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the Board; and causing a Notice of Public Meeting to be posted on _____, 2021 at the Utah Public Notice Website at least 24 hours before the convening of the meeting;

(b) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice of the 2021 Annual Meeting Schedule of the Board was given specifying the date, time and place of the regular meetings of the Board scheduled to be held during the year, by causing a Notice of Annual Meeting Schedule for the Board in the form attached as *Exhibit B* to be posted during or before January 2021 at the principal office of the Board in Salt Lake City, Utah; such Notice of Annual Meeting Schedule having continuously remained so posted and available for public inspection during the regular office hours of the undersigned until the date hereof; causing a copy of such Notice of Annual Meeting Schedule to be provided during or before January 2021 to a newspaper of general circulation within the geographic jurisdiction of Salt Lake City, Utah; and causing a Notice of Annual Meeting Schedule to be posted during or before January 2021 at the Utah Public Notice Website; and

(c) the Board has adopted written procedures governing the holding of electronic meetings in accordance with Section 52-4-207 Utah Code Annotated 1953, as amended (a copy of which is attached hereto as *Exhibit C*). In accordance with such provisions and the aforementioned procedures, notice was given to each member of the Board and to members of the public at least 24 hours before the meeting to allow members of the Board and the public to participate in the meeting, including a description of how they could be connected to the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 21st day of
May, 2021.

Secretary

SCHEDULE A

PARAMETERS

PRINCIPAL AMOUNT:	Not to exceed \$8,800,000.
TERM:	Not to exceed 25 years from their date or dates.
INTEREST RATE:	Fixed rates such that no coupon rate exceeds 5.0% per annum.
SALE PRICE:	Not less than 98% of the principal amount of the Bonds.

EXHIBIT A

[ATTACH NOTICE OF PUBLIC MEETING]

EXHIBIT B

[ATTACH NOTICE OF ANNUAL MEETING SCHEDULE]

EXHIBIT C

[ATTACH ELECTRONIC MEETING POLICY]



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB B

May 20, 2021

University of Utah – Series 2021C Revenue Bonds

Board Policy R590, Issuance of Revenue Bonds for Colleges and Universities, requires the Board to review and approve the issuance and sale of revenue bonds. The University of Utah requests Board authorization to issue up to \$350,000,000 of General Revenue bonds for the purposes described in the following sections.

Request to Issue up to \$211,500,000 Authorized by State Legislature

The University of Utah requests Board authorization to issue General Revenue Bonds for the following purposes that have been authorized by the state legislature:

- \$125,800,000 for the construction of the West Village Project as approved by the Board in October 2020 and authorized by the 2021 Legislative Session (S.B. 143); housing rental fees and other auxiliary revenues will be the primary source of repayment for the bonds.
- \$85,700,000 for the construction of the Impact and Prosperity Epicenter Building as approved by the Board in October 2020 and authorized by the 2021 Legislative Session (S.B. 143); housing rental fees and other auxiliary revenues will be the primary source of repayment for the bonds.

Pre-Authorization to Refinance up to \$100,000,000 for Economic Savings by November 2022

The University of Utah requests approval from the Board to refund up to \$100,000,000 prior to November 21, 2022, if economic conditions present opportunities for cost savings of at least 3%.

The relevant parameters of the requested issue are:

- Principal amount not to exceed \$350,000,000 (including costs of issuance and capitalized interest)
- Interest rate not to exceed 5%
- Discount from par not to exceed 2%
- Final maturity not to exceed 30 years from the date of issue

A copy of the request letter from the university, the Approving Resolution, and a financing summary from the financial advisor are attached. Representatives from the university will attend the meeting to provide additional information and answer questions from the Board.

Commissioner's Recommendations

The Commissioner recommends approval of the proposed Authorizing Resolution to issue General Revenue bonds for the University of Utah.

Attachments

April 22, 2020

Mr. David R. Woolstenhulme
Commissioner, Utah System of Higher Education
Board of Regents Building
The Gateway
60 South 400 West
Salt Lake City, UT 84101-1284

Dear Commissioner Woostenhulme:

The purpose of this letter is to inform you of the University of Utah's plans to submit a bond parameters resolution (the "Resolution") to the State Board of Higher Education of the State of Utah (the "Board"), to be considered during its May 2021 meeting, for the issuance of a General Revenue Bond or Bonds on behalf of the University of Utah (the "University") for the purpose of (i) financing a portion of the costs to construct (a) a West Village Student Housing project (the West Village Project"), (b) the Impact-Epicenter Building project (the "Impact-Epicenter Project" and together with the West Village Project, the "Series 2021C Projects") together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund any debt service reserve requirements, and (ii) refunding all or any portion of the outstanding bonds issued by the Board on behalf of the University (the "Refunding Authorization") together with other amounts necessary to pay costs of issuance and fund any debt service reserve requirements.

Details are as follows:

Authorization to Bond up to \$125,800,000 for the Construction of the West Village Project. The University plans to replace certain existing housing facilities in phases over the next decade, beginning with the demolition of buildings in the West Village Student Housing section and their replacement with graduate and family housing buildings. The graduate housing building will serve approximately 245 student residents with a projected occupancy of 96% in 146,590 square feet. The family housing buildings will serve approximately 400 students, 172 spouses and partners, and approximately 150 children in 295,180 square feet. The total cost of the project is approximately \$125.8 million.

The University received bonding authorization for this project during the 2021 Legislative Session of up to \$125.8 million, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements. The University of Utah Board of Trustees (the "Board of Trustees") approved this bonding authorization in its April 13, 2021 meeting.

Authorization to Bond up to \$85,700,000 for the Construction of the Impact-Epicenter Project. The Impact-Epicenter Building will be a multi-use facility and include housing and two university centers—the existing Sorenson Impact Center and a new "Business, Health and Prosperity Center." The proposed facility will include 575 on-campus beds, primarily single occupancy, in a living-learning model that the Lassonde Studios pioneered. The facility will provide opportunities for collaboration between student living and the two centers, which are further able to leverage each other's capabilities, resources, and partnerships. The total cost of the project is approximately \$85.7 million.

The University received bonding authorization for this project during the 2021 Legislative Session of up to \$85.7 million, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements. The Board of Trustees approved this bonding authorization in its April 13, 2021 meeting.

Authorization to Bond up to \$100,000,000 for Refunding Outstanding Bonds. The University is seeking approval from the Board to refund up to \$100.0 million for all or any portion of the outstanding bonds issued by the Board on behalf of the University prior to November 21, 2022, pursuant to certain parameters therein (including net present value savings of at least three percent) and such bonds may be issued in one or more series and combined with any other series of general revenue bonds.

Given current interest rates in today's municipal market, the University is seeking feedback and information from members of its Underwriting Pool relating to savings refunding opportunities that may exist among outstanding Bonds and which the University should strongly consider as part of its proposed Series 2021C General Revenue Bond issue.

The Board previously approved the bonding for the construction of the Medical Education and Discovery Complex ("MEDX") for up to \$137.5 million in its December 2020 meeting. The University did not bond for MEDX in its General Revenue and Refunding Bond Series 2021 A and B that closed in early February 2021 as it was determined that certain funding was not in place at the time. The University may include bonding for MEDX in an upcoming bond transaction if it is determined that such funding is in place.

It is the University's current plan to price the first series of bonds related to the Resolution in June/July 2021 and close the transaction shortly thereafter.

Please feel free to call me should you or others have questions about the details of this funding request.

Sincerely,



Cathy Anderson
Chief Financial Officer

cc: Michael Good, Interim President
Daniel Reed, Senior Vice President
Richard Amon
Blake Wade
Kelly Murdock
Robert Muir

STIFEL

PRELIMINARY FINANCING SUMMARY

For

Utah Board of Higher Education

\$350,000,000*

UNIVERSITY OF UTAH

General Revenue and Refunding Bonds

Series 2021C

(The “Series 2021C Bonds”)

Purpose:	To finance (1) The construction of the West Village Graduate and Family Student Housing (the “West Village Project”); (2) The construction of the Impact and Prosperity Epicenter Building (the “Impact-Epicenter Project”); and (3) The issuance of additional bonds for the purpose of refunding any bonds of the University; together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund a debt service reserve requirement, if any.
Not-to-Exceed Par Amount:	\$350,000,000 (\$125,800,000 for the West Village Project, \$85,700,000 for the Impact-Epicenter Project, and \$100,000,000 for renewed refunding authorization). The Series 2021C Bond issue may also include financing for the \$137,500,000 MEDX (Medical Education and Discovery Complex) project, bonding for which was previously approved by the Board in its December 2020 meeting. Inclusion of this project in the Series 2021C Bond is contingent upon the University finalizing donor gift agreements.
Security:	The Series 2021C Bonds will be payable from and secured by a General Revenue pledge which consists of substantially all income and revenues of the University authorized to be pledged, with the exception of (i) legislative appropriations, (ii) tuition and certain fees, and (iii) certain other revenues and income.
Ratings:	‘Aa1’ and ‘AA+’ ratings <i>are expected</i> by Moody’s Investors Service and S&P Global Ratings, respectively.
Method of Sale:	Negotiated Public Offering

Preliminary Financing Summary
University of Utah Series 2021C Bonds
Page 2 of 2

True Interest Cost:	TBD (given current market volatility, a preliminary rate is difficult to determine)
Underwriters:	The University has not yet selected a firm or firms to serve as underwriters for the Series 2021C Bonds.
Sale Date:	TBD – Current Calendar calls for mid-July 2021, subject to market conditions and internal approvals.
Closing Date:	TBD – Current Calendar calls for settlement early August 2021
Principal Payment Dates:	August 1 of each year, beginning August 1, 2022*
Interest Payment Dates:	August 1 and February 1, beginning February 1, 2023*
Interest Basis:	30/360
Parameters:	Not-to-Exceed Par for the Projects: \$350,000,000 Not-to-Exceed Term: 32-years from the date of the Bond's issuance Not-to-Exceed Coupon: 5.00% Not-to-Exceed Discount from Par: 2.00%
Optional Redemption:	May be non-callable or callable (par or make-whole) at the option of the University, as determined at the time of the sale
University Contacts:	Ms. Cathy Anderson, Chief Financial Officer (801-581-6940) Mr. Robert Muir, Executive Director – Debt and Asset Management (801-585-5598)
Bond Counsel:	Mr. Blake Wade, Gilmore & Bell (801-258-2725)
Municipal Advisor:	Mr. Kelly Murdock, Stifel, Nicolaus & Company (385-799-1734)

**Preliminary, subject to change*

APPROVING RESOLUTION
UNIVERSITY OF UTAH
-WEST VILLAGE STUDENT HOUSING
-IMPACT-EPICENTER BUILDING
-GENERAL REVENUE REFUNDING BONDS

May 21, 2021

The Utah Board of Higher Education (the “Board”) met in regular session by electronic means on May 21, 2021, commencing at 10:00 a.m. The following members were present:

Harris H. Simmons	Chair
Nina Barnes	Vice Chair
Aaron V. Osmond	Vice Chair
Jessellie B. Anderson	Member
Mike Angus	Member
Jera L. Bailey	Member
Stacey K. Bettridge	Member
Lisa Michele Church	Member
Wilford W. Clyde	Member
Sanchaita Datta	Member
Alan E. Hall	Member
Patricia Jones	Member
Crystal Maggelet	Member
Arthur E. Newell	Member
Shawn Newell	Member
Candyce Damron	Student Representative
Glen J. Rivera	Student Representative
Scott L. Theurer	Member

Absent:

Also Present:

David R. Woolstenhulme	Commissioner of Higher Education
Geoffrey Landward	Secretary

After the meeting had been duly convened and called to order by the Chair, the roll had been called with the above result, the agenda noted that one of the purposes of the meeting was the consideration of various matters with respect to the issuance and sale of the Utah Board of Higher Education, University of Utah General Revenue and Refunding Bonds.

The following resolution was introduced in written form and after full discussion, pursuant to motion made by _____ and seconded by _____, was adopted by the following vote:

AYE:

NAY:

The resolution is as follows:

RESOLUTION

A RESOLUTION OF THE UTAH BOARD OF HIGHER EDUCATION AUTHORIZING THE ISSUANCE AND SALE OF ITS UNIVERSITY OF UTAH GENERAL REVENUE AND REFUNDING BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$350,000,000 AUTHORIZING THE EXECUTION OF SUPPLEMENTAL INDENTURES, BOND PURCHASE AGREEMENTS, OFFICIAL STATEMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the Utah Board of Higher Education (the “Board”) is established and exists under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended (the “Utah Code”); and

WHEREAS, pursuant to the provisions of Title 53B, Chapter 1, Utah Code, the Board is authorized to act as the governing authority of the University of Utah (the “University”) for the purpose of exercising the powers contained in Title 53B, Chapter 21 and the specific authorizations of Section 63B-31-201(1) and 63B-31-201(2) of the Utah Code and the Utah Refunding Bond Act, Title 11, Chapter 27 of the Utah Code (the “Refunding Act” and collectively, the “Act”); and

WHEREAS, pursuant to a General Indenture of Trust dated as of July 1, 2013, between the Board (formerly known as the State Board of Regents of the State of Utah) and Wells Fargo Bank, N.A., as trustee (the “Trustee”), as heretofore amended and supplemented (the “General Indenture”), the Board has issued, for and on behalf of the University, various series of revenue bonds; and

WHEREAS, pursuant to Section 63B-31-201(1) of the Utah Code, the Board, for and on behalf of the University, is authorized to issue bonds for the purpose of constructing the West Village Graduate and Family Student Housing (the “West Village Project”) in an amount not to exceed \$125,800,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund any debt service reserve requirements; and

WHEREAS, pursuant to Section 63B-31-201(2) of the Utah Code, the Board, for and on behalf of the University, is authorized to issue bonds in an amount not to exceed \$85,700,000 for the purpose of constructing the Impact and Prosperity Epicenter Building (the “Impact-Epicenter Project” and collectively with the West Village Project, the “Series 2021C Projects”), together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund any debt service reserve requirements; and

WHEREAS, the Board now desires to authorize the issuance of additional bonds for the purpose of refunding any bonds of the University and paying costs of issuance related thereto in an amount not to exceed \$100,000,000; and

WHEREAS, to accomplish the purposes set forth in the preceding recitals, the Board desires to authorize and approve the issuance and sale of its University of Utah General Revenue and Refunding Bonds (with such additional or other title and/or series designation(s) as may be determined by the officers of the Board) in one or more series and to be issued from time to time (the "Bonds") in an aggregate principal amount of not to exceed \$350,000,000 pursuant to the General Indenture and one or more Supplemental Indentures of Trust between the Board and the Trustee (each a "Supplemental Indenture" and collectively with the General Indenture, the "Indenture"); and

WHEREAS, the Bonds shall be payable solely from the University's revenues and other moneys pledged therefor in the Indenture and shall not constitute nor give rise to a general obligation or liability of the Board, the University or the State of Utah or constitute a charge against their general credit; and

WHEREAS, there has been presented to the Board at this meeting a form of a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into among the Board, the University and the underwriters or purchasers for the Bonds (the "Purchaser"), a form of a Preliminary Official Statement relating to the Bonds, in the event the Bonds are publicly sold (the "Preliminary Official Statement"), and a form of Supplemental Indenture; and

WHEREAS, the Board desires to grant to the Chair and/or Vice Chair of the Board and/or the Chair of the Finance and Facilities Committee of the Board, the authority to approve the interest rates, principal amount, terms, discounts, maturities, redemption features, and purchase prices at which the Bonds shall be sold and any changes with respect thereto from those terms which were before the Board at the time of adoption of this Resolution; provided such terms do not exceed the parameters set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE UTAH BOARD OF HIGHER EDUCATION, AS FOLLOWS:

Section 1. All terms defined in the foregoing recitals hereto shall have the same meanings when used herein.

Section 2. All actions heretofore taken (not inconsistent with the provisions of this resolution) by the Board and the University and the officers of the Board or the University directed toward the issuance of the Bonds are hereby ratified, approved and confirmed.

Section 3. The Board hereby authorizes, approves and directs the use and distribution of the Preliminary Official Statements substantially in the form of the Preliminary Official Statement presented to the Board at this meeting in connection with the offering and sale of the Bonds, in the event the Bonds are publicly sold. The Chair, Vice Chair and/or Chair of the Finance and Facilities Committee of the Board and the

President and/or Chief Financial Officer of the University are hereby authorized to execute and deliver on behalf of the Board and the University final Official Statements in substantially the same form and with substantially the same content as the form of the Preliminary Official Statement presented to this meeting with any such alterations, changes or additions as may be necessary to finalize each Official Statement. The preparation, use and distribution of the Official Statements are also hereby authorized. The Board and the University may elect to privately place the Bonds with or without the use of an Official Statement.

Section 4. Supplemental Indentures in substantially the form presented to this meeting are in all respects authorized, approved and confirmed. The Chair, Vice Chair and/or Chair of the Finance and Facilities Committee and Secretary of the Board and the President and/or Chief Financial Officer of the University are hereby authorized to execute and deliver the Supplemental Indentures in substantially the same form and with substantially the same content as the form of such document presented to this meeting for and on behalf of the Board and the University with such alterations, changes or additions as may be authorized by Section 8 hereof.

Section 5. For the purpose of providing funds to be used for (i) financing the cost of the Series 2021C Projects (including capitalized interest), (ii) refunding all or any portion of the outstanding bonds issued by the Board on behalf of the University and (iii) paying costs of issuance of the Bonds, the Board hereby authorizes the issuance of the Bonds, from time to time and in one or more series, in the aggregate principal amount of not to exceed \$350,000,000. The Bonds shall mature on such date or dates, be subject to redemption, and bear interest at the rates as shall be approved by the Chair or Vice Chair of the Board or the Chair of the Finance and Facilities Committee, all within the parameters set forth on Exhibit A attached hereto and incorporated herein by reference. The issuance of the Bonds shall be subject to the final advice of Bond Counsel and to the approval of the office of the Attorney General of the State of Utah. The Bonds authorized herein may be issued in one or more series and may be combined with any other series of general revenue bonds of the University, and issued from time to time and at any time within the 18 months following the adoption of this Resolution.

Section 6. The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, interest rates, redemption and number shall be as set forth in the Indenture. The Chair, Vice Chair and/or Chair of the Finance and Facilities Committee and the Secretary of the Board and the President and/or Chief Financial Officer of the University are hereby authorized to execute and seal by manual or facsimile signature the Bonds and to deliver the Bonds to the Trustee for authentication. All terms and provisions of the Indenture and the Bonds are hereby incorporated in this Resolution. The appropriate officials of the Board and the University are hereby authorized to execute and deliver to the Trustee the written order of the Board for authentication and delivery of the Bonds in accordance with the provisions of the Indenture.

