

## Monthly Investment Performance Report

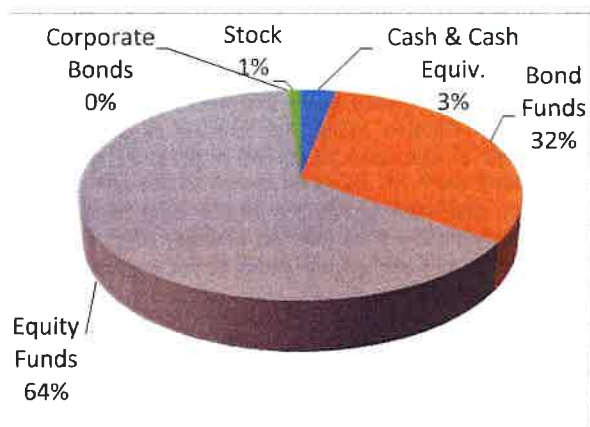
### OVERVIEW

Snow College's Endowment Pool grows with support by Snow College friends and alumni. Distributions from the Endowment Pool play a significant role in funding scholarships for Snow College students and help the College achieve its core mission themes of: Tradition of Excellence, Culture of Innovation, and Atmosphere of Engagement.

The investment management of endowment assets requires balancing portfolio risks and expected returns to meet long-term objectives. The goal of the Endowment is to provide a steady stream of income to fund scholarships for Snow College students while preserving the purchasing power of the assets for the benefit of future generations.

### INVESTMENT ALLOCATION

The asset allocation includes a diverse mix of investments with the following target allocation: 58% fixed income, 40% global marketable equities, and 2% cash and cash equivalents. Actual holdings for the current period ended are:



Cash & Cash Equiv.	3.1%	310,560
Bond Funds	31.6%	3,159,989
Equity Funds	64.3%	6,430,437
Corporate Bonds	0.0%	-
Stock	1.1%	106,427
<b>Endowment</b>		<b>7,764,569</b>
<b>Quasi-Endowment</b>		<b>2,242,843</b>
<b>Total Endowment</b>		<b>10,007,412</b>

### ACTIVITY

No Activity

### RETURNS



#### Market over Book Value:

	Jan-19	FY '18	FY '17
Book Value	9,689,841	9,389,770	8,298,381
Market Value	10,017,412	10,141,955	8,851,032
Unrealized Gain/(Loss)	3.4%	8.0%	6.7%

Last year, our Market Outlook theme was "it's getting late," which accurately forecast what happened in 2018: an expansion of the late-stage business cycle and an increasingly bumpy ride for stock markets. We've already seen declining growth rates in 2018, and heading into 2019 there are signs that an economic peak and potential recession may be coming. Rising interest rates, declining liquidity and sluggish global growth—with trade conflicts as an additional headwind—may weigh on economic growth and market performance in 2019. Investors should be prepared for increasing market volatility, and possibly even a bear market, in the coming year. – Charles Schwab

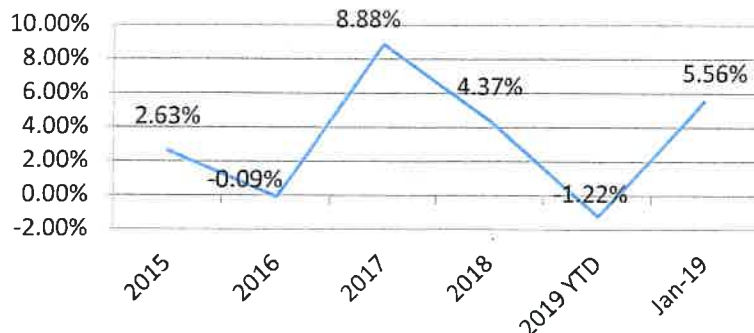
#### Endowment Returns:

Period Ending: 1/31/2019

	Jan-19	FY '19 YTD	FY '18
Income	3,166	298,253	160,616
Unrealized Gain/(Loss)	551,974	(421,696)	226,595
Rate of Return	5.56%	-1.22%	4.37%

