



# MEMORANDUM

October 4, 2024

## Fiscal Year 2025-26 USHE Capital Budget Recommendation - Degree-granting Institution Non-Dedicated Capital Projects

The Commissioner’s office received five degree-granting institution non-dedicated capital project requests for Board consideration in its FY 2025-26 capital budget recommendation. These five projects were scored according to the FY 2025-26 capital development priority guidelines, which yielded the following results:

Institution	Project	Economic Demand (30%)	Space Utilzn (30%)	Space Need (15%)	Imminent Non-Funct (10%)	Cost Effectnss (10%)	Alt Funding (5%)	Total (100%)
SUU	Engineering & Comp Sciences Building	30	18.7	9.6	0	10.0	3.0	71.3
UVU	Health Professions 2 Building	30	24.8	4.1	0	10.0	2.0	70.9
UU	Community & Family Health Building	30	22.8	5.9	0	6.7	0.0	65.4
UTU	Health Sciences & Taylor Building	30	17.5	7.5	0	10.0	0.0	65.0
USU	Math, AI, Data/Analytics Center	30	19.3	2.2	0	3.3	0.0	54.9

While serving as a useful benchmark for initial Board review, the scoring results depicted above warrant qualification. For example, the Health Professions 2 Building at UVU ranked as the second highest scoring project with a score of 70.9; however, the Division of Facilities Construction and Management (DFCM) was unable to provide the Commissioner’s office with a final Capital Budget Estimate (CBE) for the project. Since revisions to total project costs, project size, and space type commonly occur upon final CBE, scoring for the UVU Health Professions 2 Building may be less precise than for other projects. Similarly, it is likely that some features of USU’s Math, AI, Data/Analytics Center project warrant scoring under the Imminent Non-Functionality category, but DFCM was unable to make a final determination prior to the October 4 Board meeting. There are also methodological gaps in some scoring areas; for example, existing data only allow for institutional space utilization to be evaluated in classrooms and labs (even though some non-dedicated projects are designed to respond to institutional office or administrative space needs). Due to the limitations involved in scoring non-dedicated project requests, the Commissioner recommends that the Board adopt a final prioritization ranking that incorporates considerations outside of the formal quantitative scoring framework.

<b>Institution</b>	<b>Capital Project</b>	<b>Amount</b>	<b>O&amp;M</b>
University of Utah	Community & Family Health Building	\$412,634,500	\$2,989,000
	Dedicated Project Fund Allocation	-\$45,961,800	
	<b>New Income Tax Fund Requested</b>	<b>\$366,672,700</b>	<b>\$2,989,000</b>

**University of Utah – Community & Family Health Building**

Project Cost Estimates				
New State Funds	Dedicated Funds	Other Funds	Total Project Cost	New O&M Funds
\$366,672,700	\$45,961,800	0	\$412,634,500	\$2,989,000

Project Space – Gross Square Footage			
New	Renovated	Demolished	Cost per Sq Ft (24\$)
338,237	0	107,529	\$699

The Community and Family Health Building involves the construction of approximately 340,000 square feet and the demolition of over 107,500 square feet. The building will predominately house lab and clinical space to support the increased need for these spaces for the College of Social & Behavioral Science and College of Health. It will also include offices, classrooms, and conference rooms to support the growth of both colleges, with about a 60/40 split for clinics/labs and office/classroom/conference room space.

**University of Utah Recent Legislative Capital Projects Funding History**

<b>Year Funded</b>	<b>Building/Project</b>	<b>Funded Amount</b>
2021	Applied Sciences Building	\$60,000,000
2022	School of Medicine	\$60,000,000
2022	Interdisciplinary Computing & Engineering Bldg	\$4,800,000
2023	Interdisciplinary Computing & Engineering Bldg	\$108,344,200
2024	Huntsman Institute Vineyard Cancer Research	\$75,000,000
2024	Hospital Clinic on Redwood Road	<u>-\$12,500,000</u>
	<b>Total</b>	<b>\$295,644,200</b>

<b>Institution</b>	<b>Capital Project</b>	<b>Amount</b>	<b>O&amp;M</b>
Utah State University	Math, Artificial Intelligence, Data & Analytics	\$46,584,700	\$286,200
	Dedicated Project Fund Allocation	<u>-\$18,069,100</u>	
	<b>New Income Tax Fund Requested</b>	<b>\$28,515,600</b>	<b>\$286,200</b>