Section 7. Bond Purchase Agreements in substantially the form presented to this meeting are hereby authorized, approved and confirmed. The Chair or Vice Chair of

the Board and/or the Chair of the Finance and Facilities Committee and the President and/or Chief Financial Officer of the University are hereby authorized to execute and deliver the Bond Purchase Agreements in substantially the same form and with substantially the same content as the form of the Bond Purchase Agreement presented at this meeting for and on behalf of the Board with final terms as may be established for the Bonds within the parameters set forth herein and with such alterations, changes or additions as may be necessary or as may be authorized by Section 8 hereof. The Chair or Vice-Chair of the Board and/or the Chair of the Finance and Facilities Committee and the President and/or Chief Financial Officer of the University are hereby authorized to specify and agree as to the final principal amounts, terms, discounts, maturities, interest rates, redemption features and purchase prices with respect to the Bonds for and on behalf of the Board and the University and any changes thereto from those terms which were before the Board at the time of adoption of this Resolution, provided such terms are within the parameters set by this Resolution, with such approval to be conclusively established by the execution of the related Bond Purchase Agreement and Supplemental Indenture. In the event that the foregoing officers determine that all or any portion of the Bonds should be privately placed, the Bond Purchase Agreements and Supplemental Indentures may be modified to conform to the agreement with such Purchasers, including agreement to pay breakage fees, default rates, taxable rates and other similar provisions customary in such placements, provided that such obligations are limited to the sources provided under the Indenture.

Section 8. The appropriate officials of the Board and the University, including without limitation the Chair or Vice Chair of the Board and/or the Chair of the Finance and Facilities Committee and the President and/or Chief Financial Officer of the University are authorized to make any alterations, changes or additions to the Indenture, the Bonds, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, or any other document herein authorized and approved which may be necessary to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States or to permit the private placement or public sale of the Bonds, to conform such documents to the terms established for the Bonds and to update such documents with current information and practices.

Section 9. The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair, the Chair of the Finance and Facilities Committee, Commissioner of Higher Education and Secretary of the Board and the President and/or Chief Financial Officer of the University, are hereby authorized and directed to (i) execute and deliver for and on behalf of the Board and the University any or all additional certificates, documents (including escrow agreements for certain refundings) and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein and (ii) take all action necessary or reasonably required by the Indenture, the Preliminary Official Statement, the Official Statement, or the Bond Purchase Agreement to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

Section 10. Upon their issuance, the Bonds will constitute special limited obligations of the Board payable solely from and to the extent of the sources set forth in the Indenture. No provision of this Resolution, the Bonds, the Bond Purchase Agreement, the Official Statement, the Indenture or any other instrument executed in connection with the issuance of the Bonds, shall be construed as creating a general obligation of the Board or the University, or of creating a general obligation of the State of Utah or any political subdivision thereof, nor as incurring or creating a charge upon the general credit of the Board, the University, the State of Utah or any political subdivision thereof.

Section 11. In accordance with the provisions of the Refunding Act, the Board shall cause the following "Notice of Bonds to be Issued" to be (i) published one (1) time in the Deseret News, a newspaper of general circulation in the State of Utah, (ii) posted on the Utah Public Notice Website (<http://pmn.utah.gov>) and (iii) posted on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended, and shall cause a copy of this Resolution and the Indenture to be kept on file in the Board's office in Salt Lake City, Utah, for public examination during the regular business hours of the Board until at least thirty (30) days from and after the date of publication thereof. The "Notice of Bonds to be Issued" shall be in substantially the following form:

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, that on May 21, 2021, the Utah Board of Higher Education (the “Board”) adopted a resolution (the “Resolution”) in which it authorized (among other bonds) the issuance of the Board’s University of Utah General Revenue and Refunding Bonds (with such other or further designation as the officers of the Board may determine) (the “Bonds”) in the aggregate principal amount of not to exceed one hundred million dollars (\$100,000,000) to bear interest at a rate or rates of not to exceed five percent (5.0%) per annum, to mature not later than thirty-five (35) years from the date thereof and to be sold at a price or prices not less than 98% of the total principal amount thereof, for the purpose of refunding any portion of the Board’s outstanding revenue bonds issued to finance facilities and improvements for the University of Utah (the “University”) and pay costs of issuance.

The Bonds are to be issued and sold by the Board pursuant to the Resolution, including as part of said Resolution a form of a General Indenture of Trust previously executed by the Board and the University and a Supplemental Indenture of Trust (collectively, the “Indenture”).

The Bonds are secured by a pledge of revenues of the University auxiliary and campus facilities system, hospital system, research facilities and other legally available moneys of the University (as described in the Indenture).

A copy of the Resolution and the Indenture are on file in the office of the Board at 60 South 400 West, 5th Floor, Salt Lake City, Utah, where they may be examined during regular business hours of the Board from 8:00 a.m. to 5:00 p.m. for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indenture (but only as it relates to the Bonds), or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever.

DATED this May 21, 2021.

/s/ Geoffrey Landward
Secretary

Section 12. After the Bonds are delivered by the Trustee to or for the account of the Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture.

Section 13. If any provisions of this Resolution should be held invalid, the invalidity of such provisions shall not affect the validity of any of the other provisions of this Resolution.

Section 14. All resolutions of the Board or parts thereof inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 15. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE UTAH BOARD OF HIGHER
EDUCATION THIS MAY 21, 2021.

UTAH BOARD OF HIGHER EDUCATION

Chair

ATTEST:

Secretary

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and seconded, adjourned.

Chair

ATTEST:

Secretary

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Geoffrey Landward, do hereby certify that I am the duly qualified and acting Secretary of the Utah Board of Higher Education.

I further certify that the above and foregoing constitutes a true and correct copy of an excerpt of the minutes of a meeting of said Board held on May 21, 2021 and of a resolution adopted at said meeting, as said minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Board this May 21, 2021.

Secretary

(SEAL)

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Geoffrey Landward, the undersigned, the duly qualified and acting Secretary of the Utah Board of Higher Education, do hereby certify, according to the records of said Utah Board of Higher Education in my official possession, and upon my own knowledge and belief, that:

(a) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice was given of the agenda, date, time and place of the May 21, 2021 public meeting held by the Members of the Utah Board of Higher Education by causing a Notice of Public Meeting, in the form attached hereto as Schedule 1 to be: (i) posted at the principal office of the Utah Board of Higher Education at 60 South 400 West, Salt Lake City, Utah, at least 24 hours prior to the convening of such meeting, said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the Utah Board of Higher Education until the convening of the meeting; (ii) published on the Utah Public Notice Website (<http://pmn.utah.gov>), at least 24 hours prior to the convening of such meeting; and (iii) provided at least 24 hours prior to the convening of such meeting, to the Deseret News and The Salt Lake Tribune, newspapers of general circulation within the geographic jurisdiction of the Utah Board of Higher Education, pursuant to their subscription to the Utah Public Notice Website (<http://pmn.utah.gov>), and to each local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the Utah Board of Higher Education;

(b) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice of the 2020-2021 Annual Meeting Schedule of the Utah Board of Higher Education was given, specifying the date, time and place of the regular meetings of the Utah Board of Higher Education scheduled to be held during said years, by causing a Notice of Annual Meeting Schedule for the Utah Board of Higher Education, in the form attached hereto as Schedule 2, to be (i) posted at the principal office of the Utah Board of Higher Education at 60 South 400 West, Salt Lake City, Utah in June 2020; (ii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year, and (iii) provided to a newspaper of general circulation within the geographic jurisdiction of the Utah Board of Higher Education pursuant to its subscription to the Utah Public Notice Website (<http://pmn.utah.gov>); and

(c) the Utah Board of Higher Education has adopted written procedures governing the holding of electronic meetings in accordance with Section 52-4-207 Utah Code Annotated 1953, as amended (a copy of which is attached hereto as Schedule 3). In accordance with said Section and the aforementioned procedures, notice was given to each member of the Utah Board of Higher Education and to members of the public at least 24 hours before the meeting to allow members of the Utah Board of Higher Education and the public to participate in the meeting,

including a description of how they could be connected to the meeting. The Utah Board of Higher Education held the meeting (the anchor location) in the building where it normally meets and provided space and facilities at the anchor location so that interested persons and the public could attend and participate.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the Utah Board of Higher Education, this May 21, 2021.

(SEAL)

Secretary

SCHEDULE 1

NOTICE OF PUBLIC MEETING

(See Transcript Document No. ____)

SCHEDULE 2

NOTICE OF ANNUAL MEETING SCHEDULE

(See Transcript Document No. ____)

SCHEDULE 3

ELECTRONIC MEETING POLICY

EXHIBIT A

PARAMETERS OF THE BONDS

Principal amount not to exceed	\$350,000,000
Interest rate not to exceed	5.0%
Discount from par not to exceed	2.0%
Final maturity not to exceed	Thirty Five (35) years from the date thereof
May be non-callable or callable at the option of University as determined at the time of sale	
Net Present Value Savings of at least 3% on refundings	



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB C

May 20, 2021

Southern Utah University – Property Transactions

As required by [Board Policy R703, Acquisition of Real Property](#) and [Board Policy R704, Disposal of Real Property](#), Southern Utah University is notifying the Board of Higher Education that its Board of Trustees approved multiple property transactions with the Dixie and Anne Leavitt Family Foundation (DALFF) during their April 28, 2021 meeting. DALF has long been a partner in education with SUU and has provided both scholarship and capital contributions to the university. The requested property transactions will be mutually beneficial.

The central purpose of these transactions is to acquire the Leavitt Group corporate headquarters complex, southeast of campus with 31,200 square feet, to allow the university to move administrative personnel from central campus and free up valuable space for academic offices. Additional property acquisitions and disposals (through transfer) are described in detail in the submittal request from the university. These property transactions will address the university's growing space needs, eliminate the expense of several leased properties, and provide for future student housing. The net cost to the university will be \$3,568,300, which will be funded by non-appropriated institutional funds.

Commissioner's Recommendations

The Commissioner recommends the Board authorize the multiple property transactions between Southern Utah University and the Dixie and Anne Leavitt Family Foundation as described in the accompanying documents.

Attachments

April 29, 2021

Dave R. Woolstenhulme, Commissioner
Utah System of Higher Education
60 South 400 West
Salt Lake City, UT 84101

Dear Commissioner Woolstenhulme:

Southern Utah University (SUU) and the Dixie and Anne Leavitt Family Foundation (DALFF) have long been partners in education. Through their foundation and individually, the Leavitt family has provided over \$12 million in student scholarships and contributions to numerous buildings and programs. For the past six months I have been actively engaged in discussions with the Leavitt family for a property transaction that will address the University's growing space needs, eliminate the expense of several leased properties, and aid in additional student housing to help meet growing needs.

The SUU Board of Trustees approved the transactions outlined within this proposal at their April 28, 2021 meeting. The University Administration is now seeking approval from the Board of Higher Education for the concepts outlined within, which includes multiple property transactions.

Background Items

The following key points set the stage for this proposed transaction.

- 1) President Wyatt's primary initiatives include growing enrollment through various modalities, increasing the retention rates of those who choose SUU, making the SUU experience affordable, and increasing quality. Markers tracking progress for these initiatives are all positive. Since President Wyatt was appointed in 2014, SUU's enrollment has grown 58.5% from 8,200 to 12,998 students by fall 2020. Retention rates for each incoming cohort have steadily improved from 65.4% to a high of 74.1%. Tuition and fees have been held flat for three years. Over the same period of time the GPA of incoming freshman classes has risen from 3.40 to 3.58, further reinforcing our commitment to quality.
- 2) Accompanying growth comes strain on many resources. 78 new faculty positions have been funded since 2017, increasing the number of full-time faculty from 274 to 352 by FY2022. We've maintained our commitment to ensure each faculty member teaching on campus has a private office. Meeting this need has been an increasingly difficult challenge. The Dixie L. Leavitt School of Business outgrew its new building space just a few years after completion. Currently the MBA program is housed in the Bennion Building and newly appointed Business (and other) faculty are arriving this fall requiring additional office space. Further, student housing has increased but does not appear to be keeping pace with growing enrollments. SUU has, and continues to rely on the private sector to meet student housing needs. SUU is not planning to build any additional on-campus housing.
- 3) The Administration is striving to maximize space in the University's "academic core" (all facilities between 300 W to 800 W and University Blvd. to Thunderbird Way) for student services and

academic teaching. This proposal allows us to move a number of administrative offices out of the academic core, freeing up much needed space for the School of Business and incoming faculty.

Proposal

Discussions over the winter with the Leavitt family and the Dixie and Anne Leavitt Family Foundation have brought us to a decision point. This concept strategically aligns the goals of SUU, the Leavitt family, and the Leavitt Family Foundation.

- 1) SUU proposes to acquire the Leavitt Group/Leavitt Land and Investment corporate headquarters complex located adjacent to campus at 200 W Thunderbird Way. This encompasses four buildings including 31,200 square feet of space and parking. (See map location A)
 - a) Acquiring this complex allows the University to relocate all of the staff offices currently occupying the first two floors of the Bennion Building which includes Accounting Services, Internal Audit, General Counsel, Purchasing, and Human Resources.
 - b) We also anticipate relocating the Counseling and Psychological Services Office into the headquarters building, and locating the University's new Doctor of Clinical Psychology (PsyD) program to an adjacent building. Creation of the PsyD program requires additional space for faculty offices, clinicals, and group sessions. Having these two offices side by side is a perfect solution.
- 2) SUU and DALFF agree to a number of land transfers allowing SUU to discontinue three building leases at an annual savings of \$265,700. (See map locations B, C, and D in green). University operations housed within these leased spaces include Counseling and Psychological Services, Utah Summer Games, Community Engagement Center, and International Recruiting/Services. Each of these offices will relocate to properties acquired through this transaction.
- 3) DALFF will transfer to SUU the following two properties:
 - a) Workman Home (See map location E). This home is the only property on the block not owned by the University. Acquisition of this property allows the University to convert a majority of the block to a much-needed campus parking lot.
 - b) Historic Home (See map location F). This home will be converted from a rental into office space for one of the displaced University programs.
- 4) SUU will transfer to DALFF the following three properties:
 - a) Ponderosa Terrace Apartments (See map location G). This University owned apartment building, with very limited parking, is 53 years old and needs to be retired. DALFF currently owns the property surrounding Ponderosa Terrace and will at some time demolish this building and others to construct new student housing.
 - b) The vacant Judd Lot (See map location H). This property, when combined with others, creates the potential for additional DALFF housing and/or parking.
 - c) Small Parking Lot (See map location I). DALFF owns a number of the bordering properties, which are bound on the south by a church. Additional student housing is being contemplated for this location as well.
- 5) The Dixie L. Leavitt School of Business is preparing to launch a fundraising campaign to generate approximately \$5.0 million to remodel the Bennion Building in a manner similar to our recent remodel of the Geoscience Building. At the appropriate time, SUU will engage the state Division of Facilities and Construction Management (DFCM) and architects to develop remodeling plans.

- 6) The table below outlines appraised property values tied to this proposal. Copies of appraisal letters establishing property values are included with this document. Since the Workman home was recently acquired by DALFF, the Commissioner's Office agreed to use the purchase price as its value. Due to 2021-22 academic year rental contracts in place for SUU, DALFF, and LLI properties, and to ensure no interruption to students, we will carefully coordinate the timing of asset transfers, purchase dates, management fees, and investment return between summer 2021 and August 2022.

Property Values and Transactions between Entities


Purchase from Leavitt Land & I.	Property Acquisition	Acres	Bldg Sqft	Value
	Leavitt HQ Building	1.29	23,357	
	Woodbury Home	incl.	2,308	\$ 3,750,000
	Dane & Ruth Leavitt Home	0.40	3,848	
	Red Brick Building	incl.	1,705	\$ 600,000
	Total		31,218	\$ 4,350,000

DALFF & SUU Property Transfers	SUU Properties	Acres	Bldg Sqft	Value
	Ponderosa Apartments	0.28	9,746	\$(1,190,000)
	Harl & Ann Judd Vacant Lot	0.20	N/A	\$ (60,000)
	Small Parking Lot - 900 W	0.33	N/A	\$ (130,000)
	Subtotal			\$(1,380,000)
	DALFF Properties			
	Historic Home 300 West	0.32	2,623	\$ 400,000
	Dutch Workman Home 200 W	0.18	1,900	\$ 380,700
	Subtotal			\$ 780,700
	Boot Payment from DALFF to SUU			\$ 599,300
	Lease Savings, Transition Fees, Return (Net)			\$ (182,400)
	Net Cost to SUU			<u>\$ 3,568,300</u>

Circumstances related to the COVID pandemic have, in part, made possible this series of transactions. The Leavitt Group desires to construct a new corporate office building in Cedar City. With half of their corporate employees working from home, the Leavitt Group can relocate remaining staff into the leased space SUU is vacating while they build a new facility. SUU gains historic office space adjacent to campus, a home for the new PsyD Program, space within the academic core for expansion of the Business School, and realigns property for the Leavitt Foundation to construct additional student housing.

I look forward to our discussion and the opportunity to respond to any questions that may arise from this proposal.

Sincerely,



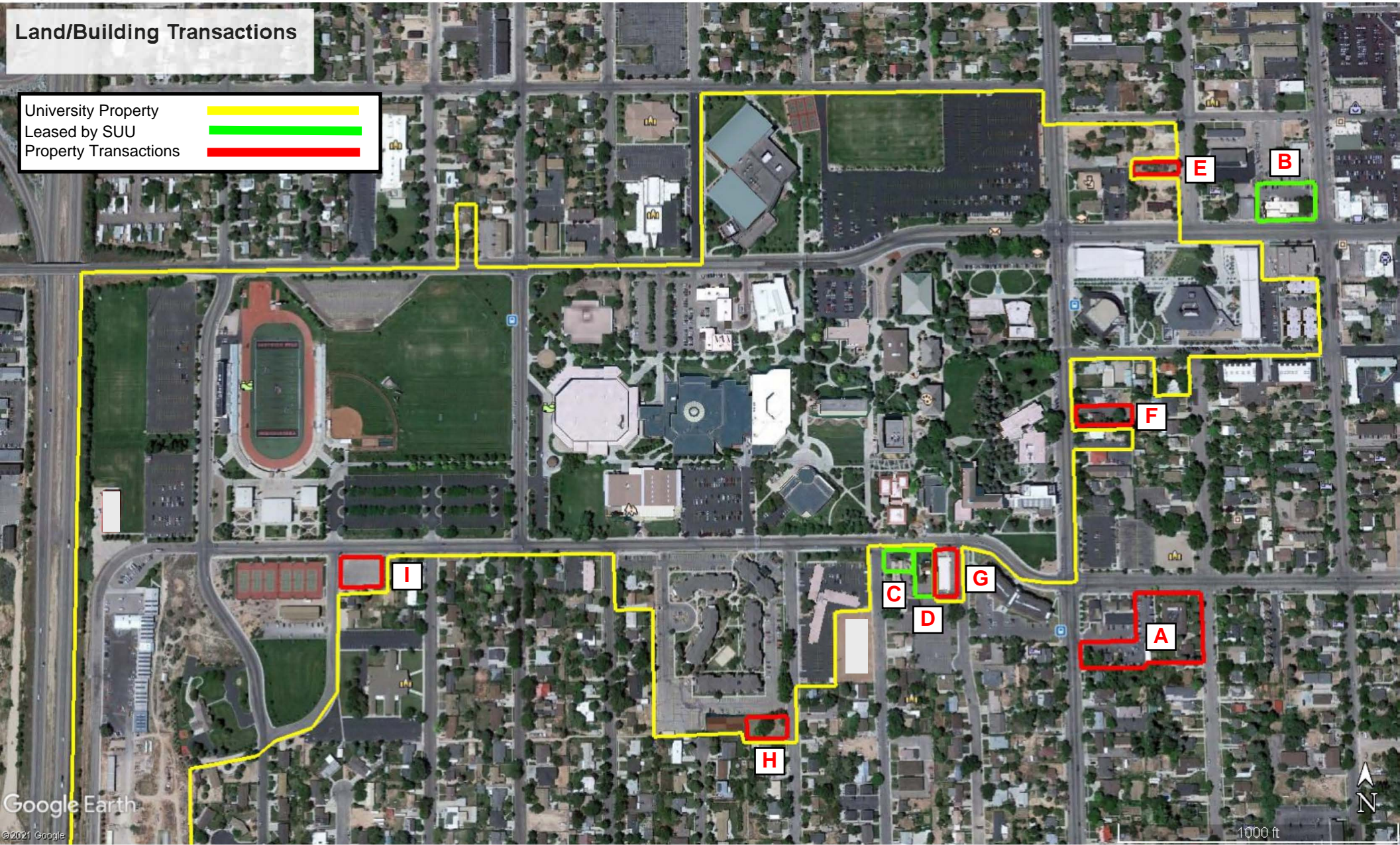
Marvin L. Dodge
Vice President

Land/Building Transactions

University Property

Leased by SUU

Property Transactions





HYMAS & ASSOCIATES

REAL ESTATE APPRAISALS

Leavitt Group Office

216 S. 200 W.
Cedar City, UT 84720



Prepared For
Mr. Dane Leavitt
Leavitt Land and Investment
216 S. 200 W.
Cedar City, UT 84720

Prepared By
Hymas & Associates, LC
Cody Hymas, MAI
337 S. Main Street, Suite 122
Cedar City, UT 84720
File #:21CH152



Date of Report: April 14, 2020

Mr. Dane Leavitt
Leavitt Land and Investment
216 S. 200 W.
Cedar City, UT 84720

Re: Leavitt Group Office
216 S. 200 W.
Cedar City, UT 84720
Appraisers' File #21CH152
Tax ID No. B-0220-0000-0000

Dear Mr. Leavitt,

At your request, I have appraised the property referenced above to form an opinion of the 'as is' market value of the Fee Simple Interest. I, Cody Hymas, MAI, observed the subject of this appraisal on March 30, 2021. The results of the appraisal are presented in the following Appraisal Report which sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

The subject of this appraisal report is the Leavitt Group Office located at 216 S. 200 W. in Cedar City, Iron County, Utah. The subject is further identified by assessor parcel number B-0220-0000-0000. This parcel has a site size of 1.29 acres and has an irregular shape. The site has a generally level topography and is near grade of adjoining streets and properties. The subject is a corner lot and has asphalt paved access from 200 West and Thunderbird Way with 153 feet of frontage along 200 West and 229 feet of frontage along Thunderbird Way. The site has soils that are assumed to be adequate for supporting development and is located outside of the flood hazard zone. All utilities are to the site and the subject site appears to be fully usable. The site is improved with the Leavitt Group Office building and a residential improvement being used for a student rental.

