



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

July 12, 2024

FY 2025-2026 Capital Facilities Request Process Guidelines

The Utah Board of Higher Education (Board) has a statutory requirement to develop a strategic capital facility plan for the system, including establishing a project prioritization process in accordance with the Utah Code Sections 53B-22-204 and 53B-2a-117. Board Policy R741 *Threshold Requirements for Capital Development Project Requests* further defines basic requirements for institutional capital project requests, including criteria for cost-effectiveness and efficient use of resources, consistency with institutional role, mission and master plan, and fulfillment of a critical institutional facility need. By statute and policy, the Board shall neither prioritize nor submit for approval for legislative funding, a capital project that does not meet these requirements. During this budget cycle, the Board intends to create its non-dedicated capital budget request of the legislature by evaluating submitted institutional project requests against the quantitative scoring rubric as seen in the attached *Capital Development Priority Guidelines: Prioritization*, along with a qualitative assessment of how well the project supports strategic pillars of Access, Completion, Financial Value, and Economic Development. The Board may also consider how well the requested amount comports with the projected state revenue environment, how well the project facilitates specific workforce development and placement objectives, and institutional reported space utilization rates in the context of third-party analyses and recommendations, among other factors.

Institutions should conduct an internal assessment of their capital needs. They must obtain approval from their boards of trustees before they may submit an FY 2025-2026 funding request for a dedicated, non-dedicated, or landbank project. Project requests should be submitted to the Commissioner's office using the proper forms (i.e. non-dedicated project request and needs statement, dedicated project request, or landbank form) and on the schedule shown in the attached *Capital Facilities Cycle for FY 2026 Funding* calendar.

Non-Dedicated Projects: The Board may advance to the legislature up to three degree-granting institution non-dedicated projects requests and three technical college non-dedicated projects requests each year, contingent upon the amount of ongoing appropriations to the Higher Education Capital Projects Fund and Technical College Capital Projects Fund. In its June 6, 2024 meeting, the Board voted to newly review and score institution non-dedicated project requests for the FY 2025-2026 budget cycle.

Each institution may submit up to one non-dedicated project request for OCHE scoring and Board prioritization this year.

Dedicated Projects: Degree-granting institutions may submit requests to use Higher Education Capital Project Fund appropriations to support dedicated projects in FY 2025-2026. Technical colleges may also newly request the use of estimated allocations from the Technical College Capital Projects Fund to support dedicated projects in FY 2025-2026. Institutional capital project fund balances will also be used to defray the costs of board-prioritized non-dedicated projects. 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 future higher-cost projects.

Landbank Requests: Institution requests for state appropriations for landbank property must demonstrate the importance of the land to the institution's role, mission, master plan, and strategic plan, along with any time sensitivity concerning the window of opportunity of purchase, among other information. Institutions must first leverage capital project fund allocations to support landbank acquisitions. They may only submit requests for new landbank appropriations when dedicated project funds are exhausted or when other extenuating circumstances exist.

Non-State Funded Project Requests: Institutions may submit non-state funded capital development project requests that require legislative approval for Board consideration consistent with the deliverable deadlines shown in the attachment Capital Facilities Cycle for FY 2026 Funding.

Commissioner's Recommendation

The Commissioner recommends that the Board approve the Capital Facilities Request Process Guidelines.

Attachments

- Attachment 1 – Capital Development Priority Guidelines: Prioritization
- Attachment 2 – Non-Dedicated Needs Statement
- Attachment 3 – Dedicated Project Request Form
- Attachment 4 – Degree-Granting Dedicated Allocation of Funds
- Attachment 5 – Technical College Proposed Dedicated Allocation of Funds
- Attachment 6 – Capital Facilities Cycle for FY 2026 Funding