



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

May 18, 2023

Capital Improvement Update for 2023-24

Capital improvement projects are also known as alterations, repairs, and improvements or AR&I. These projects help maintain existing facilities by repairing and replacing old and failing components, systems, and equipment. Typical projects include utility upgrades, correction of code violations, roofing repairs, structural improvement, hazardous materials abatement, and remodeling of nonfunctional spaces.

Utah Code 63a-5b-401(2) defines a capital improvement as:

- Remodeling, alteration, replacement, or repair projects with a total cost of less than \$3.5M
- Site and utility improvements with a total cost of less than \$3.5M
- A utility infrastructure improvement project that:
 - (a) Has a total cost of less than \$7M;
 - (b) Consists of two or more projects that, if done separately, would each cost less than \$3.5M; and
 - (c) The division determines it's more cost effective or feasible to be completed as a single project; or
- New facility (space) with a total construction cost of less than \$500K.

By statute, the state legislature delegates authority to DFCM to allocate capital improvement funds to specific agency and institutional projects. Institutions request projects yearly based on each institution's inventory of needed capital improvements. DFCM allocated over \$96 million to USHE institutions for capital improvement projects in FY 2024 (57% of the allocation). The almost \$210 million appropriated by the state legislature for FY 2024 is the largest amount of capital improvement funding provided by the legislature.

Despite high levels of funding over the last several years, institutions continue to have a greater need than available funding. For FY 2024, USHE institutions requested \$405.8 million of capital improvement projects and received funding of \$96.5 million. Respectfully, there are over \$658.1 million of identified capital improvement projects throughout the State.

The materials attached provide additional information and detail on the capital improvement funding for FY 2024. The attachments include (1) a five-year summary of capital improvement funding and (2) the detail of the projects requested and funded for USHE institutions in FY 2024.

Commissioner’s Recommendation

This in an information item only; no action is required

Attachments