The Leavitt Group office building is a 23,357 square foot Class B office improvement that was constructed in 1923 and underwent extensive renovations most recently in 2002 and 2008. The Leavitt Group office has three stories with a small area of the fourth floor finished. The improvement has a brick and wood framed construction with an asphalt shingle roof. The interior is finished with commercial grade carpet, vinyl, and marble tile floors, painted drywall walls, and suspended acoustic tile ceilings. The Leavitt Group office building has an average quality of construction and good condition given the age of the improvement and recent renovations and updating.

The residential improvement is a 2,308 square foot home that was constructed in 1902 and remodeled in 1985. The residence has two stories above grade and a finished basement. The improvement has a rock foundation, brick and masonite exterior, and asphalt shingle roof. The interior is finished with carpet and vinyl flooring and painted drywall walls and ceilings. The residential improvement has an average quality of construction and average condition.

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of my client as I understand them.

Mr. Dane Leavitt is the client in this assignment and Leavitt Group Enterprises, Leavitt Land and Investment, Dixie and Anne Leavitt Family Foundation, and Southern Utah University are the sole intended users of the appraisal report. The intended use is to assist with internal negotiations. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.



This appraisal does not rely on any extraordinary assumptions but does rely on the following hypothetical condition:

- The Leavitt Group Office is currently leased between entities with common ownership and the lease is not arm's length. Further, the lease is assumed to be able to be extinguished at either party's discretion at any time. This appraisal report relies on the hypothetical condition that the Leavitt Group Office property is not subject to a lease and the fee simple interest is valued.

The use of the hypothetical condition might have affected the assignment results.

Based upon my examination and study of the property and the market in which it competes and subject to the hypothetical condition and limiting conditions contained later in this report, market value of the 'as is' Fee Simple Interest as of March 30, 2021, is as follows:

\$3,750,000

Three Million Seven Hundred Fifty Thousand Dollars

Novel Coronavirus (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19) declared by the World Health Organization as a global pandemic on March 11, 2020 is causing heightened uncertainty in local, national, and global markets. Many countries globally have implemented additional border control measures, strict travel restrictions, and a range of quarantine measures. The effect COVID-19 will have on the real estate markets in Southern Utah is currently unknown and will largely depend on the scale and longevity of the pandemic. Since limited market data is available since the onset of the pandemic, the impact on the real estate market remains relatively undetermined and uncertain. I have interviewed numerous real estate professionals, market participants, and developers in the area, as well as I have participated in several national webinars. Locally, most agree that the Novel Coronavirus has not negatively impacted the market, with exception of the hospitality and service industries which has been negatively impacted. Relying on my interviews with real estate professionals, market participants, and developers as well as any market data derived since March 11, 2020, the market in Southern Utah appears to be remaining rather stable currently, although the market is fluid and can act quickly and rational or irrational in the future. Given the uncertainty in the market, I highly recommend that you the client should be cautious when relying upon this valuation. I make every effort to provide the most recent market derived data, but the lack of data since the COVID-19 outbreak is a concern. Market derived data and conclusions are likely to change more rapidly now than during standard or typical market conditions and I recommend that you keep the valuation of this property under frequent review.

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents, for the value opinions set forth above to be valid.

Respectfully submitted,
Hymas & Associates, LC

Cody Hymas, MAI
UT State Certified General Appraiser
UT #5504978-CG00 Expires April 30, 2022



HYMAS & ASSOCIATES

REAL ESTATE APPRAISALS

200 West Residence

242 S. 200 W.
Cedar City, UT 84720



Prepared For
Mr. Dane Leavitt
Leavitt Land and Investment
216 S. 200 W.
Cedar City, UT 84720

Prepared By
Hymas & Associates, LC
Cody Hymas, MAI
337 S. Main Street, Suite 122
Cedar City, UT 84720
File #:21CH153R



Date of Report: April 24, 2021

Mr. Dane Leavitt
Leavitt Land and Investment
216 S. 200 W.
Cedar City, UT 84720

Re: 200 West Residence
242 S. 200 W.
Cedar City, UT 84720
Appraisers' File #21CH153R
Tax ID No. B-0220-0001-0000

Dear Mr. Leavitt,

At your request, I have appraised the property referenced above to form an opinion of the 'as is' market value of the Fee Simple Interest. I, Cody Hymas, MAI, observed the subject of this appraisal on March 30, 2021. The results of the appraisal are presented in the following Appraisal Report which sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

The subject of this appraisal report is the 200 West Residence located at 242 S. 200 W. in Cedar City, Iron County, Utah. The subject is further identified by assessor parcel number B-0220-0001-0000. The subject site is 0.40 acres in size, has a rectangular shape, and is generally level and near grade of adjoining streets and properties. The site has all utilities, an average view, and access from an easement on the adjoining property connecting the subject to 200 West. Additionally, the site has soils that are capable of supporting development, is located outside of the flood hazard area, and appears to be fully usable. The subject site is improved with a single-family residence and a detached apartment and studio. The single family residence was constructed in 1925, has two stories and a finished basement, and consists of 2,775 square feet above grade with a 1,073 square foot basement. This improvement has a poured concrete foundation and brick and wood framed construction with a brick and wood exterior. The interior has painted drywall walls and ceilings with carpet and laminate flooring. The residence has five bedrooms, three and a half bathrooms, and multiple living areas and contains encased fluorescent and mounted lighting fixtures. The detached apartment was constructed in 1925 and has a gross building area of 1,705 square feet with 1,220 square feet used as a two-bedroom apartment and 485 square feet used as a studio apartment. The apartment improvement has a rock and wood exterior with an asphalt shingle and rolled membrane roof. Both the apartment and studio have painted drywall walls with both painted drywall and popcorn ceilings, and carpet and vinyl flooring. Overall, the improvements have an average quality and good condition.

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of my client as I understand them.

Mr. Dane Leavitt is the client in this assignment and Leavitt Group Enterprises, Leavitt Land and Investment, Dixie and Anne Leavitt Family Foundation, and Southern Utah University are the intended users of the appraisal report. The intended use of this appraisal report is to assist with internal negotiations. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

This appraisal report relies on the following hypothetical condition:

- The subject parcel has some utilities shared with the adjoining parcel. This appraisal report relies on the hypothetical condition that all utilities are located on the subject property.

This appraisal report relies on the following extraordinary assumption:



- The subject parcel currently has access via an access easement within an adjoining parcel. This appraisal report relies on the extraordinary assumption that the subject site could have legal access from the subject parcel.

The use of the hypothetical condition and extraordinary assumption might have affected the assignment results.

Based upon my examination and study of the property and the market in which it competes and subject to the hypothetical condition, extraordinary assumption, and limiting conditions contained later in this report, market value of the 'as is' Fee Simple Interest as of March 30, 2021, is as follows:

\$600,000
Six Hundred Thousand Dollars

Novel Coronavirus (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19) declared by the World Health Organization as a global pandemic on March 11, 2020 is causing heightened uncertainty in local, national, and global markets. Many countries globally have implemented additional border control measures, strict travel restrictions, and a range of quarantine measures. The effect COVID-19 will have on the real estate markets in Southern Utah is currently unknown and will largely depend on the scale and longevity of the pandemic. Since limited market data is available since the onset of the pandemic, the impact on the real estate market remains relatively undetermined and uncertain. I have interviewed numerous real estate professionals, market participants, and developers in the area, as well as I have participated in several national webinars. Locally, most agree that the Novel Coronavirus has not negatively impacted the market, with exception of the hospitality and service industries which has been negatively impacted. Relying on my interviews with real estate professionals, market participants, and developers as well as any market data derived since March 11, 2020, the market in Southern Utah appears to be remaining rather stable currently, although the market is fluid and can act quickly and rational or irrational in the future. Given the uncertainty in the market, I highly recommend that you the client should be cautious when relying upon this valuation. I make every effort to provide the most recent market derived data, but the lack of data since the COVID-19 outbreak is a concern. Market derived data and conclusions are likely to change more rapidly now than during standard or typical market conditions and I recommend that you keep the valuation of this property under frequent review.

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents, for the value opinions set forth above to be valid.

Respectfully submitted,
Hymas & Associates, LC

Cody Hymas, MAI
UT State Certified General Appraiser
UT #5504978-CG00 Expires April 30, 2022



HYMAS & ASSOCIATES

REAL ESTATE APPRAISALS

Ponderosa Apartment

200 S. Dewey Ave.
Cedar City, UT 84720



Prepared For
Mr. Dane Leavitt
Leavitt Land and Investment
216 S. 200 W.
Cedar City, UT 84720

Prepared By
Hymas & Associates, LC
Cody Hymas, MAI
337 S. Main Street, Suite 122
Cedar City, UT 84720
File #:21CH155R



Date of Report: April 23, 2021

Mr. Dane Leavitt
Leavitt Land and Investment
216 S. 200 W.
Cedar City, UT 84720

Re: Ponderosa Apartment
200 S. Dewey Ave.
Cedar City, UT 84720
Appraisers' File #21CH155R
Tax ID No. B-1015-0000-0000

Dear Mr. Leavitt,

At your request, I have appraised the property referenced above to form an opinion of the 'as is' market value of the going concern of the Leased Fee Interest. I, Cody Hymas, MAI, observed the subject of this appraisal on April 16, 2021. The results of the appraisal are presented in the following Appraisal Report which sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

The subject of this appraisal report is the Ponderosa Apartment located at 200 S. Dewey Ave. in Cedar City, Iron County, Utah. The subject is further identified by assessor parcel number B-1015-0000-0000. The subject consists of a single parcel that is 0.28 acres in size. The site is generally level, albeit slightly below grade of Dewey Avenue. The site is a corner parcel with 164' of frontage along Dewey Avenue and 75' of frontage along Thunderbird Way. The site has asphalt paved access, all utilities, soils that are assumed to be capable of supporting development, and located outside of the flood hazard area. The site has average physical features and appears to be fully usable. The site is improved with the Ponderosa Apartment, a 9-unit student housing apartment. The improvement was constructed in 1968, has three stories including the basement, and a gross building area of 9,746 square feet. The improvement consists of six three-bedroom units with 961 square feet and three four-bedroom units with 1,240 square feet. Each unit has three of four bedrooms, one bathroom, a living area, and a kitchen. The improvement has a poured concrete foundation, brick construction, and a membrane roof. The improvement has an average quality and condition.

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of my client as I understand them.

Mr. Dane Leavitt is the client in this assignment and Leavitt Group Enterprises, Leavitt Land and Investment, Dixie and Anne Leavitt Family Foundation, and Southern Utah University are the sole intended users of the appraisal report. The intended use is for assist with internal negotiations. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

This appraisal report does not rely on any hypothetical conditions but does rely on the following extraordinary assumption:

- I inspected the interior of a representative sample of the subject units. The units inspected had the same floor plan (three and four bedrooms) and a similar quality, condition, and overall appeal. This appraisal report relies on the extraordinary assumption that the subject units not inspected have a similar layout, quality, condition, and overall appeal as the subject units inspected.

The use of the extraordinary assumption might have affected the assignment results.



Based upon my examination and study of the property and the market in which it competes and subject to the extraordinary assumption and limiting conditions contained later in this report, 'as is' market value of the going concern of the Interest as of Leased Fee Interest as of April 16, 2021, is as follows:

Market Value Conclusion	
Appraisal Premise	'As Is'
Effective Date	4/16/2021
Property Rights Conveyed	Leased Fee
Real Property	\$1,156,000
Furniture, Fixtures, & Equipment	<u>\$34,000</u>
Market Value of the Going Concern	<u>\$1,190,000</u>

Novel Coronavirus (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19) declared by the World Health Organization as a global pandemic on March 11, 2020 is causing heightened uncertainty in local, national, and global markets. Many countries globally have implemented additional border control measures, strict travel restrictions, and a range of quarantine measures. The effect COVID-19 will have on the real estate markets in Southern Utah is currently unknown and will largely depend on the scale and longevity of the pandemic. Since limited market data is available since the onset of the pandemic, the impact on the real estate market remains relatively undetermined and uncertain. I have interviewed numerous real estate professionals, market participants, and developers in the area, as well as I have participated in several national webinars. Locally, most agree that the Novel Coronavirus has not negatively impacted the market, with exception of the hospitality and service industries which has been negatively impacted. Relying on my interviews with real estate professionals, market participants, and developers as well as any market data derived since March 11, 2020, the market in Southern Utah appears to be remaining rather stable currently, although the market is fluid and can act quickly and rational or irrational in the future. Given the uncertainty in the market, I highly recommend that you the client should be cautious when relying upon this valuation. I make every effort to provide the most recent market derived data, but the lack of data since the COVID-19 outbreak is a concern. Market derived data and conclusions are likely to change more rapidly now than during standard or typical market conditions and I recommend that you keep the valuation of this property under frequent review.

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents, for the value opinions set forth above to be valid.

Respectfully submitted,
Hymas & Associates, LC

Cody Hymas, MAI
UT State Certified General Appraiser
UT #5504978-CG00 Expires April 30, 2022



HYMAS & ASSOCIATES

REAL ESTATE APPRAISALS

Judd Vacant Lot

296 S. 500 W.
Cedar City, UT 84720



Prepared For
Mr. Marvin Dodge
Southern Utah University
351 W. University Blvd.
Cedar City, UT 84720

Prepared By
Hymas & Associates, LC
Cody Hymas, MAI
337 S. Main Street, Suite 122
Cedar City, UT 84720
File #:21CH156



Date of Report: April 23, 2021

Mr. Marvin Dodge
Southern Utah University
351 W. University Blvd.
Cedar City, UT 84720

Re: Judd Vacant Lot
296 S. 500 W.
Cedar City, UT 84720
Appraisers' File #21CH156
Tax ID No. B-1081-0000-0000

Dear Mr. Dodge,

At your request, I have appraised the property referenced above to form an opinion of the 'as is' market value of the Fee Simple Interest. I, Cody Hymas, MAI, observed the subject of this appraisal on April 14, 2021. The results of the appraisal are presented in the following Appraisal Report which sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

The subject of this appraisal report is the Judd Vacant Lot located at 296 S. 500 W. in Cedar City, Iron County, Utah. The subject is further identified by assessor parcel number B-1081-0000-0000. The subject of this appraisal report is a vacant multi-family residential building site. The subject consists of a single parcel that is 0.20 acre in size, has a rectangular shape, and is generally level and near grade of the adjoining street and properties. The site has asphalt paved access from 500 West and 66' of frontage. The site has soils that are assumed to be capable of supporting development, is located outside of the flood hazard zone, and has all utilities to the site. The site has average physical features and appears to be fully usable.

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of my client as I understand them.

Mr. Marvin Dodge is the client in this assignment and Leavitt Group Enterprises, Leavitt Land and Investment, Dixie and Anne Leavitt Family Foundation, and Southern Utah University are the sole intended users of the appraisal report. The intended use is to assist with internal negotiations. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

This appraisal report does not rely on any hypothetical conditions or extraordinary assumptions.

Based upon my examination and study of the property and the market in which it competes and subject to the limiting conditions contained later in this report, market value of the 'as is' Fee Simple Interest as of April 14, 2021, is as follows:

\$60,000
Sixty Thousand Dollars

Novel Coronavirus (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19) declared by the World Health Organization as a global pandemic on March 11, 2020 is causing heightened uncertainty in local, national, and global markets. Many countries globally have implemented additional border control measures, strict travel restrictions, and a range of quarantine measures. The effect COVID-19 will have on the real estate markets in Southern Utah



is currently unknown and will largely depend on the scale and longevity of the pandemic. Since limited market data is available since the onset of the pandemic, the impact on the real estate market remains relatively undetermined and uncertain. I have interviewed numerous real estate professionals, market participants, and developers in the area, as well as I have participated in several national webinars. Locally, most agree that the Novel Coronavirus has not negatively impacted the market, with exception of the hospitality and service industries which has been negatively impacted. Relying on my interviews with real estate professionals, market participants, and developers as well as any market data derived since March 11, 2020, the market in Southern Utah appears to be remaining rather stable currently, although the market is fluid and can act quickly and rational or irrational in the future. Given the uncertainty in the market, I highly recommend that you the client should be cautious when relying upon this valuation. I make every effort to provide the most recent market derived data, but the lack of data since the COVID-19 outbreak is a concern. Market derived data and conclusions are likely to change more rapidly now than during standard or typical market conditions and I recommend that you keep the valuation of this property under frequent review.

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents, for the value opinions set forth above to be valid.

