

R741, Threshold Requirements for Capital Development Project Requests ¹

R741-1 Purpose: To outline the threshold requirements all Utah System of Higher Education (“USHE”) institutions must meet to be considered for allocation of appropriated capital project funds.

R741-2 References

- 2.1 [Utah Code § 53B-2a-117](#), Technical Colleges – Capital Development
- 2.2 [Utah Code § 53B-22-204](#), Board Prioritization, Approval and Review
- 2.3 [Utah Code Title 63A, Chapter 5b](#), Administration of State Facilities
- 2.4 [Board Policy R701](#), Capital Facilities
- 2.5 [Board Policy R706](#), Capital Facilities Master Planning
- 2.6 [Board Policy R743](#), Degree-granting Institution Dedicated Capital Project Allocation
- 2.7 [Board Policy R744](#), Technical College Capital Project Prioritization Process
- 2.8 [Board Policy R751](#), Institutional Facilities Space Utilization

R741-3 Definitions

3.1 “Capital Development Project” means:

3.1.1 A remodeling or site or utility improvement project with a total cost of \$3,500,000 or more;

3.1.2 A new facility with a construction cost of \$500,000 or more; or

3.1.3 A purchase of real property if an appropriation is requested and made for the purchase.

3.2 “Dedicated Project” means a degree-granting institution’s capital development project funded by the institution’s allocation under Utah Code section 53B-22-201 or from the Utah Board of Higher Education’s (“Board”) prioritization of dedicated funds for a technical college under Board Policy R744.

3.3 “Nondedicated Project” means a capital development project for which state funds from a source other than the institution’s allocation are requested or used.

3.4 “Capital Program” means the services to define the scope and purpose of a proposed capital project as defined in Utah Code section 63A-5b-502.

R741-4 Policy: Prior to prioritization of a capital project, an institution shall outline how the project, whether dedicated or nondedicated, meets the following requirements²:

4.1 Cost-Effective and Efficient Use of Resources

4.1.1 Institutions shall submit an up-to-date detailed capital program and a capital budget estimate reviewed by the Division of Facilities and Construction Management (“DFCM”). Institutions shall also describe to the Board how the project prudently and economically uses state and institutional resources.

4.1.2 With the assistance of DFCM and using the DFCM cost database, institutions shall compare the costs of the proposed facility with projects of like size and function and justify

¹ *Adopted July 14, 2022. Amended November 18, 2022; and XXX.*

² The requirements that follow are mandated by statute for degree-granting capital projects, both dedicated and nondedicated, while the Board extends them here to technical college capital projects, both dedicated and nondedicated.

significant differences in comparable costs.

4.1.3 Institutions shall provide the total cost of ownership for the proposed facility, including the annual cost of operation and maintenance, the total cost of operation and maintenance over the useful life of the facility, and the total cost of capital improvements over the estimated life of the facility, and describe the funding sources available to pay those costs.

4.2 Consistent with Institutional Role, Mission, and Master Plan

4.2.1 Institutions shall demonstrate how the proposed facility will meet institutional needs and is consistent with the institution's role and mission.

4.2.2 Institutions shall demonstrate how the proposed facility aligns with the institutional master plan and the 5-year plan required by Board Policy R706.

4.3 Fulfillment of a Critical Institutional Facility Need

4.3.1 Institutions shall demonstrate the need for the facility by providing quantifiable evidence, which may include measures of program growth, enrollment, facility obsolescence, etc.

4.3.2 Institutions shall provide current facility utilization measures and describe how the project will improve institutional space utilization, including how the institution will measure and report its improved utilization to the Board.

4.3.3 Institutions shall provide current deferred maintenance information, including the dollar amount of institutional deferred maintenance and a description of how the project will affect deferred maintenance.

R741-5 Board Submission of Authorized of Projects: The Board shall neither prioritize, nor submit for approval for legislative funding, a capital project that does not meet the threshold requirements.