	FY '17	FY '16	FY '15
Income	173,383	151,988	233,696
Unrealized Gain/(Loss)	516,339	(157,488)	(72,388)
Rate of Return	8.88%	-0.09%	2.63%

**Monthly Investment Performance Report**
**RETURNS (continued)**
**Rate of Return**

**MARKET OUTLOOK**

A few short months ago, the U.S. economy was cruising along with strong growth momentum. But the environment clearly has changed. Financial markets have encountered turbulence and economic growth has slowed. What happened?

Some of the deceleration in economic activity is policy induced. Higher rates, brought about by Fed tightening last year, appear to have weighed on the housing market. Chinese tariffs on American goods, which were levied in retaliation for American tariffs on Chinese products, have caused U.S. exports to China to weaken significantly. In addition, slower global growth, in conjunction with booming petroleum supply in the United States, led to a sharp decline in oil prices in the fourth quarter.

Lower oil prices should help to support real disposable income growth, which should underpin continued solid growth in real personal consumption expenditures. The drop in oil prices will also weigh on investment in the energy sector, similar to how it did in 2015-2016. The impact should be less dramatic, however, reflecting the more modest rebound we have seen in exploration and production. Accordingly, we have pared back our forecast for business fixed investment as well as real GDP growth.

We have also made some changes to our forecast for Federal Reserve policy. We continue to look for the FOMC to hike rates by 50 bps in 2019, but we have pushed back the timing for its first 25 bps rate hike to June (from March). We look for one more 25 bps hike in December, before the Fed reverses course in late 2020 as real GDP growth slows further. – Wells Fargo Advisors

**AVERAGE ANNUAL RETURN**

	Month	Fiscal YTD	FY '18	FY 3 Years	FY 5 Years
<b>Total Endowment</b>	5.56%	-1.22%	4.37%	13.81%	31.79%
S&P 500	7.87%	-0.83%	12.52%	32.17%	69.75%
ACWI Index	8.04%	-2.24%	8.28%	19.28%	41.82%
Dow Jones Industrial A	7.17%	2.85%	13.85%	37.96%	63.03%

**UNITS**

To be added.

**DONATIONS**

	January # of Donations	Jan-19	FY '19 YTD	Total Balances
<b>Restricted Donations</b>				
Endowment Donations	8	41,160	85,292	10,007,412
Scholarship Donations	73	30,729	344,160	1,426,023
Other Donations	37	6,746	616,035	*
<b>Unrestricted Donations</b>				
Donations to Foundation	14	1,919	53,268	250,703
<b>Total Restricted &amp; Unrestricted</b>	<b>132</b>	<b>80,554</b>	<b>1,098,755</b>	<b>11,684,138</b>

\* These donations are donated to various fund budgets and are mingled and spent with other sources of those fund budgets

**Total Donations**

External Donations	21	78,439	1,080,856
Employee Donations	111	2,115	17,899
<b>Total Donations</b>	<b>132</b>	<b>80,554</b>	<b>1,098,755</b>