Respectfully submitted,
Hymas & Associates, LC

Cody Hymas, MAI
UT State Certified General Appraiser
UT #5504978-CG00 Expires April 30, 2022



HYMAS & ASSOCIATES

REAL ESTATE APPRAISALS

SUU Parking Lot

Approximately 223 S. 1025 W.
Cedar City, UT 84720



Prepared For
Mr. Marvin Dodge
Southern Utah University
351 W. University Blvd.
Cedar City, UT 84720

Prepared By
Hymas & Associates, LC
Cody Hymas, MAI
337 S. Main Street, Suite 122
Cedar City, UT 84720
File #:21CH157



Date of Report: April 23, 2021

Mr. Marvin Dodge
Southern Utah University
351 W. University Blvd.
Cedar City, UT 84720

Re: SUU Parking Lot
Approximately 223 S. 1025 W.
Cedar City, UT 84720
Appraisers' File #21CH157
Tax ID No. B-1115-0018-0000 & B-1115-0024-0000

Dear Mr. Dodge,

At your request, I have appraised the properties referenced above to form an opinion of the 'as is' market value of the Fee Simple Interest. I, Cody Hymas, MAI, observed the subject of this appraisal on April 14, 2021. The results of the appraisal are presented in the following Appraisal Report which sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

The subject of this appraisal report is a SUU Parking Lot located at approximately 223 S. 1025 W. in Cedar City, Iron County, Utah. The subject is further identified by assessor parcel numbers B-1115-0018-0000 and B-1115-0024-0000. The subject of this appraisal report consists of two contiguous parcels that currently are being utilized as a parking lot. The subject site has a total site size of 0.33 acres, has a rectangular shape, and is generally level and near grade of adjoining streets and properties. The site is located at the southeast corner of 1025 West and Thunderbird Way. The site has asphalt paved access from a single curb cut along 1025 West. The site has 85' of frontage along 1025 West and 125' of frontage along Thunderbird Way. The site has soils that are assumed to be capable of supporting development, is located outside of the flood hazard zone, and has all utilities to the site. The site has average physical features and appears to be fully usable. As of the effective date of this appraisal report, the site is completely asphalt paved and currently used as a parking lot. As paid parking is atypical in the market with any income generated parking significantly lower than the value of the site as vacant, the highest and best use of the site is for multi-family residential development.

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of my client as I understand them.

Mr. Marvin Dodge is the client in this assignment and Leavitt Group Enterprises, Leavitt Land and Investment, Dixie and Anne Leavitt Family Foundation, and Southern Utah University are the sole intended users of the appraisal report. The intended use is to assist with internal negotiations. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

This appraisal report does not rely on any hypothetical conditions or extraordinary assumptions.

Based upon my examination and study of the property and the market in which it competes and subject to the limiting conditions contained later in this report, market value of the 'as is' Fee Simple Interest as of April 14, 2021, is as follows:



Conclusion of Market Value	
Site - Consisting of 0.33 Acre	\$100,000
Contributory Value of Asphalt	<u>\$30,000</u>
Market Value of Subject Site	\$130,000

Novel Coronavirus (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19) declared by the World Health Organization as a global pandemic on March 11, 2020 is causing heightened uncertainty in local, national, and global markets. Many countries globally have implemented additional border control measures, strict travel restrictions, and a range of quarantine measures. The effect COVID-19 will have on the real estate markets in Southern Utah is currently unknown and will largely depend on the scale and longevity of the pandemic. Since limited market data is available since the onset of the pandemic, the impact on the real estate market remains relatively undetermined and uncertain. I have interviewed numerous real estate professionals, market participants, and developers in the area, as well as I have participated in several national webinars. Locally, most agree that the Novel Coronavirus has not negatively impacted the market, with exception of the hospitality and service industries which has been negatively impacted. Relying on my interviews with real estate professionals, market participants, and developers as well as any market data derived since March 11, 2020, the market in Southern Utah appears to be remaining rather stable currently, although the market is fluid and can act quickly and rational or irrational in the future. Given the uncertainty in the market, I highly recommend that you the client should be cautious when relying upon this valuation. I make every effort to provide the most recent market derived data, but the lack of data since the COVID-19 outbreak is a concern. Market derived data and conclusions are likely to change more rapidly now than during standard or typical market conditions and I recommend that you keep the valuation of this property under frequent review.

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents, for the value opinions set forth above to be valid.

Respectfully submitted,
Hymas & Associates, LC

Cody Hymas, MAI
UT State Certified General Appraiser
UT #5504978-CG00 Expires April 30, 2022



HYMAS & ASSOCIATES

REAL ESTATE APPRAISALS

Leavitt 300 West Rental

107 S. 300 W.
Cedar City, UT 84720



Prepared For
Mr. Dane Leavitt
Leavitt Land and Investment
216 S. 200 W.
Cedar City, UT 84720

Prepared By
Hymas & Associates, LC
Cody Hymas, MAI
337 S. Main Street, Suite 122
Cedar City, UT 84720
File #:21CH154



Date of Report: April 14, 2021

Mr. Dane Leavitt
Leavitt Land and Investment
216 S. 200 W.
Cedar City, UT 84720

Re: Leavitt 300 West Rental
107 S. 300 W.
Cedar City, UT 84720
Appraisers' File #21CH154
Tax ID No. B-0596-0000-0000

Dear Mr. Leavitt,

At your request, I have appraised the property referenced above to form an opinion of the 'as is' market value of the Fee Simple Interest. I, Cody Hymas, MAI, observed the subject of this appraisal on April 1, 2021. The results of the appraisal are presented in the following Appraisal Report which sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to my value opinions.

The subject of this appraisal report is the Leavitt 300 West Rental located at 107 S. 300 W. in Cedar City, Iron County, Utah. The subject is further identified by assessor parcel number B-0596-0000-0000. The subject site is 0.32 acres in size, has a rectangular shape, and is generally level and near grade of adjoining streets and properties. The site has all utilities, an average view, and access from 300 West. The site appears to be fully usable and is located directly across the street from Southern Utah University. The site is improved with a single-family residence that is currently being used as a student rental property. The improvement was constructed in 1903, has two stories and a small sublevel storage, and consists of 2,623 square feet. The improvement has a poured concrete foundation and wood framed construction with brick and plaster exterior. The improvement has six bedrooms, four full bathrooms, and multiple common areas. The interior has painted drywall and bead board walls and painted drywall ceilings. The residence has mounted lighting fixtures and wall unit HVAC systems. The improvement appears to have an average quality and condition given the era of construction and age of the structure.

I developed my analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of my client as I understand them.

Mr. Dane Leavitt is the client in this assignment and Leavitt Group Enterprises, Leavitt Land and Investment, Dixie and Anne Leavitt Family Foundation, and Southern Utah University are the sole intended users of the appraisal report. The intended use is to assist with internal negotiations. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

This appraisal report does not rely on any hypothetical conditions or extraordinary assumptions.

Based upon my examination and study of the property and the market in which it competes and subject to the limiting conditions contained later in this report, market value of the 'as is' Fee Simple Interest as of April 1, 2021, is as follows:

\$400,000
Four Hundred Thousand Dollars



Novel Coronavirus (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19) declared by the World Health Organization as a global pandemic on March 11, 2020 is causing heightened uncertainty in local, national, and global markets. Many countries globally have implemented additional border control measures, strict travel restrictions, and a range of quarantine measures. The effect COVID-19 will have on the real estate markets in Southern Utah is currently unknown and will largely depend on the scale and longevity of the pandemic. Since limited market data is available since the onset of the pandemic, the impact on the real estate market remains relatively undetermined and uncertain. I have interviewed numerous real estate professionals, market participants, and developers in the area, as well as I have participated in several national webinars. Locally, most agree that the Novel Coronavirus has not negatively impacted the market, with exception of the hospitality and service industries which has been negatively impacted. Relying on my interviews with real estate professionals, market participants, and developers as well as any market data derived since March 11, 2020, the market in Southern Utah appears to be remaining rather stable currently, although the market is fluid and can act quickly and rational or irrational in the future. Given the uncertainty in the market, I highly recommend that you the client should be cautious when relying upon this valuation. I make every effort to provide the most recent market derived data, but the lack of data since the COVID-19 outbreak is a concern. Market derived data and conclusions are likely to change more rapidly now than during standard or typical market conditions and I recommend that you keep the valuation of this property under frequent review.

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents, for the value opinions set forth above to be valid.

Respectfully submitted,
Hymas & Associates, LC

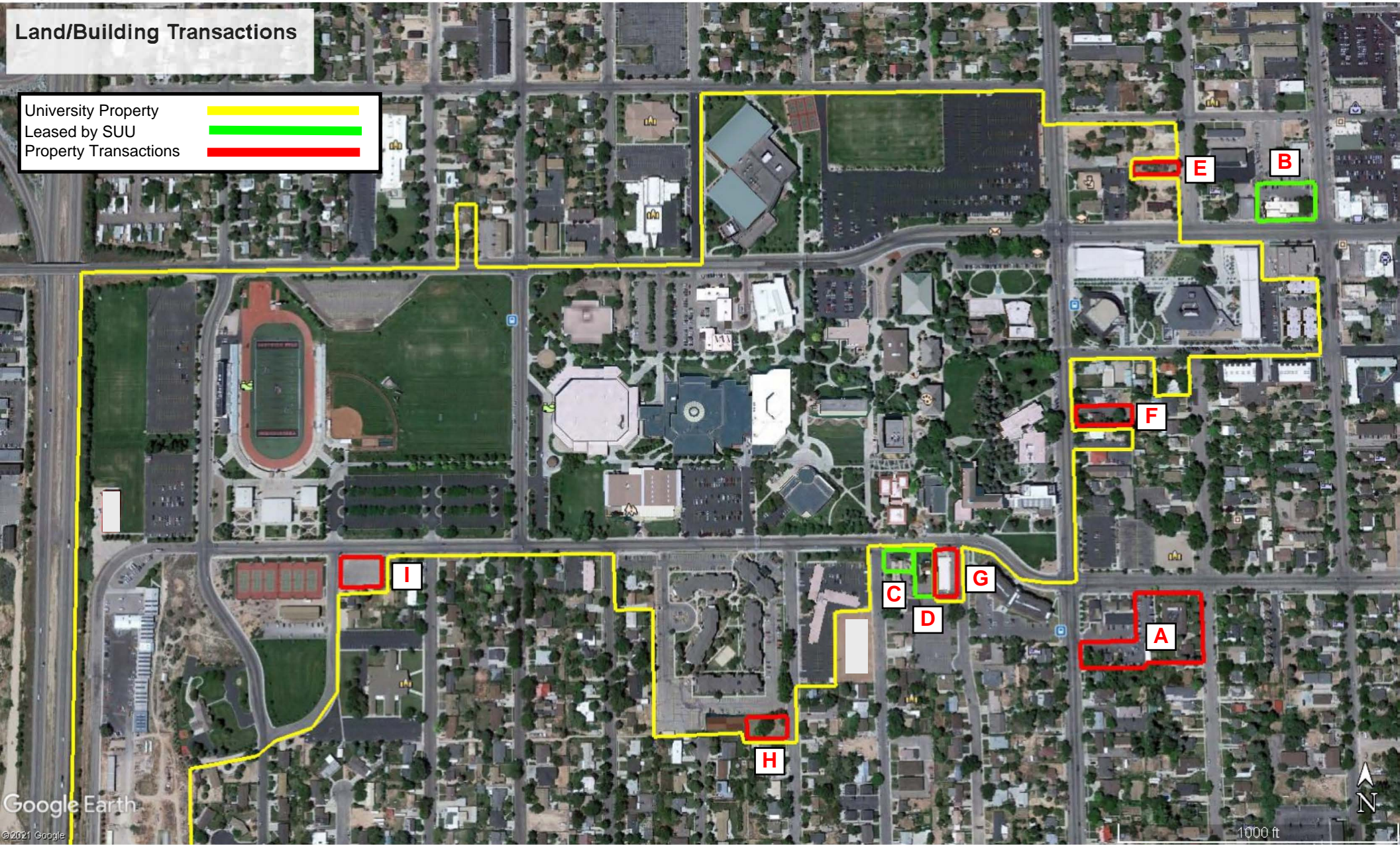
Cody Hymas, MAI
UT State Certified General Appraiser
UT #5504978-CG00 Expires April 30, 2022

Land/Building Transactions

University Property

Leased by SUU

Property Transactions





UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB D

May 20, 2021

2022-23 Capital Development Priority Guidelines

Board Policy R741, *Nondedicated Capital Project Prioritization Process* requires the Board to establish annual priority guidelines for state-funded capital prioritization at the beginning of the project request cycle. For the upcoming fiscal year (2022-23), the Board may prioritize up to three capital development projects for USHE technical colleges and up to three additional capital development projects for USHE degree-granting institutions. The following guidelines are proposed for the upcoming capital prioritization process:

- The Commissioner's office will score institutional capital requests according to the quantitative factors defined in policies R741 and R743.
- Preliminary scores will be released to the institutions and the Board prior to the September Board meeting.
- Institutions requesting state funding consideration for a capital development project will present their project to the full Board on Thursday, September 16, 2021.
- Board members will score each presentation according to criteria identified in the attached guidelines and average scores will be added to the quantitative scores.
- The Board will take final action and approve a prioritized list of capital projects.

Commissioner's Recommendation

The Commissioner recommends approval of the proposed guidelines for use by the Board and institutions during the upcoming capital development cycle.

Attachment

Capital Development Priority Guidelines for 2022-2023

Additional Board Points – In addition to the quantitative scoring defined in policies R741 and R743, the Board will award additional points for 2022-2023 capital development requests that align with the Board’s strategic priorities of access, completion, affordability, and workforce.

Each institution requesting state funding consideration for a capital development project will present the project to the full Board on Thursday, September 16, 2021. Each Board member will score the presentation according to the following criteria. Board member scores will be collected anonymously, aggregated and averaged to produce a score for each institutional project, and added to the quantitative scoring.

Strategic Objective	Criteria	Possible Points	Score
Access and Capacity	The project increases institutional capacity to serve growing student populations or will improve space utilization through the elimination of space and equipment that is functionally obsolete	5	
Completion	The project will improve timely completion of students graduating with degrees and certificates.	5	
Affordability	The project is cost effective and an efficient use of resources	5	
Workforce	The project addresses an opportunity to enhance state or regional workforce needs.	5	



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB E

May 20, 2021

Revision to Policy R741, *Nondedicated Capital Project Prioritization Process*

As part of the ongoing process to review and update Board policies, the Commissioner's office recommends amendments to [Board Policy R741, *Nondedicated Capital Project Prioritization Process*](#) including:

- Updating references and definitions to reflect changes in statute
- Assigning responsibilities of the prior Capital Facilities Committee to the full Board
- Removing Board's Priority Points as a required point category and allowing the Board the option to include additional criteria as needed
- Including technical colleges into the policy

A redline and clean version of the amended policy is included in the attachments.

Commissioner's Recommendation

The Commissioner recommends the Board adopt changes to Policy R741, *Nondedicated Capital Project Prioritization Process*, effective immediately.

Attachments

R741, Nondedicated Capital Project Prioritization

Process¹

R741-1 Purpose: To provide the methodology and process for prioritization of systemwide, state-funded, nondedicated capital development project needs for presentation to the Governor and State Legislature for funding.

R741-2 References

- 2.1** Utah Code Title 53B Chapter 4, Section 402 (Establishment of board -- Powers, duties, and authority)
- 2.2** Utah Code Title 53B, Chapter 2a, Section 117 (Technical Colleges – Capital Development)
- 2.3** Utah Code Title 53B, Chapter 22, Section 201 (Capital Developments)
- 2.4** Utah Code Chapter 53B, Chapter 20, Section 101 (Property of Institutions to Vest in State Board)
- 2.5** Utah Code Title 63A, Chapter 5**b** (State Building Board)
- 2.6** Board Policy [R701](#), Capital Facilities
- 2.7** Board Policy [R702](#), Non-State Funded Property
- 2.8** Board Policy [R703](#), Acquisition of Real Property
- 2.9** Board Policy R706, Capital Facilities Master Planning
- 2.10** Board Policy [R751](#), Institutional Facilities Space Utilization

R741-3 Definitions

¹ Amended May 20, 2011, September 13, 2013, November 14, 2014, May 17, 2019, August 2, 2019, and May 21, 2021

3.1 Capital Development Project:

3.1.1 a remodeling or site or utility improvement project with a total cost of \$3,500,000 or more;

3.1.2 a new facility with a construction cost of \$500,000 or more; or

3.1.3 a purchase of real property if an appropriation is requested and made for the purchase.

3.2 Non-Appropriated Funds: Contributions such as donations to capital projects from sources other than appropriations of the State Legislature. Student fees are not considered non-appropriated funds for purposes of this policy.

3.3 State Funded Project: A capital development project submitted by an institution of Higher Education requiring appropriations of the State Legislature to fund the design, construction, and/or operations and maintenance.

3.4 Dedicated Project: a capital development project for which state funds from an institution's formulaic allocation under Utah Code 53B-22-201 are requested or used.

3.5 Nondedicated Project: a capital development project for which state funds from a source other than an institution's allocation under Utah Code 53B-22-201 are requested or used.

R741-4 Nondedicated Project Prioritization Process: The Board shall annually review and prioritize nondedicated projects submitted by USHE institutions. The annual nondedicated project prioritization process consists of five fundamental steps:

4.1 Step 1 – Establishment of Priority Guidelines: At the beginning of each year's capital development project prioritization process, the Board shall adopt priority guidelines pertaining to the most pressing and critical capital needs for the Utah System of Higher Education not funded through dedicated projects. The guidelines may include criteria for subsequent Board prioritization and awarding of points.

4.2 Step 2 – Submission of Requests: Institutions submit their highest priority capital development needs to the Office of the Commissioner of Higher Education for evaluation. Each institution may submit up to one project per year and shall review the institution's allocation for dedicated projects prior to deciding to submit a nondedicated project. Institutions may not submit project requests directly to the State Building Board or the State Legislature.

4.3 Step 3 – Quantitative Analysis and Scoring of Needs: The Office of the Commissioner reviews institutional state funded projects and assigns points for each project. Degree-granting institutional projects are scored in three areas described in subsections R741-5, R741-6, and R741-7: Needs Analysis, Facility Condition, and Utilization. Technical education projects are scored according to the factors established in subsection 5.2 of Policy R743, *Process for Use of Dedicated Capital Project Funds*.

4.4 Step 4 – Board Prioritization of Projects: The Board meets annually to review state funded projects and the quantitative scoring by the Office of the Commissioner. The Board may choose to award additional points based on criteria and processes established in the priority guidelines (step 1). The Board adopts or amends the scoring provided by the Commissioner's Office and takes final action.

4.5 Step 5 – Board Submission of Prioritized of Projects: The Board submits finalized priorities to the State Building Board, the Governor, and the State Legislature for further consideration and funding. State statute limits the number of building requests the Board may submit as follows:

4.5.1 1 Project if legislative funding for dedicated projects equals \$100 million or more

4.5.2 2 Projects if legislative funding for dedicated projects is between \$50 million and \$100 million

4.5.3 3 Projects if legislative funding for dedicated projects equals less than \$50 million

R741-5 Needs Analysis Points: Degree-granting institutions receive up to 50 points for the calculated need of a nondedicated project based on an institution's existing space inventory (including projects approved for construction) and assignable square feet per FTE space standards. Assignable square feet per FTE space standards shall be based on industry best-practices and shall differentiate between institutional mission and institutional size measured by student FTE enrollment. Student FTE calculations shall exclude online and concurrent enrollment FTE. Institutions receive points for nondedicated projects where the institution has less assignable square feet per FTE than the space standards in a particular space category prorated for the percent of the project that space category occupies. Classroom and teaching laboratory space shall receive more weight than other space categories.

