

Consider Temporary Suspension of Board Policy on Auxiliary Enterprises (First Read) **Elaine Frisbie**
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Summary

Board staff recommend the Board consider a temporary suspension of the section of the policy manual related to finances of the universities' auxiliary enterprises.

Background

Board policy prohibits the use of state funds for the operation of auxiliary enterprises of the state universities. It is suggested that the last sentence of Section II.D.9.b. of Chapter II of the policy manual be suspended from July 1, 2020 until June 30, 2021 to grant the universities greater flexibility as they respond to the impact of the coronavirus pandemic on campus operations.

D FISCAL MANAGEMENT AND BUSINESS ADMINISTRATION (see Chapter III., Section B. for additional fiscal management policies applicable to state universities)

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9 AUXILIARY ENTERPRISES

- a Auxiliary enterprises are self-supporting state university-operated enterprises, which include, but are not limited to, student housing, student health services, unincorporated student unions, and parking.
- b The operation of auxiliary enterprises on campus is authorized when such business is related to the educational objectives of the university. Before commencing operation of an auxiliary enterprise, the university shall first submit the proposed plan for the financing, operation and management of the auxiliary enterprise to the Board for approval. **State funds shall not be used to subsidize the operation of any organization operated as an auxiliary enterprise unless specified by bond covenants or by Board action.**
- c Buildings may not be transferred from auxiliary enterprise restricted use support to general use support without approval by the Board.