**IN-KIND DONATIONS**

January Donations: \$0

FY '19 YTD: \$23,996

## ACCESS & DEMOGRAPHICS

**5,514**

Student enrollment,  
Fall 2018

**65%**

Student growth since 2008,  
including both campuses &  
concurrent enrollment

**92%**

of students are from  
the state of Utah

**32%**

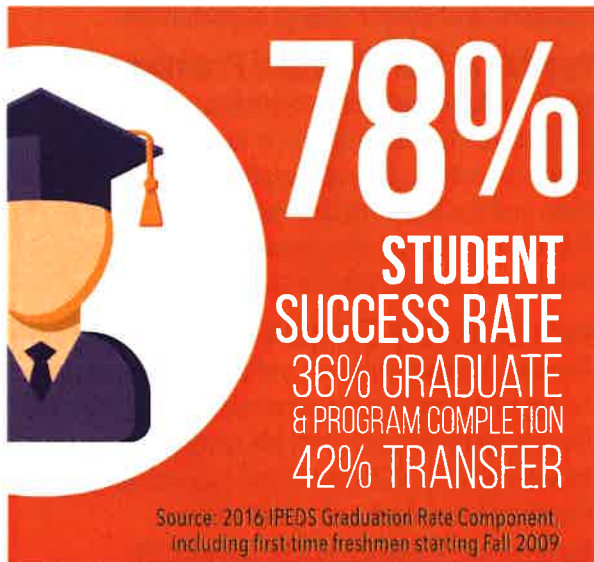
of students are  
first-generation  
or socioeconomically  
disadvantaged

**16%**

of students are from  
diverse families

**39** states and **42**

foreign countries are  
represented at  
Snow College



*Thank You!*

Snow College is grateful for the support of the 2018 Legislature and taxpayers of Utah. We were able to have all employees' salaries adjusted to meet the median national average, receive capital development support, and enhance our academic and student support programs.

EPHRAIM AND RICHFIELD CAMPUSES

ESTABLISHED 1888 - 130 YEARS OF SERVICE

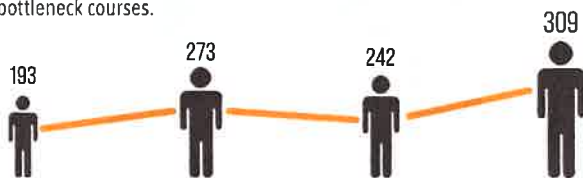
# SNOW COLLEGE USHE 2019-2020 OPERATING BUDGET REQUEST

## INFORMATION TECHNOLOGY • HUMAN RESOURCES • GENERAL EDUCATION

### IT UPGRADES AND EMPLOYMENT - \$1,010,000

#### Regents' Strategic Priorities: Capacity

- Additional full-time employees and ongoing equipment funding are needed in our Information Technology department to meet the challenges of Information Security, backup, storage, information access and growth capacity.
- A Human Resource specialist will support our Human Resource office to respond to growing College needs.
- Four additional faculty are needed in high-demand areas to reduce bottleneck courses.



NUMBER OF FULL-TIME COLLEGE EMPLOYEES – 2004-2009-2014-2019

## STUDENT SUCCESS

### PREDICTIVE ANALYTICS SOFTWARE AND STUDENT SUCCESS EXPANSION - \$170,000

#### Regents' Strategic Priorities: Timely Completion

- Predictive analytics software is needed to meet the growing demands of assessing student progress and help students complete their programs.
- Additional personnel will be able to better assist students with necessary advising support.

## CAMPUS SAFETY

### CAMPUS & STUDENT SAFETY - \$45,000

#### Regents' Strategic Priorities: Capacity

- With changing student demographics and increased needs and the importance of safety, we need to increase the level of security for all students. An additional officer will assist the current two full-time officers who cover campus events and needs.

**TOTAL - \$1,225,000**



## SNOW COLLEGE IS COMMITTED TO STUDENT SUCCESS. OUR PROMISES:

### Promise 1: Our Academic Promise

- Provide the best general education program
- Help make a successful transition to college
- Provide personal advising and coursework help
- Help choose the best courses for the student's goals
- Help students succeed in their graduation plans
- Provide accessibility services and accommodations
- Academic and unique college opportunities

### Promise 2: Our Financial Promise

- Keep our tuition and fees affordable
- Help students understand how to pay for college
- Help students successfully apply for financial aid
- Help find the best scholarships
- Provide the best-priced campus housing
- Provide on-campus jobs for students

### Promise 3: Our Campus Life Promise

- Provide a student wellness and counseling center
- Foster an inclusive and diverse campus environment
- Provide an involved student life program
- Provide friendly advisement and support services
- Provide a helpful job and career center
- Ensure a fun, friendly and safe campus life

USHE-Impact of Senate Bill 102  
(Draft from Commissioner's Office)

Issue

Senate Bill 102, Higher Education Capital Facilities (2019 General Session) substantially alters funding for USHE capital facilities by providing \$33,000,000 this year, \$66,000,000 next year, and \$100,000,000 each year thereafter for the Board of Regents to distribute by formula. Metrics and weights for the formula as required by the bill are proposed for Regent review and discussion ahead of formal policy development and approval.