R741-6 Facility Condition Assessment Points: Facility condition assessment points apply to degree-granting projects designed to resolve issues that pose a disruption in daily operations or that pose serious life safety threats. These points can be awarded to projects designed to resolve issues where there is substantiated legal and/or life threatening liability; where facilities are threatened with immediate loss of

function due to natural disaster; where closure is imminent because of violations of legal/safety/other requirements; or similar circumstances. These Facility Condition Assessment points can be applied only under the following circumstances:

6.1 Associated liability and imminent loss of function: Points may be awarded where the institution has substantiated by documentation from a qualified engineer, fire marshal, attorney, or other qualified professional that completing the proposed project will resolve a very significant legal and/or health/life safety risk.

6.1.1 "Very significant" means "the realistic estimate of the liability exceeds the cost of the project," as determined by the Commissioner's Office with assistance from an external consultant or the Utah Division of Facilities Construction and Management, and funded by the submitting institution.

6.1.2 These points may also be awarded if there is a substantiation of the threatened, imminent loss of the function should the project not be authorized, as is the case when natural disasters have destroyed a particular academic building or code violations cause the structure to be closed. Points awarded range from zero to 15 per project based upon the severity of liability or loss of function as determined above.

6.2 Non-functional Facilities: Buildings that can no longer function for the purpose designed may be considered for "Facility Condition Points" as recommended by the Office of the Commissioner. Points may be awarded in instances where aging facilities do not pose a safety hazard but lack appropriate size, mechanical/electrical capacity or technology upgrades to accommodate modern instructional resources. The Commissioner's Office should award points in this category only in exceptional circumstances and should strongly consider the impact of institutional actions that led to the existing condition. Points awarded range from zero to 15 per project based on the severity of liability or loss of function as determined above.

6.3 Maximum Points: An institution may receive a maximum of 15 Points awarded under both 6.1 and 6.2, and those points are then adjusted proportionate to size of the deficient buildings relative to the total square footage of the requested facility.

R741-7 Utilization Points: Degree-granting institutions receive up to 15 points for the utilization of classroom facilities on main campuses during the Fall semester as reported in the annual USHE Utilization Report required by R751, *Institutional Facilities Space Utilization*. Points are assigned as follows:

7.1 Weekly Room Utilization Rate (RUR) – An institution receives 10 points if it meets or exceeds the RUR standard set by the Board in R751 for Fall semester main campus classrooms.

Institutions not meeting the adopted Board standard receive a proportionate share of the 10 points based on the reported RUR score.

7.2 Seat Occupancy Rate (SOR) – An institution receives 5 points if it meets or exceeds the SOR standard set by the Board in R751 for Fall semester main campus classrooms. Institutions not meeting the adopted Board standard receive a proportionate share of the 5 points based on the reported SOR score.

R741-8 Major Infrastructure Points: The Office of the Commissioner, in consultation with the Division of Facilities Construction and Management, may award points for major infrastructure projects that address critical life safety, fire and seismic deficiencies and the need to preserve and repair critical infrastructure such as utilities. Such projects do not receive Needs Analysis, Utilization, or Facility Condition points. Up to 60 points can be applied based on the degree of severity of need as follows:

8.1 Imminent Non-functionality: Where circumstances exist that pose imminent non-functionality threats to the campus, points in the range of 41-60 can be assigned. To be considered for this level of support the project must be the institution's top priority.

8.2 Operational but Seriously Deficient: Infrastructure in this condition can qualify for points in the range of 21-40.

8.3 Operational but Deficient: Infrastructure in this condition can qualify for points in the range of 1-20.

R741.9 Final Priority Ranking: The Board recommends projects for funding in the resulting rank order, with the project having the highest point total being the highest-ranked project.

R741.10 Operation and Maintenance Costs (O & M): The estimated O & M costs for each facility and the source of funding those costs will be listed for each facility on the priority list and will be approved by the Board as part of the approval process for construction or acquisition of each facility. In prioritizing nondedicated projects, the Board will consider the magnitude of future O & M obligations and the potential impact of approval on other components of the operating budget.

R741.11 Projects Funded from Non-State Appropriated Funds: Proposals from institutions for approval of capital development projects to be financed by non-state appropriated funds are subject to the approval process outlined in Policy R702, *Non-State Funded Projects*.

R741.12 Land Bank Acquisition Requests: Requests for purchase of land from funds to be appropriated by the state Legislature for future use of an institution must be reviewed and approved by the Board. In reviewing such requests, the Board shall use the guidelines in Policy R703, *Acquisition of*

Real Property and shall ensure that the request is consistent with the institutional master plan (see Policy R706, *Capital Facilities Planning*).

R741, Nondedicated Capital Project Prioritization

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R741-1 Purpose: To provide the methodology and process for prioritization of systemwide, state-funded, nondedicated capital development project needs for presentation to the Governor and State Legislature for funding.

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R741.11 Projects Funded from Non-State Appropriated Funds: Proposals from institutions for approval of capital development projects to be financed by non-state appropriated funds are subject to the approval process outlined in Policy R702, *Non-State Funded Projects*.

R741.12 Land Bank Acquisition Requests: Requests for purchase of land from funds to be appropriated by the state Legislature for future use of an institution must be reviewed and approved by the Board. In reviewing such requests, the Board shall use the guidelines in Policy R703, *Acquisition of*

Real Property and shall ensure that the request is consistent with the institutional master plan (see Policy R706, *Capital Facilities Planning*).



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB F

May 20, 2021

Revision to Policy R567, *Internal Audit Program*

Degree-granting institution internal auditors regularly identify information systems risks among their institutions. Though information systems risks remain prevalent at each degree-granting institution, the institutions do not always evaluate these risks through internal audits.

The proposed revisions to [Board Policy R567, *Internal Audit Program*](#), would require degree-granting institution internal auditors to “conduct regular information systems audits to ensure adequate controls exist to promote the integrity of data security, access, and governance.” Beginning in fiscal year 2022, the Commissioner’s office will employ a shared information systems auditor to assist institution internal audit offices that do not have adequate resources to conduct information systems audits.

Commissioner’s Recommendation

The Commissioner recommends the Board adopt the proposed changes to Policy R567, *Internal Audit Program*, effective immediately.

Attachments

R567, Internal Audit Program¹

R567-1 Purpose: To establish policies and standards for internal audit departments within the Utah System of Higher Education (USHE).

R567-2 References

- 2.1** Utah Code Title 53B, Chapter 6, Section 102 (Standardized Systems Prescribed by the Board)
- 2.2** Utah Code Title 53B, Chapter 7, Section 101 (Financial Affairs Under the General Supervision of the Board)
- 2.3** Utah Code Title 53B, Chapter 5 (Utah Internal Audit Act)
- 2.4** Board Policy [R565](#), Audit Committees
- 2.5** Board Policy [R120-3.3.2.7](#), Bylaws of the Board of Higher Education
- 2.6** Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing ([IIA Standards](#))

R567-3 Definitions

3.1 Audit Charter: “The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval. ”The audit charter should grant appropriate access to data, information, records, and personnel needed to fulfill the internal audit activity’s purpose and responsibilities.

3.2 Institution Audit Committee: Institution audit committees provide functional oversight of the internal audit activities, as described in the *Internal Audit Act*, and in accordance with IIA Standards. The Board of Higher Education shall appoint institution audit committees members in adherence to the *Utah Internal Audit Act* and R565, Audit Committees.

3.3 Internal Auditing: An independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

¹ Draft: March 25, 2021

3.4 Institution Internal Audit Activity: Any activity administered by the institution's internal auditing organization. Each institution's audit committee shall establish an audit charter, granting the internal audit unit authority to engage in audit activities.

3.5 Board of Higher Education Audit Director: The audit director reports functionally to the Higher Education Audit Committee and administratively to the Associate Commissioner for Finance, Facilities, and Research within the Office of the Commissioner. The audit director provides audit support to the Board of Higher Education and to institution audit activities.

R567-4 Policy

4.1 General Standards: Internal audit activities shall comply with IIA Standards. Other professional standards (such as "Generally Accepted Auditing Standards" disseminated by the American Institute of Certified Public Accountants, or Government Auditing Standards published by the Comptroller General of the United States) may also apply to particular audit assignments, as determined by the institution's audit committee or the Board of Higher Education.

4.2 Internal Audit Activities Required at All Institutions: The State Board of Higher Education requires each USHE institution to maintain an internal audit activity plan.

4.3 Internal Audit Activity Independence and Objectivity: Internal audit activities shall remain independent and objective. Institutions and internal auditors may foster independence by adhering to applicable standards, including:

4.3.1 Organizational Independence: Each institution should maintain organizational independence by establishing functional and administrative reporting relationships consistent with IIA Standards 1110 and 1111.

4.3.2 Internal Audit Activity Objectivity: Internal auditors shall adhere to standards of independence and objectivity outlined in IIA Standards 1100 and 1120.

4.3.3 Independence Impairment Disclosure: Internal auditors shall properly disclose impairments to independence, as required in IIA Standard 1130.

4.3.4 Role in Institution Operations: System and institution internal auditors shall not participate in institution management or operational responsibilities that would impair independence.

4.4 Institution Audits: In addition to audits required by policy, institution internal auditors shall conduct risk-based audits for their institutions, as assigned by the institution audit committee. Institution presidents and executive cabinet may also request audit activities.

4.5 Required Audits: Institution internal auditors shall annually conduct the following audits:

4.5.1 Presidential Travel (in accordance with R212-1.2)

4.5.2 Institutional Investments (in accordance with R541-11)

4.5.3 Auxiliary Enterprises (in accordance with R550-7.3)

4.5.4 Information Systems Audits: Each degree granting institution shall conduct regular information systems audits to ensure adequate controls exist to promote the integrity of data security, access, and governance. The audit committee for each degree granting institution also shall prioritize regular information systems audits on auditable risks identified in their institution's annual risk assessment.

4.6 Institution Risk Assessment: Internal auditors shall participate in institution risk assessments at least annually and report the results to the institution audit committee. Institution risks may include financial, operational, efficiency, fraud, compliance, internal control, information systems, data loss, reputation and political.

4.7 Institution Audit Communication: Upon completion of internal audit activities, institution auditors shall communicate the results to the institution audit committee.

4.8 Communication with Institution Management: The chief audit executive shall meet with the institution president at least annually to review completed audits, institution responses, and other pertinent issues.

4.9 Audit Committee Responsibilities: The audit committee shall adhere to responsibilities established in the *Utah Internal Audit Act* and R565, Audit Committees.

4.10 Coordination of System-Wide Audits: Under the direction of the Board of Higher Education Audit Subcommittee, the Commissioner of Higher Education and institution presidents shall coordinate assignments to conduct system-wide internal audits.

4.11 Special Audits Directed by the Commissioner: Under the direction of the Board of Higher Education Audit Subcommittee, the Commissioner may schedule and conduct an audit at

an institution, separately or in cooperation with a resident chief audit executive. (See Board of Higher Education Bylaw R120-3.3.2.7.)

4.12 Audit Notification: The institution's vice president of finance or chief audit executive shall promptly notify the Board of Higher Education audit director regarding apparent fraud or misconduct with any of the following attributes:

4.12.1 significant embezzlement, theft, or other fraud;

4.12.2 concerns that may damage an institution's reputation;

4.12.3 apparent misuse of institutional resources of at least \$25,000;

4.12.4 issues that may be covered by the media; or

4.12.5 any other issue that requires attention from the Board of Higher Education or the Commissioner.

R567, Internal Audit Program¹

R567-1 Purpose: To establish policies and standards for internal audit departments within the Utah System of Higher Education (USHE).

R567-2 References

- 2.1** Utah Code Title 53B, Chapter 6, Section 102 (Standardized Systems Prescribed by the Board)
- 2.2** Utah Code Title 53B, Chapter 7, Section 101 (Financial Affairs Under the General Supervision of the Board)
- 2.3** Utah Code Title 53B, Chapter 5 (Utah Internal Audit Act)
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- 2.6** Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing ([IIA Standards](#))

R567-3 Definitions

3.1 Audit Charter: “The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.” The audit charter should grant appropriate access to data, information, records, and personnel needed to fulfill the internal audit activity’s purpose and responsibilities.

3.2 Institution Audit Committee: Institution audit committees provide functional oversight of the internal audit activities, as described in the *Internal Audit Act*, and in accordance with IIA Standards. The Board of Higher Education shall appoint institution audit committees members in adherence to the *Utah Internal Audit Act* and R565, Audit Committees.

3.3 Internal Auditing: An independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its

¹ Adopted April 24, 1973, amended May 29, 1973, June 26, 1973, November 27, 1973, January 28, 1975 and April 22, 1975; replaced January 17, 1992, amended April 17, 1992, March 18, 2005, March 31, 2017, November 16, 2018, and March 25, 2021.

¹ IIA Standards, 1000: Purpose, Authority, and Responsibility.

¹ See Utah Code 63I-5-301(3).

¹ IIA Standard 1110.

objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

3.4 Institution Internal Audit Activity: Any activity administered by the institution's internal auditing organization. Each institution's audit committee shall establish an audit charter, granting the internal audit unit authority to engage in audit activities.

3.5 Board of Higher Education Audit Director: The audit director reports functionally to the Higher Education Audit Committee and administratively to the Associate Commissioner for Finance, Facilities, and Research within the Office of the Commissioner. The audit director provides audit support to the Board of Higher Education and to institution audit activities.

R567-4 Policy

4.1 General Standards: Internal audit activities shall comply with IIA Standards. Other professional standards (such as "Generally Accepted Auditing Standards" disseminated by the American Institute of Certified Public Accountants, or Government Auditing Standards published by the Comptroller General of the United States) may also apply to particular audit assignments, as determined by the institution's audit committee or the Board of Higher Education.

4.2 Internal Audit Activities Required at All Institutions: The State Board of Higher Education requires each USHE institution to maintain an internal audit activity plan.

4.3 Internal Audit Activity Independence and Objectivity: Internal audit activities shall remain independent and objective. Institutions and internal auditors may foster independence by adhering to applicable standards, including:

4.3.1 Organizational Independence: Each institution should maintain organizational independence by establishing functional and administrative reporting relationships consistent with IIA Standards 1110 and 1111.

4.3.2 Internal Audit Activity Objectivity: Internal auditors shall adhere to standards of independence and objectivity outlined in IIA Standards 1100 and 1120.

4.3.3 Independence Impairment Disclosure: Internal auditors shall properly disclose impairments to independence, as required in IIA Standard 1130.

4.3.4 Role in Institution Operations: System and institution internal auditors shall not participate in institution management or operational responsibilities that would impair independence.

4.4 Institution Audits: In addition to audits required by policy, institution internal auditors shall conduct risk-based audits for their institutions, as assigned by the institution audit committee. Institution presidents and executive cabinet may also request audit activities.

4.5 Required Audits: Institution internal auditors shall annually conduct the following audits:

4.5.1 Presidential Travel (in accordance with R212-1.2)

4.5.2 Institutional Investments (in accordance with R541-11)

4.5.3 Auxiliary Enterprises (in accordance with R550-7.3)

4.5.4 Information Systems Audits: Each degree granting institution shall conduct regular information systems audits to ensure adequate controls exist to promote the integrity of data security, access, and governance. The audit committee for each degree granting institution also shall prioritize regular information systems audits on auditable risks identified in their institution's annual risk assessment.

4.6 Institution Risk Assessment: Internal auditors shall participate in institution risk assessments at least annually and report the results to the institution audit committee. Institution risks may include financial, operational, efficiency, fraud, compliance, internal control, information systems, data loss, reputation and political.

4.7 Institution Audit Communication: Upon completion of internal audit activities, institution auditors shall communicate the results to the institution audit committee.

4.8 Communication with Institution Management: The chief audit executive shall meet with the institution president at least annually to review completed audits, institution responses, and other pertinent issues.

4.9 Audit Committee Responsibilities: The audit committee shall adhere to responsibilities established in the *Utah Internal Audit Act* and R565, Audit Committees.

4.10 Coordination of System-Wide Audits: Under the direction of the Board of Higher Education Audit Subcommittee, the Commissioner of Higher Education and institution presidents shall coordinate assignments to conduct system-wide internal audits.

4.11 Special Audits Directed by the Commissioner: Under the direction of the Board of Higher Education Audit Subcommittee, the Commissioner may schedule and conduct an audit at

an institution, separately or in cooperation with a resident chief audit executive. (See Board of Higher Education Bylaw R120-3.3.2.7.)

4.12 Audit Notification: The institution's vice president of finance or chief audit executive shall promptly notify the Board of Higher Education audit director regarding apparent fraud or misconduct with any of the following attributes:

4.12.1 significant embezzlement, theft, or other fraud;

4.12.2 concerns that may damage an institution's reputation;

4.12.3 apparent misuse of institutional resources of at least \$25,000;

4.12.4 issues that may be covered by the media; or

4.12.5 any other issue that requires attention from the Board of Higher Education or the Commissioner.



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB G

May 20, 2021

Adoption of Policy R517, *Course and Program Fees*

The purpose of this new policy is to establish the process for establishing, reviewing, revising, and repealing course and program fees in the Utah System of Higher Education.

Policy sections include requirements and guidance for:

- Statement on affordability
- General principles
- Delegation of authority to institutional boards of trustees
- Institutional policy and procedures
- Course and program fee committee
- Sunset of course fees
- Student notification
- Assessing and allocating
- Periodic audit reviews

Policy input and review was provided by institutional finance officers, audit groups, and Commissioner staff. This policy replaces the current technical college [policy 204, *Tuition and Fees*](#) section 8, and adds additional guidance to USHE Tuition and Fee policies [R510, *Tuition*](#) and [R516, *General Student Fees*](#).

Commissioner's Recommendation

The Commissioner recommends the Board adopt Policy R517, *Course and Program Fees*, effective immediately and revise technical college policy 204 to remove section 8.

Attachments

R517, Course and Program Fees¹

R517-1 Purpose: To establish the process for establishing, reviewing, revising, and repealing course and program fees for institutions in the Utah System of Higher Education.

R517-2. References

2.1 [Utah Code Title 53B Chapter 1](#) (Governance, Powers, Rights, and Responsibilities)

R517-3. Definitions

3.1. Course Fees: Fees established to cover allowable costs of a particular course not covered by tuition.

3.2. Program Fees: Fees established to cover allowable costs of a particular program of study not covered by tuition.

R517-4. Affordability in the Utah System of Higher Education: The Utah Board of Higher Education has established affordability as a strategic priority. To support that priority, institutions and boards of trustees should consider the impact course fees and program fees have on the cost of attendance.

R517-5. General Principles: In addition to Board-approved tuition and general student fees, institutions may assess course-based and program-based fees established in accordance with this policy. This policy does not apply to courses or programs that do not charge Board-approved tuition such as continuing education or self-supporting courses.

Course fees and program fees may be instituted to cover direct costs essential to the educational outcomes for specific course or program offerings, and often include materials that cannot be purchased by individual students or for which bulk purchases reduce the cost to students. Such direct costs include course materials, chemicals, tooling, uniforms, laundry, testing, off-site instructional activities, supplies used in instruction; instructional equipment; student licensure and certifications; maintenance of laboratory equipment, computer software, subscriptions or transportation in which the entire class participates.

