



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

January 13, 2023

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 Board review and monitoring.

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 service, 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 on the report, institutions also have other auxiliary services reported in the total actual and budget report sections. A full list can be found in Board Policy R550:

<https://public.powerdms.com/Uta7295/tree/documents/2022253>

The 2021-22 actual total ending fund balances appear healthy, with most institutions reporting positive balances. The increases in net income reflect the recovery of lost services due to COVID-19 from the previous year. The fiscal year 2023-23 budgets are projected to balance or increase fund balances.

Campus Stores – provides textbooks, clothing, technology, and general merchandise. For 2021-22, increased net income occurred at seven institutions, with total revenues increasing by 16% compared with 2020-21.

Housing – institutional-owned housing. For 2021-22, all institutions have positive net incomes, with total revenues increasing 36% compared with 2020-21. Utah Valley University, Salt Lake Community College, and technical colleges do not own campus housing.

Food Service – campus dining, catering, convenience stores, meal plans, etc. For 2021-22, positive net income occurred at seven institutions, with total revenues increasing 71% compared with 2020-21. Tooele Technical College does not operate food services.

Student Center – student recreation, socialization, activities, and related services such as dining, conference services, lounges, entertainment, and vendors. For 2021-22, net income at five of seven institutions was positive, with total revenue increasing 15% compared with 2020-21. Snow College and technical colleges do not operate a student center.

Commissioner’s Recommendation

Information item only; no action is required.

Attachment