Background

Senate Bill 102 creates two processes for funding USHE capital development needs. The first process sets aside \$100,000,000 each year (after an initial two-year phase-in period) for USHE capital projects and requires the Board of Regents to determine how to allocate those funds based on six statutory factors:

1. Enrollment
2. Total performance across the metrics described in Utah Code 538-7-706
3. Projected growth in student population
4. Existing square feet per student full-time equivalent
5. Facility age and condition
6. Utilization of academic space including off-campus facilities

The legislation requires the Regents to establish a process for allocation based on the six factors before August 1, 2019. Specifically, the Regents must determine how to measure USHE institutional fulfillment of the six factors and the relative weight for each factor. The Commissioner's Office has created an initial proposal that has been shared with the institutions and is attached for initial comments and discussion by the Board. In order to provide guidance to the USHE institutions for the upcoming capital development cycle, the Commissioner's Office will use Board comments and feedback from the Regent Capital Committee to develop policies documenting the process for action in the May or July Board meeting.

The second process created by the legislation allows the Board of Regents to submit between one to three additional capital development projects to the state legislature for funding each year. This process allows the Board to prioritize requested projects in a similar way as prior years and provides additional flexibility to the institutions with smaller funding allocations.



# ISSUE BRIEF

No. 2019-1 | February 2019  
Richard Amon

## Senate Bill 102, *Higher Education Capital Facilities*

### Comparison with Current Capital Prioritization Process

Process	Current Regent Practice	Senate Bill 102 Change	Line
<b>Facility Funding</b>	Funds are available on a year-to-year basis as determined by economic conditions and legislative priority	- Appropriation of \$100,000,000 ongoing to the USHE Capital Project Fund - Backs out some money one-time for two years	808-860
<b>Regent Allocation</b>	None	- Regents determine metrics and weights to allocate funds based on legislative criteria: + enrollment + total performance + projected growth in student population + square feet per student FTE + age and condition of facilities + utilization of academic space - Regents annually allocate funds to institutions	281-301
<b>Institution Presentations</b>	- Institutions present projects for Regent prioritization	- Institutions present projects to use allocation - Regents determine if a project: + is cost effective and efficient use of resources + is consistent with the institution mission + is consistent with the institution master plan + fulfills a critical institutional facility need	307-313
<b>Regent Prioritization</b>	- Regents rank based on criteria: + need + facility condition + donations + Regent criteria	- Regents rank additional projects based on criteria: + need + facility condition + utilization + Regent criteria	330-353
<b>Submission of Prioritized Projects</b>	Regents submit all projects to Governor, Building Board, and Legislature	Regents submit between 1 to 3 projects to Governor, Building Board, and Legislature depending on allocated funding levels	314-329
<b>Facility Design</b>	No "phase" funding: only funded projects are designed	Allocated funds may be used for design	546-562
<b>Bonding</b>	Capital funds are not used for debt service	Allocated funds may be used to pay debt service on legislatively approved bonds (2/3 <sup>rd</sup> vote)	272-276
<b>Operation Maintenance Funding</b>	Legislature may appropriate an ongoing amount when a project is approved	Legislature may appropriate an ongoing amount when a project is approved	354-357
<b>Legislative Process</b>	- Legislature prioritizes projects - Legislature funds projects	- Legislature approves Regent recommendations for project construction using allocated funds - Legislature prioritizes additional projects - Legislature funds additional projects	305-306
<b>Project Follow-up</b>	No current process, although Regents may create one	Regents review each project at completion including the final cost and design	358-360