5.1. Course and program fees should cover only the specific costs associated with the particular course or program.

¹ Adopted: May 21, 2021

5.2. Institutions may not charge course or program fees for costs that are incurred across all programs or courses.

5.3. Course and program fees should recover costs when no other dedicated funds are available for that purpose.

5.4. Institutions should set course and program fees based on the cost of the activity or service for which the fee is levied.

5.5. Institutions may use course and program fees only to support the activity or service for which the fee is being charged.

5.6. Institutions shall track and account course and program fees in such a way that the proper use of revenue can be evaluated or audited.

5.7. With the exception of equipment replaced on a rotating schedule, course and program fees shall be used each academic period for the benefit of the students who paid the fees.

5.8. Course and program fees at degree granting institutions shall not be used to pay instructional services rendered by faculty, staff, and teaching assistants. Exceptions may include special instructional arrangements such as private music, aviation, clinical, and tutors.

5.9. Course and program fees should not be used to pay for materials that can be purchased directly by students through campus stores or other approved institutional entities.

Exceptions to these general principles shall be documented by the institution and reviewed periodically by the institution's course and program fee committee.

R517-6. Delegation of Authority to Establish Course Fees: The Board delegates to the boards of trustees the responsibility to review, approve, adjust, and repeal course fees and program fees.

R517-7. Institutional Policy: Each institution shall develop a course and program fee policy and procedure to govern the institution's processes for establishing, reviewing, revising, and repealing course fees and program fees. The institutional policy shall include the following elements:

7.1. Institution Course and Program Fee Committee: Each institution shall establish a course and program fee committee, which shall oversee the establishing, revising, maintaining, or repealing course and program fees.

7.1.1. Appointment and Procedures of the Committee: Each institution will adopt policies and procedures for appointing members of the course and program fee committee and for the operation of the committee consistent with this policy.

7.1.2. Student participation in the Committee: Institutions shall invite student participation in the course and program fee committee.

7.1.3. Duties of Committee: The course and program fee committee shall ensure that course fees and program fees are justifiable, reasonable, and necessary for the specific course or program for which they are proposed.

7.1.3.1. The institutional course and program fee committees shall review all proposals to establish new course and program fees to ensure the proposals meet the general principles of this policy and are supported by a demonstrated need, a clear statement describing the purpose of the fee, and a sound budget plan. If the committee determines the proposed fee meets these criteria, it may forward the proposal to the board of trustees. The board of trustees shall review the proposed fee in accordance with the criteria in this policy and the institution's program and course fee policy and, if satisfied, may approve the new fee.

7.1.3.2. Institutional course and program fee committees shall review all proposed course and program fee revisions with their associated revised budget plans and evaluate the rationale for the proposed change.

7.1.3.3. Each institution's course and program fee committee shall review each course and program fee at least once every three years to ensure the fee still meets established objectives. As part of this review, the committees shall review

fund balances for particular fees and ensure that the funds generated are used for their approved purpose.

7.2. Sunset of Course Fees: Course fees and program fees shall be repealed after a period prescribed by the institution's policy if not reviewed and renewed by the course and program fee committee.

7.3. Notice to Students: Institutions shall include information about approved course and program fees in each academic term's schedule available to students prior to registration. Any changes to course and program fees must be approved and published in the schedule for the academic term in which the change shall be effective. Only course and program fees included in the schedule shall be assessed for the academic term.

7.4. Assessing Fees: Institutions shall assess course and program fees subject to the same billing, refund, and collections process as tuition and shall be accounted for through institutional-authorized student and financial systems.

7.5. Allocating Fees: Institutional course and program fees shall be allocated for the approved purpose and accounted for within the institution's financial system in a manner to facilitate audit verification.

7.6. Board of Trustees Oversight and Review: The institution's board of trustees shall at least annually review the recommendations of the institution's course and program fee committee for requests to establish, revise, or repeal course and program fees.

R517-8. Periodic Audit Review: Institutional or system internal auditors shall periodically review a sample of the institutions' course and program fees for compliance with this policy.

Tech 204, Tuition and Fees

204.1 Purpose: To establish policies for setting tuition and fees to be charged to students attending USHE technical colleges.

204.2 Approval

Board of Higher Education approval: June 2, 2004. Revised: June 11, 2008. Replaced: September 30, 2010. Revised: January 12, 2011; October 18, 2012; January 10, 2013; April 25, 2013; April 10, 2014; June 8, 2016; May 18, 2017; September 13, 2017.

R517-3 References

UCA 53B-2a-106, Technical Colleges — Duties

UCA 53B-2a-104, Utah Board of Higher Education — Powers and Duties

UCA 53A-15-301, Education Programs for Students with Disabilities

UCA 53B-9-101(2), Higher Education for Senior Citizens

Utah Administrative Code R277-419-4, Pupil Accounting

Utah Administrative Code R277-705, Secondary School Completion and Diplomas

Policy 200, Program/Course Approval and Reporting

Policy 205, Student Enrollment and Outcome Reporting

204.4 Definitions

4.1 Senior Citizen: Utah residents age 62 and over.

4.2 Audit: No record of competencies is posted to the student's transcript.

204.5 Secondary Tuition

5.1 As prescribed in UCA 53B-2a-106(1)(b)(ii), no tuition is assessed to a secondary student documented according to Policy 205.5.1.1 who is formally scheduled in an approved program (200.4.1) or course (200.4.2).

5.2 A secondary student shall not be charged tuition at a USHE technical college, regardless of the day or time of the course or program, through the date that he or she no longer qualifies as a secondary student. Effective on that date, the student shall be considered a postsecondary student and shall be charged the college's regular tuition rate. For a student whose secondary status changes while enrolled in a defined-length course (201.6.2), the student shall be allowed to complete the course without paying tuition for the remainder of the course.

5.3 A referral of a student by a public or private high school shall constitute sufficient documentation of secondary student status for tuition purposes. In the absence of a high school referral, a college shall require evidence that the student qualifies under Policy 205.5.1.1. Colleges shall not require but will encourage and facilitate referral of secondary students through public school districts.

204.6 Postsecondary Tuition

6.1 Postsecondary Tuition: Low cost tuition, as prescribed in UCA 53B-2a-106(1)(b)(i) and as approved by the Board of Higher Education, shall be assessed to postsecondary students formally scheduled in a program (200.4.1) or course (200.4.2).

6.2 Tuition Hearings: Each USHE technical college shall hold a meeting to receive public input and response on any proposed tuition increases. These meetings shall follow the requirements of UCA 53B-7-101.5.

6.3 Fiscal Year Effective Date: Tuition rates shall be effective for all coursework beginning July 1 of the fiscal year for which the rates are approved. Tuition for a defined-length course (201.7.2) shall be calculated and assessed for the complete course at the approved rate for the fiscal year in which the course begins, regardless of whether the final portion of the course occurs in the following year for which a different tuition rate is approved.

6.4 Differential Tuition: Based on extraordinary circumstances, a college board of directors may request that the Board of Higher Education approve a differential tuition rate for a specific course or program. Approved differential tuition rates shall expire on June 30 of each year. A new

request and approval of the Board of Higher Education is required to continue differential tuition rates past June 30 of each year.

6.5 Residency Classification: Because USHE career and technical education and basic instruction classes are short-term and non-credit, colleges are not required to determine students' state residency classification.

204.7 Senior Citizen Tuition

7.1 Senior Citizen Audit Waivers: Senior citizens shall be permitted to enroll on an audit basis in courses or classes, at any USHE technical college, without payment of regular tuition, subject to the following:

7.1.1 Enrollment shall be on a space available basis, as determined by the college, after all students on the course waiting list (excluding programs) have been accommodated. Senior citizens seeking audit waivers shall not be permitted to place their names on course waiting lists.

7.1.2 A minimum administrative fee, as determined by the college, shall be charged to cover the cost of registration, record keeping, and reporting.

7.1.3 All applicable fees shall be charged, as determined by the college.

7.2 Payment of Tuition for Certificates: To receive a program certificate (200.4.3) from any course or program in which he or she is enrolled, a senior citizen shall be required to pay full tuition.

7.3 Senior Citizen Enrollment Reporting: Senior citizens participating through the audit waiver policy shall be enrolled as senior citizens (205.5.4).

204.8 Fees

~~**8.1 Approval and Assessment of Fees:** Fees, as approved by the college board of directors, may be assessed to secondary and postsecondary students and to senior citizens formally enrolled in an approved course or program.~~

~~8.2 Notification to Secondary Education Providers:~~ By March 31 of each year, or a later date if agreed to by the district superintendent or charter school or private school chief executive officer and the college president, each USHE technical college shall provide written notification of the approved secondary student fee schedule to all secondary education providers in the geographic area served by the college, and to the Commissioner of Higher Education. The notification shall be provided in the following manner:

~~**8.2.1** The technical college president shall provide written notification of the approved fee schedule and a list of required text and workbooks to each school district superintendent, to the chief administrative officers of charter/private schools, and to all other secondary education providers in the geographic area served by the college, and to the Commissioner.~~

~~**8.2.2** Each local school district representative on the technical college board of directors shall provide written notification of the approved fee schedule and a list of required text and workbooks to the Board of Education president for the district he or she represents.~~

~~**8.2.3** If any new programs are added by the college after March 31 of each year, for which a fee and/or text and workbooks have been approved, notification of the approved fee and required text and workbooks shall be provided in the manner described in 8.2.1 and 8.2.2 above.~~

~~8.3 Fee Waivers~~

~~**8.3.1** If a secondary student is fee waiver eligible, as determined by the local school district or charter school, a USHE technical college shall waive the eligible fees for that student.~~

~~**8.3.2** Reimbursement for fee waiver eligible students' fees may be negotiated between individual USHE technical colleges and local districts and charter schools.~~

204.9 Refunds

All USHE technical colleges shall have a tuition and fees refund policy which meets, at a minimum, Council on Occupational Education requirements.



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB H

May 20, 2021

Adoption of Policy R743, *Process for Use of Dedicated Capital Project Funds*

During the 2019 Session, the Legislature passed S.B. 102, *Higher Education Capital Facilities* which created a new process for funding USHE capital facilities projects. For degree-granting institutions, the legislation requires the Board to allocate appropriations to the institutions based on a funding formula comprised of six factors. For technical education institutions, the legislation requires the Board to prioritize capital projects based on institutional need. The legislation requires the Board to establish procedures for the use of appropriated “dedicated capital project funds,” which procedures are defined in Policy R743. The funding formula for degree-granting institutions is currently defined in [Policy R742, *Dedicated Capital Project Allocation Formula*](#).

Policy R743 creates a five-step process for degree-granting institutions to access and use dedicated capital project funds: 1. allocation of funds, 2. capital programming and cost estimation, 3. submission of requests, 4. Board review and authorization of projects, and 5. Board submission of authorized projects to the Legislature. The policy further creates a four-step process for the Board to prioritize technical college requests to use dedicated capital project funds: 1. submission of requests, 2. Board review and scoring of projects, 3. Board prioritization of projects, and 4. Board submission of authorized projects to the legislature. The Committee was asked to review and discuss this policy as part of the capital prioritization process for FY 2021-22 and is now requesting the Board adopt Policy R743.

Commissioner’s Recommendation

The Commissioner recommends the Board adopt Policy R743, *Process for Use of Dedicated Capital Project Funds*, effective immediately.

Attachment

R743, Process for Use of Dedicated Capital Project Funds¹

R743-1 Purpose: To provide the methodology and process for the use of funds appropriated by the State Legislature for dedicated capital projects.

R743-2 References

- 2.1 Utah Code Title 53B, Chapter 2a, Section 117 (Technical Colleges – Capital Development)
- 2.2 Utah Code Title 53B, Chapter 22, Section 201 (Capital Developments)
- 2.3 Utah Code Title 63A, Chapter 5b (State Building Board)
- 2.4 Board Policy [R701, Capital Facilities](#)
- 2.5 Board Policy [R706, Capital Facilities Planning](#)
- 2.6 Board Policy [R742, Dedicated Capital Project Allocation Formula](#)
- 2.7 Board Policy [R751, Institutional Facilities Space Utilization](#)

R743-3 Definitions

3.1 Capital Development Project:

3.1.1 A remodeling or site or utility improvement project with a total cost of \$3,500,000 or more;

3.1.2 a new facility with a construction cost of \$500,000 or more; or

3.1.3 a purchase of real property if an appropriation is requested and made for the purchase.

3.2 Dedicated Project: A institution's capital development project funded by the institution's allocation under Utah Code 53B-22-201 or from the Board's prioritization of dedicated funds under Utah Code 53B-2a-117.

3.3 Capital Projects Fund: A capital project restricted fund created by 53B-22-202 and 53B-2a-118 to receive appropriations for USHE dedicated projects.

3.4 Capital Program: The services to define the scope and purpose of a proposed capital project as defined in 63A-5b-502.

¹ Adopted May 21, 2021

R743-4 Dedicated Project Prioritization Process for Degree-Granting Institutions: The Board shall annually review and authorize dedicated projects submitted by USHE institutions. The annual dedicated project prioritization process consists of five steps:

4.1 Step 1 — Allocation of Funds: By June 30 of each year, the Board shall allocate funds appropriated by the State Legislature for dedicated projects as outlined in Board Policy R742, *Dedicated Capital Project Allocation Formula*. The Board shall submit the allocation to the State of Utah Division of Finance to track individual institutional allocations within the Higher Education Capital Projects Fund.

4.2 Step 2 — Capital Programming and Cost Estimation: Before a dedicated capital project may be submitted for Board and legislative consideration, institutions shall create a capital program for the facility to define the scope and purpose of the facility. In collaboration with the Department of Facilities Construction and Maintenance (DFCM), the institution shall use the program to create a realistic construction budget estimate (CBE) for the project.

4.3 Step 3 — Submission of Requests: Institutions shall submit capital development requests for funding from dedicated project allocations to the Board for evaluation based on procedures developed annually by the Office of the Commissioner, including a submission of the capital program and the construction budget estimate. Each institution may submit one or more projects. Project costs for the combined total of all submitted projects must be less than or equal to the institutional balance in the Higher Education Capital Projects Fund after the annual Board allocation. Institutions may not submit projects to the State Building Board or the State Legislature without prior Board approval.

4.4 Step 4 — Board Review and Authorization of Projects: The Board annually reviews dedicated project requests and votes to authorize or deny the project. The review shall include three statutory requirements:

4.4.1 Cost-Effective and Efficient Use of Resources

4.4.1.1 Institutions shall submit a detailed capital program and a capital budget estimate reviewed by DFCM. Institutions shall also describe to the Board how the project prudently and economically uses state and institutional resources.

4.4.1.2 With the assistance of DFCM and using the DFCM cost database, institutions shall compare the costs of the proposed facility with projects of like size and function and justify significant differences in comparable costs.

4.4.1.3 Institutions shall provide the total cost of ownership for the proposed facility, including the annual cost of operation and maintenance, the total cost of operation and maintenance over the useful life of the facility, and the total cost of capital improvements over the estimated life of the facility, and describe the funding sources to pay those costs.

4.4.2 Consistent with Institutional Role, Mission and Master Plan

4.4.2.1 Institutions shall demonstrate how the proposed facility will meet institutional needs and is consistent with the institution's role and mission.

4.4.2.2 Institutions shall demonstrate how the proposed facility aligns with the institutional master plan and the 5-year plan required by Board Policy R706.

4.4.3. Fulfillment of a Critical Institutional Facility Need

4.4.3.1 Institutions shall demonstrate the need for the facility by providing quantifiable evidence, which may include measures of program growth, enrollment, facility obsolescence, etc.

4.4.3.2 Institutions shall provide current facility utilization measures and describe how the project will improve institutional space utilization, including how the institution will measure and report its improved utilization to the Board.

4.4.3.3 Institutions shall provide current deferred maintenance information, including the dollar amount of institutional deferred maintenance and a description of how the project will affect deferred maintenance.

4.5 Step 5 – Board Submission of Authorized of Projects: The Board shall submit its authorized dedicated projects to the State Building Board and the Governor for review and recommendation and to the State Legislature for further consideration and authorization to use allocated funds in the Higher Education Capital Projects Funds. Institutions may not spend allocated funds unless affirmatively authorized by the State Legislature and funded by the State Legislature for operation and maintenance.

R743-5 Dedicated Project Prioritization Process for Technical Colleges: The Board shall annually review, prioritize, and authorize dedicated projects submitted by USHE technical colleges. The annual dedicated project prioritization process consists of four steps:

5.1 Step 1 – Submission of Requests: Technical colleges submit capital development requests for funding from the Higher Education Capital Projects Fund to the Board based on procedures developed annually by the Office of the Commissioner. Each technical college may

submit no more than one project, but the project may request funding over several years. Institutions may not submit projects to the State Building Board or the State Legislature without prior Board approval. Requests must include the following information:

5.1.1 A detailed capital budget estimate reviewed by DFCM. Institutions shall also describe to the Board how the project prudently and economically uses state and institutional resources.

5.1.2 A demonstration of the need for the facility by providing quantifiable evidence, which may include measures of program growth, enrollment, facility obsolescence, etc.

5.1.3 Current facility utilization measures and a description of how the project will improve institutional space utilization, including how the improved utilization will be measured and reported to the Board.

5.1.4 The total cost of ownership for the proposed facility, including the annual cost of operation and maintenance, the total cost of operation and maintenance over the useful life of the facility, and the total cost of capital improvements over the estimated life of the facility.

5.1.5 How the proposed facility aligns with the institutional role, mission, master plan and the 5-year plan required by Board Policy R706.

5.2 Step 2 — Board Review and Scoring of Projects: The Board annually reviews dedicated project requests to prioritize funding in the Higher Education Capital Projects Fund for technical education projects. The scoring process assigns weighted points from five statutorily required factors. Each year, prior to the review, the Board shall establish the weights for the following factors considered in the scoring:

5.2.1 Growth and Capacity: The Board awards up to ten points to projects based on the gap between the calculated space need and an institution's current inventory of space. An institution's calculated space need shall be determined by multiplying an assignable square-foot per FTE standard by the projected number of FTE students (excluding online and concurrent enrollment students not using institutional facilities), faculty, or staff as appropriate for each category of space reported in the most recent USHE Space Inventory. The Board also awards up to ten additional points for space utilization (as reported in the most recent annual space utilization submission) that exceeds USHE standards set in Board Policy R751. Twenty points are possible.

5.2.2 Effectiveness and Support of Critical Programs: The Board awards points based on a qualitative review of each project's support of institutional program needs. Institutions shall submit information relating to the programs that will be housed in the proposed facility,

including current enrollments, workforce demand, projected enrollments, and current capacity. Ten points are possible.

5.2.3 Cost-Effectiveness: The Board awards points for cost-effective projects as measured by the DFCM cost database. Ten points are possible

5.2.4 Building Deficiencies and Life Safety Concerns: The Board awards points to projects that replace existing facility deficiencies identified by third-party facility condition assessments or DFCM in the following four areas: life or fire-safety, structural or seismic, electrical, and mechanical. A project receives a point for each five percent of a seismic/structural or life/fire safety deficiency (up to three points) and half a point for each five percent of electrical and mechanical deficiencies (up to two points) calculated as a percentage of the current replacement value of the building as insured by the Division of Risk Management. The points are then multiplied by the percentage of the project that includes renovated or demolished square feet. Ten points are possible.