**Utah State University – Math, Artificial Intelligence, Data and Analytics Center (MAIDAC)**

<b>Project Cost Estimates</b>				
<b>New State Funds</b>	<b>Dedicated Funds</b>	<b>Other Funds</b>	<b>Total Project Cost</b>	<b>New O&amp;M Funds</b>
\$28,515,600	\$18,069,100	\$0	\$46,584,700	\$286,200

<b>Project Space - Gross Square Footage</b>			
<b>New</b>	<b>Renovated</b>	<b>Demolished</b>	<b>Cost per Sq Ft (24\$)</b>
25,000	26,447	2,013	\$736/\$569

The MAIDAC project will have space in two areas: 1) the existing renovated building and 2) the new building addition. The existing Animal Science building will consist of reconfigured offices and study/tutoring space for a multidisciplinary group of faculties. The uses will be teaching/learning, tutoring, and lab spaces associated with funded research and corporate engagement after the renovation. We will additionally need to make room for new structural and mechanical systems and ADA compliance. The addition will provide a significant amount of new space for interdisciplinary labs and offices, as well as collaboration for new multidisciplinary programs in data science and artificial intelligence. The addition will also address growth needs in math and statistics, providing student study areas and expanding the Math Tutoring Lab. The project will demolish two small areas on the north side of the existing Animal Science for the new addition.

**Utah State University Recent Legislative Capital Projects Funding History**

<b>Year Funded</b>	<b>Building/Project</b>	<b>Funded Amount</b>
2021	Heravi Global Teaching & Learning Center	\$14,500,000
2022	Veterinary Medicine School	\$32,260,500
2022	Monument Valley	\$5,000,000
2023	Huntsman Experiential Learning Center	\$10,236,700
2023	Science Engineering Research Building	\$4,975,900
2024	Veterinary Medicine School	\$9,000,000
2024	Human Resources Building	\$4,991,300
	<b>Total</b>	<b>\$80,964,400</b>

<b>Institution</b>	<b>Capital Project</b>	<b>Amount</b>	<b>O&amp;M</b>
Southern Utah University	Engineering and Computational Building	\$79,997,400	\$1,080,000
	Dedicated Project Fund Allocation	-\$17,368,300	
	Institutional Funds	<u>-\$20,000,000</u>	
	<b>New Income Tax Fund Requested</b>	<b>\$42,629,100</b>	<b>\$1,080,000</b>

### Southern Utah University – Engineering and Computational Building

Project Cost Estimates					Project Space - Gross Square Footage			
New State Funds	Dedicated Funds	Other Funds	Total Project Cost	New O&M Funds	New	Renovated	Demolished	Cost per Sq Ft (24\$)
\$42,629,100	\$17,368,300	\$20,000,000	\$79,997,400	\$1,080,000	95,000	0	0	\$556

The new Engineering and Computational Sciences building will be comprised of classrooms, labs, faculty offices, and support space to house most of the departments that make up the College of Engineering and Computational Sciences. Specifically, departments include elements of engineering, mathematics, computer science, physics, cyber security, aviation, and related support. This project will further SUU’s alignment with providing high-output degree offerings for students that give graduates high-paying career opportunities in 4- and 5-star fields. Customized laboratories for civil engineering, electrical engineering, mechanical engineering, physics, and aviation maintenance, as well as traditional labs for computer science and other computing-relating disciplines, will be included in the building.

### Southern Utah University Recent Legislative Capital Projects Funding History

<b>Year</b>	<b>Building/Project</b>	<b>Funded Amount</b>
2021	Academic Classroom Building	\$43,013,700
2022	Music Center Renovation	\$19,500,000
2022	Stadium Flood Repair	\$9,200,000
2023	Business Building West Addition	\$12,500,000
2024	Hwy 56 Phoenix Plaza	<u>\$4,635,000</u>
	<b>Total</b>	<b>\$88,848,700</b>

<b>Institution</b>	<b>Capital Project</b>	<b>Amount</b>	<b>O&amp;M</b>
Utah Tech University	Health Science Bldg. & Taylor 3r Fl Remodel	\$95,945,100	\$1,040,100
	UU Dedicated Project Fund Allocation	-\$5,556,700	
	UTU Dedicated Project Fund Allocation	<u>-\$29,424,600</u>	
	<b>New Income Tax Fund Requested</b>	<b>\$60,963,800</b>	<b>\$1,040,100</b>

