



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

June 6, 2024

Technical College Dedicated Capital Project Allocation Proposal

Utah Code 53B-22-202 creates the Higher Education Capital Projects Fund, which currently holds \$100,689,700 in ongoing appropriations to support capital development projects at degree-granting institutions. Appropriations in the fund are distributed to institutions based on the following variables defined in statute and USHE Board Policy R-743, Degree-granting Institution Dedicated Capital Project Allocation:

- Enrollment (20% Weight)
- Performance Metrics (15% Weight)
- Projected Growth in Student Population (15% Weight)
- Square Feet per FTE (15% Weight)
- Facility Age and Condition (20% Weight)
- Current Space Utilization (15% Weight)

The Higher Education Capital Projects Fund explicitly supports degree-granting institution-dedicated projects. Dedicated projects at degree-granting institutions are typically requested in the form of new capital facilities, a remodel or renovation of existing capital facilities with a total cost of \$3,500,000 or more, or landbank acquisitions.

Utah Code 53B-2a-118 creates the Technical Colleges Capital Projects Fund, which currently holds \$19,310,300 in ongoing appropriations to support capital development projects at technical colleges. Unlike distributions to degree-granting institutions from the Higher Education Capital Project Fund, balances in the Technical Colleges Capital Project Fund have not followed an institution-specific allocation formula. Instead, it has been UBHE practice to recommend to the legislature that any available balance in the Technical Colleges Capital Projects Fund be used to partially offset costs of a non-dedicated project request in a year in which the Board is requesting funding for a non-dedicated project at a technical college. While this practice has helped to secure new appropriations via the buy-down of legislative asks for technical college non-dedicated projects, it has also disproportionately advantaged institutions with priority non-dedicated projects and prevented the technical college system from pursuing independent dedicated projects like those of degree-granting institutions.

In collaboration with technical college presidents, the Commissioner's office has developed the below Fiscal Year 2026 Technical Colleges Capital Projects Fund allocation formula. This draft formula incorporates feedback from presidents requesting that the allocation methodology be as simple as possible and deemphasize the 10-year projected space need variable until the underlying data is more robust. This formula also recognizes legislative intent that capital projects fund allocations contemplate institution performance and space-related metrics as articulated in code for degree-granting institutions.

- Enrollment (45% Weight)
- Performance Metrics (15% Weight)
- Projected 10-Year Space Need (20% Weight)
- FTE Projections
- Assignable Square Feet Guidelines
- Facility Age and Condition (20% Weight)

The attachment to this memo illustrates the allocations to each technical college using this formula. However, these allocations are preliminary since the input variables will be updated and finalized during the 2025 general legislative session. Finally, if this formula is adopted for FY 2026, the Commissioner recommends that in future years the weights for enrollment and the 10-year projected space need be transposed.

Commissioner's Recommendation

The Commissioner recommends that the Board adopt the proposed FY 2026 Technical College Capital Project Fund allocation formula and direct the Commissioner's office to develop a corresponding policy for Board approval.

Attachments:

- Attachment 1 – Technical College Capital Project Fund FY 2026 Allocation Table