5.2.5 Alternative Funding Sources: The Board awards points based on evidence that non-appropriated funds are in-hand or have been committed to the institution for use toward the project's costs. Non-appropriated funds shall not create a future liability for the state, create an external property right, nor be given with an expectation of future payback. Neither student fees nor institutional funds will be counted as non-appropriated funds for purposes of awarding points. The Board will award one point for every one percent of allowable alternative funds calculated as a percentage of total project costs up to a maximum of 10 points.

5.3 Step 3 – Board Prioritization of Projects: Based on the scoring in subsection 5.3, the Board shall rank all technical education dedicated projects and determine which projects to recommend to the Legislature for funding. The Board may prioritize multiple projects up to the amount in the Higher Education Capital Projects Fund for technical education projects. The Board may also prioritize a single project that requires funding over multiple years.

5.4 Step 4 – Board Submission of Authorized of Projects: the Board shall submit its authorized dedicated projects to the State Building Board and the Governor for review and recommendation and to the State Legislature for further consideration and authorization to use allocated funds in the Higher Education Capital Projects Funds. Institutions may not spend allocated funds unless affirmatively authorized by the State Legislature and operation and maintenance funding is established.

R743-6. Operation and Maintenance for Dedicated Projects: As allowed by statute, all authorized projects may request operation and maintenance funding from the Legislature in conjunction

with dedicated capital project funding. If the Legislature does not fund the operation and maintenance for a particular project, the requesting institution must identify funds to operate and maintain the facility before construction may begin.

R743-7. Review upon Completion of a Dedicated Project: As required by statute, the Board shall review the costs and design of each capital project completed using dedicated capital project funds. Institutions shall submit all costs of a dedicated capital project to the Board, including but not limited to soft costs, land purchases, programming, design, and construction costs upon substantial completion. The institution shall also provide information to the Board on design decisions and elements for discussion in relation to costs of construction.



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB I

April 7, 2021

Discussion: Prioritization of Strategies within the Utah Board of Higher Education's Strategic Plan

The Utah Board of Higher Education is currently developing its five-year strategic plan. At the April Board of Higher Education Committee meetings, the Committees will discuss and prioritize the strategies within their focus area of the strategic plan. This will support the Commissioner's office in focusing resources and capacity to those strategies that are the top priority of the Board.

Each Committee will prioritize strategies within their focus area¹ of the draft strategic plan:

1. Student Affairs Committee: Access
2. Finance and Facilities Committee: Affordability
3. Academic Education Committee: Completion
4. Technical Education Committee: Workforce Alignment

The Committees will prioritize these strategies into three tiers:

1. Tier I: most important and most urgent
2. Tier II: important but less urgent
3. Tier III: less important and less urgent

Feedback from the Committee discussion will be integrated into the final draft of the strategic plan. The Board will consider adoption of the full strategic plan with prioritized strategies at its May 21, 2021, Board meeting.

2x2s

To inform the Committee discussions, Commissioner's office staff have provided a rough approximation of the potential impact and degree of difficulty of each strategy within each priority area:

¹ Note: The Commissioner's office will present a draft prioritization of the strategies within the new "System Unification" category during the Committee of the Whole at the May 21, 2021, Board meeting for consideration by the full Board.

ACCESS (Student Affairs Committee)

POTENTIAL IMPACT	<ul style="list-style-type: none"> ● Ensure high school students are meaningfully informed on scholarships, dual enrollment programming, financial aid, and higher ed pathways 	<ul style="list-style-type: none"> ● Simplify institutional admissions processes ● Strengthen admissions advisors'/tech college staff's capacity for addressing student basic needs
		<ul style="list-style-type: none"> ● Support institutions in diversifying faculty and staff. Expand Utah's pipeline of diverse K-12 educators
DEGREE OF DIFFICULTY		

AFFORDABILITY (Finance and Facilities Committee)

POTENTIAL IMPACT	<ul style="list-style-type: none"> ● Build and maintain legislative support 	<ul style="list-style-type: none"> ● Shared services ● Evaluate and prioritize student financial aid ● Increase FAFSA completion
	<ul style="list-style-type: none"> ● Cost structure model ● Updated standard of affordability 	
DEGREE OF DIFFICULTY		

COMPLETION (Academic Education Committee)

POTENTIAL IMPACT		<ul style="list-style-type: none"> Structure awards to facilitate completion and transfer ● Expand supportive entry level education practices ●
	<ul style="list-style-type: none"> ● Increase awarding of credit for prior learning 	<ul style="list-style-type: none"> Ensure systemwide institutional supports for student mental health and campus safety ●
DEGREE OF DIFFICULTY		

WORKFORCE ALIGNMENT (Technical Education Committee)

POTENTIAL IMPACT	<ul style="list-style-type: none"> ● Increase student participation in work-based learning 	<ul style="list-style-type: none"> ● Increase higher education participation rate of adults with/without a high school diploma
	<ul style="list-style-type: none"> ● Increase participation in training leading to wage and employment progression 	<ul style="list-style-type: none"> ● Ensure students are meaningfully informed about the value and ROI of higher education
DEGREE OF DIFFICULTY		

Background

In October 2020, the newly-created Utah Board of Higher Education embarked on a strategic planning process. At that time, the [Board adopted the main priorities of the strategic plan](#): Access, Affordability, Completion, and Workforce Alignment. In January 2021, the [Board discussed progress with the statewide attainment goal measures](#) and how those measures align with the proposed goals within the Board's strategic plan.

At the February 2021 Board committee meetings, [Board members discussed draft strategies](#), along with more details about strategic plan goals and performance funding measures, and how the [Equity Lens Framework](#) is central to the strategic plan. The Board also examined the four levers of the Board, which ensure outcomes of the strategic plan are in areas the Board can best impact. These levers are:

1. Policy
2. Research/Analysis
3. Funding
4. Collaboration/Advocacy

On March 4 and 5, 2021, the Commissioner's office held consortia group meetings with USHE institutional staff to solicit institutional feedback on the draft strategic plan.

At the Committee of the Whole on March 26, 2021, the Board engaged in a robust discussion on progress thus far on the Board's draft strategic plan. Committee chairs and the Commissioner presented on their Committee's assigned priority:

1. Commissioner David Woolstenhulme: System Unification
2. Student Affairs Committee Chair Lisa Michele Church: Access
3. Finance and Facilities Committee Chair Wilford Clyde: Affordability
4. Degree-Granting Education Committee Chair Pat Jones: Completion
5. Technical Education Committee Chair Shawn Newell: Workforce Alignment

Commissioner's Recommendation

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

UTAH BOARD OF HIGHER EDUCATION STRATEGIC PLAN

DRAFT

May 2021



UTAH
SYSTEM OF
HIGHER
EDUCATION

BOARD'S	PRIORITY	SYSTEM UNIFICATION		ACCESS		AFFORDABILITY		COMPLETION		WORKFORCE ALIGNMENT	
	ROLE	Develop, strengthen, and leverage a seamless and articulated system of higher education		Remove structural barriers to entry		Remove structural barriers to affordability		Remove structural barriers to graduation		Increase availability and stackability of high-demand, high-wage programs	
	GOAL	(for discussion)		Increase the college-going rate of high school grads by 3% in 5 years Increase the college-going rate of underrepresented groups by 4% in 5 years.		Increase student ability to pay cost of attendance.	Ensure institutional cost of attendance remains within the standard of affordability year over year.	Increase timely completion of degrees and awards by 3% in 5 years. Increase the timely completion of underrepresented students by 4% in 5 years.		Increase completion rate of graduates in high-demand, high-wage programs by 7% in 5 years. Increase completion rate of underrepresented groups in programs aligned with high-wage, high-demand jobs by 8% in 5 years.	
	STRATEGY	Align programs with institutional roles and minimize duplication among institutions Increase stackability of credentials from technical colleges to degree granting institutions	Train boards of trustees on delegated responsibilities Merge system policies and align data and measures, as appropriate Streamline presidential evaluation and R&R processes	Ensure high school students are meaningfully informed on scholarships, dual enrollment programming, financial aid, and higher ed pathways Simplify institutional admissions processes	Strengthen admissions advisors'/tech college staff's capacity for addressing student basic needs Support institutions in diversifying faculty and staff. Expand Utah's pipeline of diverse K-12 educators.	Develop an expanded standard of affordability by the end of 2021 Increase FAFSA completion Evaluate and prioritize state student financial aid Build and maintain legislative support	Expand shared services Develop a cost structure model to compare the cost of delivering degrees and awards for each USHE institution by the end of 2021	Structure awards to facilitate completion and transfer Increase awarding of credit for prior learning	Ensure systemwide institutional supports for student mental health and campus safety Expand supportive entry level education practices	Increase higher ed participation rate of adults with/without a high school diploma Ensure students are meaningfully informed on the value and ROI of higher ed	Increase student participation in work-based learning Increase participation in training leading to wage and employment progression

SYSTEM UNIFICATION

BOARD'S	PRIORITY	SYSTEM UNIFICATION																
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	GOAL	(For discussion)																
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BOARD'S	PRIORITY	SYSTEM UNIFICATION																	
	ROLE	Develop, strengthen, and leverage a seamless and articulated system of higher education																	
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	STRATEGY	Merge system policies and align data and measures, as appropriate		Train boards of trustees on delegated responsibilities		Streamline presidential evaluation and (R&R) processes.													
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ACCESS

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	ROLE	Remove structural barriers to entry																		
	GOAL	Increase the college-going rate of high school graduates by 3% in 5 years. Increase the college-going rate of underrepresented groups by 4% in 5 years.																		
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AFFORDABILITY

BOARD'S

PRIORITY

ROLE

GOAL

STRATEGY

TACTIC

AFFORDABILITY

Remove structural barriers to affordability

Increase student ability to pay cost of attendance.

Develop an expanded standard of affordability by the end of 2021.

Increase completion of the Free Application for Federal Student Aid (FAFSA).

DEGREE GRANTING

Data analysis (demographics data). Study what other states are doing (audit).

Explore FAFSA requirement for state and degree granting institutional scholarships

Research creation of a simplified, pre-FAFSA form to indicate if participants may qualify for financial aid before filling out the full FAFSA.

Partner with USBE to consider requiring FAFSA completion for high school graduation (with opt-out

TECHNICAL

Data analysis (demographics data). Study what other states are doing (audit).

Explore FAFSA requirement for state and tech college scholarships

Research creation of a simplified, pre-FAFSA form to indicate if participants may qualify for financial aid before filling out the full FAFSA.

Partner with USBE to consider requiring FAFSA completion for high school graduation (with opt-out

Evaluate and prioritize state student financial aid

DEGREE GRANTING

Review policy, statute, and procedures on waivers. Identify how waivers are being used at each institution. Identify all aid opportunities.

Develop policy and implement of new scholarship programs (Adult Learner Grant Program and Opportunity Scholarship)

Advocate for state scholarship support for undocumented students. Streamline statewide HB-144 affidavit process. Benchmark student participation in affidavits.

TECHNICAL

Identify all aid opportunities.

Develop policy of new scholarship programs.

Advocate for state scholarship support for undocumented students.

Build and maintain legislative support

DEGREE GRANTING

Leverage Concurrent Enrollment for high school students to reduce student cost

Advocate for full legislative funding of compensation

TECHNICAL

Leverage free tech ed tuition for high school students to reduce student cost

BOARD'S	PRIORITY	AFFORDABILITY		
	ROLE	Remove structural barriers to affordability		
	GOAL	Ensure institutional cost of attendance remains within the standard of affordability year over year.		
	STRATEGY	Develop a cost structure model to compare the cost of delivering degrees and awards for each USHE institution by the end of 2021.	Expand shared services	
	TACTIC		DEGREE GRANTING	TECHNICAL
Study shared services in the System. Board reviews recommendations from the study.			Study shared services in the System. Board reviews recommendations from the study.	
		Create implementation plan for shared services. Create policy to have cost savings realized from shared services used for student aid.	Create implementation plan for shared services. Create policy to have cost savings realized from shared services used for student aid.	

COMPLETION

BOARD'S ROLE GOAL STRATEGY TACTIC	PRIORITY	COMPLETION																
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	GOAL	Increase timely completion of degrees and awards by 3% in 5 years. Increase the timely completion of underrepresented students by 4% in 5 years.																
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WORKFORCE ALIGNMENT

BOARD'S

PRIORITY

ROLE

GOAL

STRATEGY

TACTIC

WORKFORCE ALIGNMENT

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Increase completion rate of graduates in high-demand, high-wage programs by 7% in 5 years.
Increase completion rate of underrepresented groups in programs aligned with high-wage, high-demand jobs by 8% in 5 years.

Increase higher ed participation rate of adults with/without a high school diploma

DEGREE GRANTING	TECHNICAL
Collaborate with stakeholders (DWS, USBE, UCAC, UDOC) to support enrollment of adult learners in academic education.	Collaborate with stakeholders (DWS, USBE, UCAC) to support the enrollment of adult learners in technical education.
Increase adult learner awareness of scholarships and other aid for degrees via Keys to Success.	Increase adult learner awareness of scholarships and other aid for certificates via Keys to Success.

Ensure students are meaningfully informed on the value and ROI of higher ed

DEGREE GRANTING	TECHNICAL
Align existing resources (Programs & Majors Guide, Transfer Guide, etc) to Keys to Success. Engage with stakeholders (DWS, UCAC, USBE, institutions) to ensure Keys is a one-stop for all postsecondary resources.	Ensure technical education program information, articulation of secondary course work, and opportunities for educational, career, and wage progression are represented in the Programs and Majors Guide, Transfer Guide, and Keys to Success.
Advocate for statewide marketing campaign. Focus on the unique needs of adult learners (program flexibility, prior learning, funding, etc).	Advocate for statewide marketing campaign. Focus on the unique needs of adult learners (program flexibility, prior learning, funding, etc).

PRIORITY

BOARD'S ROLE

GOAL

STRATEGY

TACTIC

WORKFORCE ALIGNMENT

Increase availability and stackability of high-demand, high-wage programs

Increase completion rate of graduates in high-demand, high-wage programs by 7% in 5 years.
Increase completion rate of underrepresented groups in programs aligned with high-wage, high-demand jobs by 8% in 5 years.

Increase student participation in work-based learning

DEGREE GRANTING	TECHNICAL
Refine policy to define the role of work-based learning in academic education.	Refine policy to define the role of work-based learning in technical education.
Develop systemwide tracking mechanism for reporting progress in participation of work-based learning activities.	Develop systemwide practices for reporting progress in the development of and participation in work-based learning activities.
Collaborate with stakeholders (DWS, GOED, USBE) to connect work-based learning opportunities to high-demand pathways to degrees	Collaborate with stakeholders (DWS, USBE, GOED) to connect work-based learning opportunities to high-demand pathways to certificates

Increase participation in training (reskilling/upskilling) leading to wage and employment progression

DEGREE GRANTING	TECHNICAL
Engage employers to strengthen the connection between degrees and employment options.	Engage employers to strengthen the connection between certificates and employment options.
Refine program approval process to increase transparency of program alignment with verifiable workforce needs.	Review policy governing enrollment and classification of adult students enrolled in training for the purpose of maintaining or advancing their employment.
Refine policy to ensure workforce training is equity-minded, supported by data, and reflect institutional roles.	



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB J

May 20, 2021

Institutions' Health Plan Changes

The health benefits package is a critical component of the overall compensation package provided to institutional employees, and is subject to significant conversation and review at each institution.

Annually, the Board receives a summary report regarding the USHE institutional health benefit plans for the upcoming year. The attached report provides the Board with several key metrics for an institution's health benefit plans including: 1) Plans; 2) Annual costs and premium split for employer and employee; 3) Cost increases for employer and employee; and 4) Any major plan design changes.

Commissioner's Recommendation

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

Attachment

**Summary of USHE Health Plan Changes
Fiscal Year 2021-22**

Institution	Health Insurance	Plan	Annual Employer Costs	Annual Employee Costs	Premium Split	% Increase for Employer	% Increase for Employee	Total % Cost Increase	Plan Changes
University of Utah	Blue Cross Blue Shield	Advantage Single Two-party Family	7,577 13,258 20,000	848 1,485 2,240	90/10 90/10 90/10	4.3% 4.3% 4.3%	4.3% 4.3% 4.3%	4.3% 4.3% 4.3%	Adding \$7,500 lifetime fertility benefit
Utah State University	Blue Cross Blue Shield	Blue Single Two-party Family	6,121 13,819 19,941	1,309 2,944 4,253	82/18 82/18 82/18	0.0% 0.0% 0.0%	3.5% 3.5% 3.5%	0.3% 0.3% 0.3%	No major plan changes
Weber State University	PEHP	Advantage Single Two-party Family	6,960 14,349 19,156	773 1,594 2,129	90/10 90/10 90/10	4.3% 4.3% 4.3%	4.3% 4.3% 4.3%	4.3% 4.3% 4.3%	No major plan changes
Southern Utah University	United Healthcare	Traditional Single Two-party Family	5,730 12,888 18,480	1,620 3,672 5,280	78/22 78/22 78/22	0.0% 0.0% 0.0%	0.0% 0.0% 0.0%	0.0% 0.0% 0.0%	No major plan changes
Snow College	PEHP	Advantage Single Two-party Family	7,095 14,629 19,529	638 1,315 1,755	92/8 92/8 92/8	4.3% 4.3% 4.3%	4.3% 4.3% 4.3%	4.3% 4.3% 4.3%	No major plan changes
Dixie State University	PEHP	Advantage Single Two-party Family	7,095 14,629 19,529	638 1,315 1,755	92/8 92/8 92/8	4.3% 4.3% 4.3%	4.3% 4.3% 4.3%	4.3% 4.3% 4.3%	No major plan changes
Utah Valley University	Blue Cross Blue Shield	Traditional Single Two-party Family	7,374 16,222 22,858	912 2,005 2,825	89/11 89/11 89/11	0.0% 0.0% 0.0%	0.0% 0.0% 0.0%	0.0% 0.0% 0.0%	No major plan changes
Salt Lake Community College	Blue Cross Blue Shield	Traditional Single Two-party Family	6,824 15,373 21,505	768 1,704 2,328	90/10 90/10 90/10	0.0% 0.0% 0.0%	0.0% 0.0% 0.0%	0.0% 0.0% 0.0%	Employer vision premiums will decrease 10.6%
Bridgerland Technical College	University of Utah Health	Traditional Single Two-party Family	7,092 16,056 22,944	- - -	100/0 100/0 100/0	5.0% 5.0% 5.0%	0.0% 0.0% 0.0%	5.0% 5.0% 5.0%	No major plan changes
Davis Technical College	PEHP	Advantage Single Two-party Family	7,076 14,589 19,476	636 1,311 1,750	92/8 92/8 92/8	4.3% 4.3% 4.3%	4.3% 4.3% 4.3%	4.3% 4.3% 4.3%	No major plan changes
Dixie Technical College	PEHP	Star Single Two-party Family	6,171 12,771 17,582	- - -	100/0 100/0 100/0	5.0% 5.0% 4.8%	0.0% 0.0% 0.0%	5.0% 5.0% 4.8%	No major plan changes
Mountainland Technical College	PEHP	Star Single Two-party Family	6,960 14,352 19,152	120 264 360	98/2 98/2 98/2	4.3% 4.3% 4.3%	4.9% 5.3% 4.8%	4.3% 4.3% 4.3%	No major plan changes
Ogden-Weber Technical College	Select Health	Share Single Two-party Family	6,563 13,582 18,374	729 1,509 2,042	90/10 90/10 90/10	2.5% 2.5% 2.5%	2.5% 2.5% 2.5%	2.5% 2.5% 2.5%	No major plan changes
Southwest Technical College	Motivhealth	HSA Single Two-party Family	4,985 11,102 15,907	- - -	100/0 100/0 100/0	0.0% 0.0% 0.0%	0.0% 0.0% 0.0%	0.0% 0.0% 0.0%	No major plan changes
Tooele Technical College	PEHP	Traditional Single Two-party Family	7,095 14,629 19,529	638 1,315 1,755	92/8 92/8 92/8	4.3% 4.3% 4.3%	4.4% 4.4% 4.3%	4.3% 4.3% 4.3%	No major plan changes
Uintah Basin Technical College	PEHP	Star Single Two-party Family	6,959 14,348 19,155	123 255 352	98/2 98/2 98/2	4.3% 4.3% 4.3%	4.9% 5.0% 4.8%	4.3% 4.3% 4.3%	No major plan changes



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB K

May 20, 2021

Capital Improvement Update for 2021-22

Capital improvement projects are also known as alterations, repairs, and improvements or AR&I. These projects help maintain existing facilities by repairing and replacing old and failing components, systems, and equipment. Typical projects include utility upgrades, correction of code violations, roofing repairs, structural improvement, hazardous materials abatement, and the remodeling of nonfunctional space.