**Utah Tech University – Health Science Building and Taylor Building 3<sup>rd</sup> Floor Remodel**

<b>Project Cost Estimates</b>					<b>Project Space - Gross Square Footage</b>			
<b>New State Funds</b>	<b>Dedicated Funds</b>	<b>Other Funds</b>	<b>Total Project Cost</b>	<b>New O&amp;M Funds</b>	<b>New</b>	<b>Renovated</b>	<b>Demolished</b>	<b>Cost per Sq Ft (24\$)</b>
\$60,963,800	\$34,981,300	\$0	\$95,945,100	\$1,040,100	100,000	15,000	0	\$610/\$250

The Taylor Health Sciences Building remodel and the new Health Sciences Building will accommodate the following programs: Dental Hygiene, Nursing, Medical Radiography, Medical Lab Sciences, Respiratory Therapy, Surgical Technology, Physical Therapy Assistant, Emergency Medical Services, Medical Simulation, Occupational Therapy, and Gross Anatomy/Prep. Additionally, the University of Utah Partnership Programs in Physician's Assistant, Physical Therapy, and a clinical site for the UU dental program. The building will also include lecture classrooms, labs, student study spaces, faculty and staff offices, and other spaces required to operate a state-of-the-art Health Sciences Center. The building will also house the 30 medical students from the UU School of Medicine.

**Utah Tech University Recent Legislative Capital Projects Funding History**

<b>Year Funded</b>	<b>Building/Project</b>	<b>Funded Amount</b>
2021	Land Bank	\$15,000,000
2022	General Classroom	<u>\$56,085,000</u>
	<b>Total</b>	<b>\$71,085,000</b>

<b>Institution</b>	<b>Capital Project</b>	<b>Amount</b>	<b>O&amp;M</b>
Utah Valley University	Health Professions Building 2	\$150,000,000	\$1,867,100
	Dedicated Project Fund Allocation	-\$44,189,500	
	Institutional Funds	<u>-\$30,000,000</u>	
	<b>New Income Tax Fund Requested</b>	<b>\$75,810,500</b>	<b>\$1,867,100</b>

**Utah Valley University – Health Professions Building 2**

<b>Project Cost Estimates</b>				
<b>New State Funds</b>	<b>Dedicated Funds</b>	<b>Other Funds</b>	<b>Total Project Cost</b>	<b>New O&amp;M Funds</b>
\$75,810,500	\$44,189,500	\$30,000,000	\$150,000,000	\$1,867,100

<b>Project Space - Gross Square Footage</b>			
<b>New</b>	<b>Renovated</b>	<b>Demolished</b>	<b>Cost per Sq Ft (24\$)</b>
175,000	0	0	\$531

This building will be the first on the Vineyard Campus and is intended to house health-related programs to meet local demand for healthcare occupational employment. Health support and related fields demand more graduates with the skills to immediately support hospitals, doctors, and the public. This building will benefit the students of the state of Utah and the citizens of Utah County by providing learning, teaching, and practice spaces for those learning special skills. Labs and teaching spaces to explain and engage in the learning process will provide students with the tools needed to go straight to the healthcare industry and be contributing employees.

**Utah Valley University Recent Legislative Capital Projects Funding History**

<b>Year Funded</b>	<b>Building/Project</b>	<b>Funded Amount</b>
2019	Stadium and Sports Complex (cost escalation)	\$3,500,000
2022	Engineering Building	\$80,000,000
2024	Student Athlete Academic Building	<u>\$3,500,000</u>
	<b>Total</b>	<b>\$87,000,000</b>

