MEMORANDUM

UTAH SYSTEM OF
HIGHER EDUCATION

June 6, 2024

USHE – Auxiliary Enterprise Operations Report

Board Policy R550, *Auxiliary Enterprises Operation and Accountability*, requires the Commissioner's office to prepare an analysis of the financial condition of auxiliary enterprises at each USHE degree-granting institution for the Utah Board of Higher Education to review and monitor.

Auxiliary enterprises are business activities or other essential self-supporting activities (as distinguished from primary programs of instruction, research, public service, organized activities, and intercollegiate athletics), the principal purpose of which is to provide specific services to students, faculty, staff, or guests of the institution.

Auxiliary enterprise operational revenue is important to an institution where net income from operations is often used for various campus projects, such as meeting revenue bond obligations, funding facilities repair and replacement needs, building reserves, and meeting other campus needs.

Institutional campus stores, housing, food services, and student centers are classified and managed as auxiliary enterprises. While these four auxiliaries are common amongst most of the institutions and are reported separately in the report, institutions also have other auxiliary services that are reported in the total actual and budget report sections. A full list can be found in Board Policy R550.

The ending fund balances for fiscal years 2022-23 actual and 2023-24 budgets show 15 of 16 institutions reporting positive or break-even balances. Actual and budgeted revenues and expenditures for all auxiliaries and the four major auxiliaries of campus stores, housing, food services, and student center can be found in the attached summaries, along with institution deficit responses.

Commissioner's Recommendation
This is an information item only; no action is required.

Attachment
- Attachment 1 – USHE Report on Auxiliary Funds
- Attachment 2 – 2022-23 Auxiliary Enterprise Operations Deficit Response