By statute, the state legislature delegates authority to DFCM to allocate capital improvement funds to specific agency and institutional projects. Institutions request projects each year based on each institution's inventory of needed capital improvements. DFCM allocated over \$86 million to USHE institutions for capital improvement projects in FY 2022 (60% of the allocation). The almost \$158 million dollars appropriated by the State Legislature for FY 2022 is the largest amount of capital improvement funding provided by the Legislature.

Despite high levels of funding over the last several years, institutions continue to have a greater need than available funding. For FY 2022, USHE institutions requested \$335.2 million of capital improvement projects and received funding of \$86.2 million. According to a recently completed independent audit of state-owned facilities, there are over \$1.01 billion of projects that need funding throughout the State.

The materials attached provide additional information and detail on the capital improvement funding for FY 2022. The attachments include: (1) a five-year summary of capital improvement funding and (2) the detail of the projects requested and funded for USHE institutions in FY 2022.

Commissioner's Recommendation

This is an information item; no action is required

Attachments

Attachment A - Five-Year Capital Improvement Funding History

Agencies / Institutions	FY 2018	%	FY 2019	%	FY 2020	%	FY 2021	%	FY 2022	%
University of Utah	26,877,755	24%	25,725,000	23%	28,510,000	22%	26,966,100	22%	29,097,600	20%
Utah State University	12,565,000	11%	12,821,000	11%	13,467,900	10%	14,055,000	11%	15,730,000	11%
Weber State University	4,828,130	4%	5,001,303	4%	5,794,538	5%	6,235,120	5%	6,777,641	5%
Southern Utah University	3,385,644	3%	3,442,855	3%	5,233,826	4%	3,680,469	3%	4,111,144	3%
Snow College	2,501,062	2%	2,666,629	2%	2,910,062	2%	2,380,836	2%	3,001,466	2%
Dixie State University	2,476,438	2%	2,789,840	2%	3,820,594	3%	3,217,360	3%	4,419,199	3%
Utah Valley University	4,245,000	4%	4,516,328	4%	4,940,000	4%	5,820,542	5%	7,979,758	6%
Salt Lake Community College	4,789,134	4%	5,095,157	4%	6,187,828	5%	5,738,132	5%	7,238,377	5%
Bridgerland Technical College		0%		0%	1,053,520	1%	1,159,927	1%	1,571,340	1%
Davis Technical College		0%		0%	1,010,862	1%	1,157,141	1%	1,660,086	1%
Dixie Technical College		0%		0%	660,768	1%	446,000	0%	89,566	0%
Mountainland Technical College		0%		0%	1,500,000	1%	1,000,000	1%	1,264,967	1%
Ogden-Weber Technical College		0%		0%	972,472	1%	2,221,212	2%	1,450,000	1%
Southwest Technical College		0%		0%	750,000	1%	824,285	1%	464,345	0%
Tooele Technical College		0%		0%	90,000	0%	250,035	0%	78,120	0%
Uintah Basin Technical College		0%		0%	794,000	1%	1,075,000	1%	1,306,724	1%
Total USHE	\$ 61,668,163	56%	\$ 62,058,112	55%	\$ 77,696,370	60%	\$ 76,227,159	61%	\$ 86,240,333	60%

Attachment A - Five-Year Capital Improvement Funding History

Agencies / Institutions	FY 2018	%	FY 2019	%	FY 2020	%	FY 2021	%	FY 2022	%
UCAT	5,317,235	5%	6,296,388	6%		0%		0%		0%
Alcoholic Beverage Control	742,625	1%	918,215	1%	962,282	1%	1,190,143	1%	989,007	1%
Capitol Preservation Board	2,255,000	2%	2,733,016	2%	1,996,466	2%	4,698,747	4%	3,250,000	2%
Corrections	3,594,057	3%	4,511,826	4%	6,056,420	5%	5,645,864	5%	6,846,669	5%
Courts	4,533,507	4%	5,598,419	5%	5,578,283	4%	5,432,321	4%	5,222,265	4%
DAS	5,841,581	5%	5,660,411	5%	5,380,928	4%	4,229,286	3%	8,643,946	6%
Fairpark	2,123,764	2%	3,117,445	3%	2,432,478	2%	1,227,084	1%	1,454,853	1%
Health	1,317,175	1%	1,181,506	1%	3,230,758	3%	1,502,314	1%	510,673	0%
Human Services	5,239,484	5%	5,596,037	5%	6,095,319	5%	6,883,371	6%	7,843,762	5%
National Guard	5,441,496	5%	1,077,278	1%	2,909,167	2%	3,400,297	3%	4,057,387	3%
Natural Resources	5,008,800	5%	6,123,105	5%	7,725,270	6%	4,924,403	4%	4,660,159	3%
Public Ed/Rehab/Deaf & Blind	1,163,000	1%	1,282,715	1%	919,309	1%	613,870	0%	938,947	1%
Transportation	1,594,211	1%	2,369,333	2%	2,667,615	2%	3,621,799	3%	5,502,656	4%
Workforces Services	1,202,000	1%	1,348,458	1%	1,439,145	1%	1,824,167	1%	1,544,056	1%
Other State Agencies	3,391,702	3%	3,631,536	3%	3,579,557	3%	2,738,474	2%	5,141,725	4%
Total State Agencies	43,448,402	39%	45,149,300	40%	50,972,997	40%	47,932,140	39%	56,606,105	40%
Subtotal	\$ 110,433,800	100%	\$ 113,503,800	100%	\$ 128,669,367	100%	\$ 124,159,299	100%	\$ 142,846,438	100%
High Priority Projects	\$ 4,150,000		\$ 220,000		\$ 3,023,733		\$ 2,650,000		\$ 5,100,000	
Statewide Funding	4,485,000		5,345,000		6,646,000		7,955,401		9,822,462	
Grand Total	\$ 119,068,800		\$ 119,068,800		\$ 138,339,100		\$ 134,764,700		\$ 157,768,900	

Attachment B - USHE Capital Improvement Allocations 2021-22

Capital Improvement Project Description	DFCM Allocation
University of Utah	
Infrastructure Bond Debt Service	\$ 1,500,000
East Campus Plant - Replace Expansion & Soft Water Tanks	1,643,500
Merrill Engineering South Reroof with Structural Upgrade	3,500,000
Safety/Code Improvements	1,000,000
Eye Wash Stations	75,000
HTW Plant Seismic & Fire Protection Upgrade - Design Only	225,000
Research Administration Bldg. Elevator Modernization	463,500
Chemistry 2nd Floor SE Lab Rebuild & System Upgrade - Design Only	225,000
HTW Plant - Replace Make up Water System	1,351,000
Study & Design Fund	350,000
Biology Fume hood & HVAC Upgrade - NE Quadrant	3,249,300
Eying Chemistry Elevator Modernization	514,000
Life Sciences Seismic Upgrades	3,295,000
HPER Plaza Reroof	1,304,100
Architecture Building Elevator	750,000
East Campus Plant HTW Generator Replacement	2,000,000
Fine Arts West Roof Replacement	273,500
Marriott Library Roof Improvements	477,600
Biomedical Polymers Bldg. Replace Ro/Di Water Piping	1,081,000
SW Chiller Plant - Add Chiller	612,600
Merrill Engineering North Reroof with Structural Upgrade - Design Only	225,000
Tree Replacement Following Wind Storm	200,000
Talmage Bldg. Historical Stairs Replacement	550,700
Biology Fume hood & HVAC UPGRADE - SW Quadrant - Dsign Only	225,000
Fire Sprinkler Line Discharge	400,000
Behavioral Science HVAC Upgrade - Dsign Only	225,000
Eccles Broadcast - Replace AC Unites for UIT Server Room	361,400
Widtsoe Bldg. Historical Stairs Replacement	271,500
Chemisry Lecture Hall Reroof	1,397,900
East Central Plant Chiller Replacement	1,051,000
Building Access Security Improvements	300,000
Total University of Utah	\$ 29,097,600
Utah State University	
Medium Voltage Upgrade	\$ 500,000
Planning and Design Fund	175,000
Campus-Wide Health, Life Safety, Code Compliance & Asbestos Abatement	150,000
Campus Concrete Replacement	300,000
Campus-Wide Bike Racks & Site Furnishings	60,000
Campus-Wide Security Electronic Access Control	200,000
Campus Sign System	50,000
Site & Safety Lighting	350,000
Campus Wide Classroom	250,000
BNR South Wing Window, Wall and Seismic Upgrade	3,250,000

Capital Improvement Project Description**DFCM Allocation**

Animal Science Building Reroof Design	70,000
Price MCC Building HVAC Upgrades	1,500,000
Water Lab Front Bridge	600,000
700 North Street Improvements	2,200,000
Quad North Protal Improvements	650,000
Blanding Campus Concrete Replacements	150,000
Site Lighting Upgrades	150,000
Chiller Replacement	425,000
Price Campus Concrete Replacement	200,000
East Stadium Parking Lot	1,700,000
NR Rume Hood Upgrade	650,000
Aste Building Reroof	950,000
Elevator Upgrades	400,000
Tooele Building Window Replacement	350,000
Experiment Station Greenhouse Backup Generator	200,000
Facilities Building Air Handler Replacement	250,000
Total Utah State University	\$ 15,730,000

Weber State University

Engineering Tech MEP Phase 2	\$ 2,000,000
Boiler Replacement - Ground source conversion - Phase 3 - Noorda	1,507,592
Tunnel Infranstructure Northeast - Noorda	505,010
Water Line Replacement Phase 2	1,134,262
DEC Dome Roof Repair	650,000
Engineering Studies FY2022	50,000
Paving Maintenance - FY 2022	309,530
Campus Stormwater Design	100,000
N1 Modernization - Controls	62,247
Assa Key Rplacement - LL, SC, MH (\$96,115,98 Construction)	109,000
BRT Betterments	150,000
Concrete Repairs - FY 2022	200,000
Total Weber State University	\$ 6,777,641

Southern Utah University

Thunderbird Way Storm Drain/ADA Sidewalk Improvements	\$ 1,000,000
Campus Master Plan	200,000
AFEC Air Handler	250,000
General Classroom Building Reroof	254,622
Hazardous Material/Safety	60,000
SUU - Library Chiller	500,000
Fire Alarm Upgrade GC	200,000
Parking Lot#3 (Conference Center)	106,292
ELC Data Cable Upgrade Phase 1	150,000
Electronic Access Control	70,000
SUU - ELC Air Handler Replacement	450,000
ADA Interior Upgrades	40,000
ELC Data Cable Upgrade Phase 2	200,000
Sharwan Smith Student Center Reroof	380,230
SUU - Technology Window Replacement	250,000
Total Southern Utah University	\$ 4,111,144

Capital Improvement Project Description**DFCM Allocation****Snow College**

Activity Center Roof Replacement	\$	1,259,951
Richfield Administration Building Roof Replacement		690,652
Lucy Phillips Elevator Replacement		167,149
Business Building Plumbing Upgrades		297,637
High Tech Rooftop Unit Replacement		75,397
West Campus Boiler Replacement		510,680
Total Snow College	\$	3,001,466

Dixie State University

Science Building Remodel for Education Department	\$	2,299,055
South Parking Lot		1,500,000
100 South Flood Wall		79,419
High Voltage Loop Upgrades Phase II		540,725
Total Dixie State University	\$	4,419,199

Utah Valley University

Campus Wide - Exterior Door ADA Prox Lock Phase III	\$	435,524
Exterior Infrastructure - Campus Wide Irrigation Controllers		576,000
Campus Wide - Replace Obsolete Light Control Panels Phase I		415,100
Infrastructure - Cp-01 Secondary HW and CHW Pumps and Drives - Re-Engineer/Update System.		1,046,000
Wasatch Campus Cooling Tower - Remove and Replace		350,000
Infrastructure - Central Plant 1 Cooling Tower Pumps and Sand Filter - Remove and Replace		278,000
Numerous Buildings - BTU Meters Installed Various Buildings		227,696
Infrastructure - Cp-02 Secondary HW and CHW Pumps and Drives - Remove and Replace		536,000
BA Heat Pump Heat Exchanger System Overhaul & Ceiling Electrical Upgrade		372,000
BA AHU-03 Change Heating/Cooling Coil From a Two-Pip to a Four-Pipe System. Replace Plate		197,000
Exterior Infrastructure - Campus Wide Sidewalk Connector ADA Safety Phase I		201,000
Infrastructure - Central Plant 3 Well Improvements		243,000
UCCU Events Center Fan walls		563,000
BA Administration Envelope Improvements, Remodel-Repurpose Space		561,000
Various - Campus Wide Lighting and Ceiling Grid Repair Replacement		451,438
Campus Wide Entry Door Replacements Phase I		150,000
GT Replace Dual Duct with Standard VAV		977,000
Campus Wide - Concourse Relight LEDs Phase III - Additional funds Project #20301790		400,000
Total Utah Valley University	\$	7,979,758

Salt Lake Community College

SCC Site Fountain & Site Concrete Replacement		109,115
RRC Tennis Court Replacement		321,221
RRC Steam Pipe Expansion Joints		40,258
JC Quad Concrete Replacement		59,717
SLCC Door Hardware Replacement		110,428
LAC Arena Seating & Gym Floor Replacement		1,551,100
WPC SSB Roof and Rooftop Mechanical Replacement		746,168
100, 200, 300, 400, 600 - SLCC Pavement Maintenance Phase 1&2		1,172,900
LHM PSET Dorm Condensate Re-Pipe, SCC Culinar Re-Pipe		261,734
SLCC Mechanical Controls Upgrades		1,554,455
RRX Xeriscape		333,141
SLCC Pavement Maintenance Phase 3		521,840

Capital Improvement Project Description**DFCM Allocation**

RRC Heat Plant Boiler Replacement		456,300
Total Salt Lake Community College	\$	7,238,377

Bridgerland Technical College

Energy Loan Repayment	\$	173,333
Main Campus - Culinary Arts - Walk-In Refrigerator/Freezer Refrigeration systems, replace flooring, appliances, plumbing fixtures and lighting		94,789
West Campus - Replace EPDM Single-Ply Membrane		1,003,218
Main Campus - Isolation Valves in Hot Water Heating System Main & Branch Lines		150,000
Main Campus, West Campus - Improve the Power Factor in the Electrical Systems		150,000
Total Bridgerland Technical College	\$	1,571,340

Davis Technical College

Main Campus Emergency Backup Power Infrastructure	\$	350,000
Composites and Automation Roof Replacement		579,466
Parking Lots 2 & 4 Seal Coat and Stripe		27,340
Main Campus Building Automation Upgrade		403,280
Redundant Chiller		300,000
Total Davis Technical College	\$	1,660,086

Dixie Technical College

Old Airport Parking Lot Lighting Upgrade	\$	89,566
Total Dixie Technical College	\$	89,566

Mountainland Technical College

Provo Campus Upgrade Dental and IT Programs	\$	1,000,000
Provo Campus Roof Upgrade		264,967
Total Mountainland Technical College	\$	1,264,967

Ogden-Weber Technical College

Phase Three - Steam Infrastructure Repairs/Replacement	\$	1,000,000
Phase Two - Upgrade Fire Alarm Systems		450,000
Total Ogden-Weber Technical College	\$	1,450,000

Southwest Technical College

A&T - Parking Lot Improvements & Lighting	\$	309,500
Server & IDF Rooms Fire Suppression		80,325
HP&T - CDL Concrete Parking		74,520
Total Southwest Technical College	\$	464,345

Tooele Technical College

Parking Lot Crack Seal and Seal Coat	\$	36,120
Bathroom Tile		42,000
Total Tooele Technical College	\$	78,120

Uintah Basin Technical College

Window Replacement (Phase II)		291,968
Roofing Replacement		1,014,756
Total Salt Lake Community College	\$	1,306,724

UTAH SYSTEM OF HIGHER EDUCATION TOTALS	\$	86,240,333
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UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB L

May 20, 2021

Office of Commissioner Quarterly Budget Update – 3rd Quarter FY 2021

The attached report summarizes the year-to-date activity for the Office of the Commissioner of Higher Education's budget for fiscal year 2021. The budget for personnel, travel, and current expenses is categorized using four separate programs. These programs are Administration, Pass-Through, Financial Aid, and Utah Medical Education Council. The attached report compares the year-to-date expenses with the percentage of the year that has passed. This helps in evaluating how well expenses are tracking with the budget. Noteworthy expenses are as follows.

Pass-through and Financial Aid

Pass-through and financial aid programs represent funds that our office receives and passes/transfers onto institutions. Usually, most of these funds are transferred during the first quarter but there were some notable transfers made in the third quarter. We noted that \$450,000 was sent to the Trula Foundation and \$250,000 CARES funds were sent for Regents' Scholarships.

Summary

Comparing the year-to-date expenses with the percentage of the year that has passed gives us a way to make sure that the expenses are within the budget. With some slight variations, mostly due to timing, the expenses are well within the established budget.

Commissioner's Recommendation

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

Attachment

**Utah Board of Higher Education
FY 21 Quarterly Budget Report
As of March 31, 2021**

Administration	FY21 Budget	Q1	Q2	Q3	YTD %
Personnel	5,625,847	1,306,529	1,712,338	1,320,785	77%
Travel	84,000	1,788	1,097	2,060	6%
Current Expense	2,433,053	553,040	29,349	76,668	27%
Pass-Through					
Personnel	98,786	26,024	25,284	25,918	78%
Travel	2,500	907	-	-	36%
Current Expense	14,663,258	10,795,435	1,702,322	458,661	88%
Financial Aid					
Personnel	245,195	42,669	49,618	49,050	58%
Travel	-	-	-	-	-
Current Expense	30,625,105	28,817,869	1,099,345	308,513	99%
UMEC					
Personnel	621,165	163,036	207,227	152,920	84%
Travel	25,000	323	-	-	1%
Current Expense	1,635,000	144,505	50,645	39,478	14%

