2022-23 Auxiliary Enterprise Operations Deficit Response

University of Utah: "Our Student Center deficit was due to repair and maintenance of 157k from prior fiscal years that were delayed due to losing maintenance workers, so a significant number of those projects were deferred until FY23 (80k of that was to fix an elevator that had unexpected increased scope). Utilities also had an increase of 40k. Operational and office supplies had an increase of 137k."

Utah State University: "The Campus Store operating loss in FY23 was due in part to supply shortages, which reduced overall sales in clothing and technology. In addition, demand was reduced immediately following COVID-19 as many departments and individuals purchased new technology during COVID-19. Overall margins were reduced as textbook sales moved from print to lower-margin digital textbooks. During this time, the Campus Store recognized implementation costs for a new point-of-sale system as well as a new athletics merchandise website, which increased overall expenses during the fiscal year. Going forward, the Campus Store will be implementing a flat-rate program providing students with all required textbooks on the first day of class. This will significantly improve the campus store's net income. Also, supply chains are becoming more dependable, and demand is increasing for technology products."

Weber State University: "The Campus Store continues to transition its model from a traditional campus store to a true retail operation as we move further with the Equitable Access approach to course materials. As we transition, we are experiencing transitionary costs that will be mitigated as we fully switch our operating model. The VSIP program caused multiple employees to retire, and those positions have not been filled. With significant increases in COGS (costs of goods sold) due to inflation, we are developing strategies to increase stated revenue streams, find new ones, and keep costs low. Weber State auxiliaries have a large fund balance that will continue to backstop any intermittent operating losses. As for the Student Union, the deficit will be covered by our large fund balance. Facilities Management took over the management of maintenance and custodial duties, and Union staff will work with FM staff to mitigate some of the additional expenses moving forward. And for housing, the deficit will be covered by our large fund balance. Facilities Management took over the management of maintenance and custodial duties, and housing staff will work with FM staff to mitigate some of the additional expenses moving forward."

Snow College: "Snow has a negative balance in Food Service. There needed to be a transfer to Food Service for the food and other upgrades for the FSY program as well as other summer camps, which were not transferred until after year-end. With the revenue from FSY and other summer camps, Food Service is able to stay in the positive, but many expenses come early in the summer months, and revenue comes in late summer, which crosses over the fiscal year."

Utah Valley University: "Campus Store revenue increased from FY22 to FY23 by 40%; however, during the year, the costs of goods sold and other expenses also increased. Inflation has played a significant role in increased costs. Among the increased expenses was a mandatory increase in salaries and wages for all the UVU employees. Wages and benefits increase by about $100,000. Additionally, in an effort to improve processes and controls, the Campus Store invested resources into better software. The cost of the software added an additional $190,000 in expenses during FY23. Currently, management is evaluating revenues and expenses to continue increasing sales while reducing expenses to improve the net income of the Campus Store."

Salt Lake Community College: "The SLCC Campus Store had a negative net income of $100k as of June 30, 2023, due to the commissions received from campus store vendor sales and did not cover SLCC's campus store-related expenses. Other auxiliary fund balances along with Higher Education Emergency Relief Funds (HEERFI, II, and III) were transferred to cover this deficit. SLCC Food Services had a negative net income of $398k as of June 30, 2023, due to the contractual cost share with our food service vendor. Other auxiliary fund balances along with Higher Education Emergency Relief Funds (HEERFI, II, and III) were transferred to cover this deficit."

Bridgerland Technical College: "The Bookstore and Café are highly valued resources for students and faculty at Bridgerland Technical College. BTECH is committed to keeping these auxiliaries available for students and faculty and will look for opportunities to improve efficiencies for each operation. The Café was under construction for most of FY23. They operated in a reduced space, with limited offerings during this time, resulting in reduced revenues and expenses for the year. Operating losses will be covered through funds transferred in to cover any negative balances."

Davis Technical College: "*Food Service Auxiliary:* Operational improvements, price increases, and cost-cutting measures helped DTC reduce the food service auxiliary net loss from $(84,059) in FY22 to near break-even $(934) in FY23. We expect these changes to continue to provide positive results going forward in FY24. *Campus Bookstore:* The bookstore experienced a small $(4,127) operating net loss in FY23. This negative net income resulted from increases in COGS, supplies, and labor costs that were not entirely offset by revenue growth. With continued revenue growth and cost stabilization expected in FY24, we anticipate the bookstore will return to profitability."

Dixie Technical College: “Plans for improvement for FY22 resulted in substantial improvements in net revenue. The college is continuing to refine offerings and control expenses. The small FY23 deficit was covered by a Campus Store surplus.”

Mountainland Technical College: "MTECH continues to restructure its College Store operations. Revenue decreased significantly because of this effort, and we expect deficits to decrease going forward. MTECH can likely allocate more Food Services costs to instruction in the future as our Grill and Catering operations directly support our Culinary Arts Program, thus decreasing future deficits."

Ogden-Weber Technical College: “The prior College Store Manager retired halfway through the year. With the hiring of a new manager, the store went through a reorganization of a new team and new offerings that were more favorable to the needs of students outside of required books and materials. With the new restructuring of the store, we ended with a negative net income of $89,994. We anticipate increased sales and a break-even or a positive net income to start decreasing past deficits for the next year. Food Service is part of the hands-on training in our Culinary Arts program by offering the Grille. The negative net income of $81,716 is a result of doing business as a program. Part of the loss is attributable to waste because students are learning as they are serving the food. The other part is that food costs have increased, and the price points at the Grille have stayed lower because it is part of a training program. It is anticipated that over the next year, the new offerings of lunch, dinner, and a food trailer at our satellite campus will increase sales, show a positive net income, and start decreasing past deficits.”

Tooele Technical College: “The Tooele Tech Campus Store ended with a deficit of $4,333, due in part to a low-profit margin and a recognized loss on obsolete items. The college is evaluating whether to increase the margin in order to generate a profit in the bookstore.”