## USHE Institution Recent Legislative Capital Projects Funding History

Institution	Year	Building/Project	Amount	O&M
SUU	2021	Academic Classroom Building	\$43,013,700	\$806,400
BTech	2021	Health Science and Technology Building	\$38,059,600	\$624,000
UU	2021	Applied Sciences Building	\$60,000,000	\$646,500
USU	2021	Heravi Global Teaching & Learning Center	\$14,500,000	\$332,100
SLCC	2021	Herriman Campus General Education Building	\$32,674,800	\$1,026,500
DSU	2021	Land Bank	\$15,000,000	
DTech	2021	Land Purchase	\$1,000,000	
			<b>\$204,248,100</b>	<b>\$3,435,500</b>
UVU	2022	Engineering Building	\$80,000,000	\$1,755,200
UU	2022	School of Medicine	\$60,000,000	\$162,100
UU	2022	Interdisciplinary Computing Building	\$4,800,000	
UTU	2022	General Classroom	\$56,085,000	\$868,600
USU	2022	Veterinary School	\$32,260,500	\$194,600
USU	2022	Monument Valley	\$5,000,000	
WSU	2022	David O McKay Education Building	\$27,132,200	\$171,200
SUU	2022	Music Center Renovation	\$19,500,000	\$164,000
SUU	2022	Stadium Flood Repair	\$9,200,000	
SLCC	2022	Applied Technology Center	\$5,000,000	
MTech	2022	Payson Campus	\$47,922,000	\$798,700
DTech	2022	Campus Renovations Phases	\$20,366,000	\$117,500
TTech	2022	Building Expansion	\$24,749,000	\$597,400
BTech	2022	Land Bank	\$16,500,000	
			<b>\$408,514,700</b>	<b>\$4,829,300</b>
UU	2023	Interdisciplinary Computing Building	\$108,344,200	\$2,302,251
MTech	2023	Wasatch Campus Building	\$65,736,456	\$848,202
USU	2023	Huntsman Experiential Learning Center	\$10,236,738	\$393,500
USU	2023	Science Engineering Research Building	\$4,975,859	
WSU	2023	Engineering Technology Building Renovation	\$8,332,354	\$339,721
SUU	2023	Business Building West Addition	\$12,500,000	\$92,061
SLCC	2023	Business Building Expansion & Remodel	\$18,092,304	\$767,402
WSU	2023	Land Bank - Farmington Station	\$5,723,780	
Snow	2023	Land Bank - Triple D	\$3,000,000	
Snow	2023	Land Bank - Jorgensen Property	\$850,000	
Snow	2023	Land Bank - Nephi Property	\$2,000,000	
MTech	2023	Land Bank - Wasatch Community	\$3,000,000	
			<b>\$242,791,691</b>	<b>\$4,743,137</b>
Snow	2024	Social Science Classroom & Lab Building	\$40,987,000	\$455,100
OTech	2024	Pathway Building	\$84,170,500	\$630,100
USU	2024	Veterinary School Building	\$9,000,000	
USU	2024	Human Resources Building	\$4,991,300	
SUU	2024	Hwy 56 Phoenix Plaza	\$4,635,000	\$162,600
UVU	2024	Student Athlete Academic Building	\$3,500,000	

UU	2024	Huntsman Cancer Institute Vineyard Cancer Research	\$75,000,000	\$662,700
Snow	2024	2023 GS Unused Landbank Funding	(\$673,000)	
UU	2024	Hospital Clinic on Redwood Road	(\$12,500,000)	
		<b>Total</b>	<b>\$209,110,800</b>	<b>\$1,910,500</b>
		<b>5-Year Total</b>	<b>\$1,064,665,291</b>	<b>\$14,918,437</b>

### Board Considerations

The Commissioner offers the following observations for Board consideration with respect to the prioritization of degree-granting institution non-dedicated project requests for FY 2025-26:

**1. *The University of Utah and Utah Valley University capital project requests are not shovel-ready.***

- The Community & Family Health Building and Health Professions 2 Building are projects of which the Board and System office should be aware, but the University of Utah and Utah Valley University would likely not be able to initiate construction next year even if funding were provided in FY 2026.

**2. *Utah Tech University has multiple capital project needs.***

- Utah Tech University’s Health Sciences and Taylor Building Remodel is strongly aligned with the Commissioner’s operating budget recommendation for the expansion of the University of Utah Medical School in St. George and also furthers the institutional partnership more generally. Moreover, the University of Utah is willing to contribute ~\$5.5 million of its own dedicated project funding toward the project. However, UTU’s first capital project priority for FY 2026 is the remodel and addition to the McDonald Building, which will substantially draw down UTU’s FY 2026 dedicated project fund balance and, therefore, require a multi-year future commitment of dedicated project funds in order to meet the contribution precedent.

**3. *Southern Utah University’s proposed landbank acquisition is time sensitive.***

- Southern Utah University’s Engineering and Computer Sciences Building was the top-scoring non-dedicated capital project request; however, the institution’s top capital project priority is to secure 2.74 acres of newly available contiguous property adjacent to campus. This acquisition will require about \$6.6 million in dedicated capital project funds and a pledge of FY 2027 dedicated project funding to cover the contribution precedent for its non-dedicated project request.

**4. *Utah State University’s capital project is unique.***

- Utah State University’s Math, AI, Data/Analytics Center requires the least amount of new state funding at ~\$28.5 million and was ranked by the previous Board as a meritorious



project. This project also meets historic preservation objectives by significantly remodeling the Animal Sciences building, which was originally constructed in 1918.

**Commissioner Recommendation**

The Commissioner recommends that the Board review and prioritize degree-granting institution non-dedicated project requests. The Commissioner further recommends that the Board defer a decision until the next budget cycle as to whether the degree-granting non-dedicated projects and their ranking should be frozen for FY 2027.