



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

June 6, 2024

FY 2026 Capital Project Request Process & Timeline

Various provisions in the Utah Code and the Utah System of Higher Education (USHE) Board series R700 policies establish USHE Board responsibilities over institution capital facility and real property planning, development, improvement, acquisition, disposal, and funding recommendations, among other aspects of institution capital governance. This memo and attachments describe the process and timing around which institutions will submit requests for new capital development projects in Fiscal Year 2026.

Board Policy *R741, Threshold Requirements for Capital Development Project Requests* outlines the requirements institutions must meet to be considered for appropriated capital project funds. Prior to prioritization of a capital project, an institution shall outline how the project, whether dedicated or nondedicated, meets the following requirements:

- Cost-effective and Efficient Use of Resources
- Consistent with Institutional Role, Mission, and Master Plan
- Fulfillment of a Critical Institutional Facility Need

Higher Education Capital Projects Fund and Dedicated Projects

Utah Code 53B-22-202 creates the Higher Education Capital Projects Fund, which is estimated to hold over \$200,000,000 in Fiscal Year 2026 (including \$100,689,700 in ongoing base budget 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 *R743, 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 are typically requested in the form of new capital facilities or a remodel or

renovation of existing capital facilities with a total cost of \$3,500,000 or more. State code and USHE Board Policy [R745, Approval Process for Use of Dedicated Capital Project Funds](#) require the Board to annually review and approve or deny an institution's request for the use of dedicated project funds. Board-approved dedicated projects must be submitted to the governor, the Higher Education Appropriations Subcommittee, the Infrastructure and General Government Appropriations Subcommittee, and the Division of Facilities Construction Management (DFCM). Board-approved dedicated projects must be recommended by DFCM to move forward but need not be prioritized by DFCM. Institutions may defer the use of dedicated capital project fund allocations in a given year to accumulate resources to fully (or more substantially) cover expenditures for higher-cost projects.

Degree-Granting Institution Non-Dedicated Projects

By Utah Code 53B-22-204 and USHE Board Policy [R742, Degree-granting Institution Nondedicated Capital Project Prioritization Process](#), the amount of ongoing appropriations to the Higher Education Capital Projects Fund determines the number of degree-granting institution non-dedicated project requests that the Board may submit to the legislature each year. After adjusting for inflation, if ongoing appropriations to the fund are less than \$50 million, the Board may submit up to three degree-granting institution non-dedicated project requests. If ongoing appropriations to the fund are at least \$50 million but less than \$100 million, the Board may submit up to two degree-granting institution non-dedicated project requests. If ongoing appropriations to the fund are at least \$100 million, the Board may submit one non-dedicated project request.

Non-dedicated project requests typically involve higher-cost new capital development projects, such as flagship buildings, campus expansions, etc. Board Policy [R742, Degree-granting Institution Nondedicated Capital Project Prioritization Process](#) requires the Board to newly review and score non-dedicated project requests at least once every three years. In a year in which the Board elects not to newly review non-dedicated project requests, the Board shall adopt the prioritized ranking of unfunded projects from the most recent year in which non-dedicated projects were reviewed and scored. In a year in which the Board newly reviews and prioritizes non-dedicated project requests, each institution may submit up to one non-dedicated project request. Requests are scored against the following Board criteria:

- Industry/Economic Demand (25% Weight)
- Utilization (15% Weight)
- Space Need (15% Weight)
- Imminent Non-functionality (10% Weight)
- Cost-effectiveness standards (5% Weight)
- Alternative funds (5% Weight)
- Board's strategic plan priorities (25% Weight)

In its May 2023 meeting, the Board elected not to newly review and prioritize non-dedicated degree-granting institution project requests for the FY 2025 budget cycle. For FY 2026, the Board could again

adopt the existing prioritized list of unfunded projects, which would result in the Utah State University Math & Statistics Building Renovation as the top-scoring degree-granting non-dedicated project. Alternatively, the Board could invite institutions to submit new non-dedicated project requests for FY 2026 Board prioritization.

Technical College Non-Dedicated Projects

By Utah Code 53B-2a-117 and USHE Board Policy [*R744, Technical College Capital Project Prioritization Process*](#), the number of ongoing appropriations to the Technical Colleges Capital Projects Fund determines the number of technical college non-dedicated project requests that the Board may submit to the legislature each year. After adjusting for inflation, if ongoing appropriations to the fund are less than \$7 million, the Board may submit up to three technical college non-dedicated project requests. If ongoing appropriations to the fund are at least \$7 million but less than \$14 million, the Board may submit up to two technical college non-dedicated project requests. If ongoing appropriations to the fund are at least \$14 million, the Board may submit one non-dedicated project request.

In its May 2023 meeting, the Board elected not to newly review and prioritize non-dedicated technical college project requests for the FY 2025 budget cycle. For FY 2026, the Board could again adopt the existing prioritized list of unfunded projects, which would result in the Dixie Technical College Trades and Technology Building as the top-scoring technical college non-dedicated project. Alternatively, the Board could invite institutions to submit new non-dedicated project requests for FY 2026 Board prioritization.

Commissioner's Recommendation

The Commissioner recommends that the Board adopt the attached timeline for Fiscal Year 2026 capital facility requests and further resolve to reprioritize non-dedicated projects for both degree-granting institutions and technical colleges.

Attachments

- Attachment 1 – Capital Facilities Cycle for FY2026 Funding
- Attachment 2 – FY 2026 Preliminary HECPF Allocations
- Attachment 3 – Previous Non-Dedicated Capital Projects Scoring
- Attachment 4 – Capital Development Priority Guidelines
- Attachment 5 – FY 2024 USHE Degree-Granting Capital Plans Gannt Chart
- Attachment 6 – FY 2024 USHE Technical College Capital Plans Gannt Chart
- Attachment 7 – FY 2024 USHE Degree-Granting 5yr Capital Plans
- Attachment 8 – FY 2024 USHE Tech College 5yr Capital Plans