



UTAH SYSTEM OF HIGHER EDUCATION

Building a Stronger State of MindsSM

Capital Development Process

Regent and Trustee Training

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Capital Development Process Overview

The State of Utah appropriates funds for capital facility needs in three ways:

- Operation and Maintenance
- Capital Improvement
- Capital Development

Operation and maintenance (O&M): ongoing funding for operational facility needs such as utilities, custodial, maintenance personnel, grounds, and security. These funds are critical for the long-term occupation and use of facilities as the lack of proper maintenance can lead to more costly repairs in the future.

Capital Improvements: sometimes referred to as alterations, repairs and improvements (AR&I), allow institutions and governmental agencies to update aging facilities with projects costing \$2.5 million or less. Even with proper care, facility components wear out and need replacement. The legislature annually appropriates 1.1 percent of the replacement value of state facilities to the State Building Board to allocate for capital improvement projects such as: the replacement of roofs, boilers, heating and cooling units (HVAC), utility infrastructure components, and paving projects.

Capital Developments: construction projects costing more than \$2.5 million for existing facilities and \$500,000 for new facilities. These large construction projects allow for facility replacement and programmatic growth and can also help remove some of the deferred maintenance backlog that develops when operation and maintenance or capital improvement funds are not sufficient for needed projects.

This document and the associated presentation review the capital development process in the State of Utah.

Types of Funding for Facilities

There are three main types of capital development facility projects, each requiring a different approval process:

- State Funds
- Non-State Funds
- Revenue Bonds

State funds: consist of tax revenue collected into the General Fund (sales tax, for any governmental program) and the Education Fund (income tax, constitutionally limited to education). Facility projects requesting state funds face greater competition and legislative oversight. After institutions and trustees recommend a facility request, state funded projects go before the Board of Regents, the State Building Board, and a legislative appropriations subcommittee for prioritization and recommended funding. Using those recommendations, the Legislature makes the final facility funding decision in an appropriations bill.

Non-state funds: donations and funding sources other than state appropriations used to construct a facility. If an institution is able to generate sufficient funds to cover the capital cost of the facility and all future improvement and operational needs, the Utah State Building Board may hear and approve the project without legislative authorization. However, if state funds are



needed in any manner for development, for future improvements, or for operation and maintenance, the Legislature must approve the request through legislation.

Revenue bonds: may be issued by the State Board of Regents on behalf of institutions after receiving approval by the Legislature in an annual bond bill. Revenue sources include student fees, parking revenue, housing revenue and other auxiliary revenues.

Stakeholder Roles and Responsibilities

Boards of Trustees: review and approve institutional facility requests and determine the appropriateness of the request in relation to the institution's master plan and mission.

Board of Regents: reviews all institutional facility requests after Boards of Trustees approval. The Board prioritizes state funded requests and authorizes non-state funded requests for subsequent Legislature and Building Board approval.

State Building Board: reviews all capital facility requests from state agencies, the Utah System of Higher Education, and the Utah College of Applied Technology (UCAT) and prioritizes state funded projects for gubernatorial and legislative consideration. The Board may give final approval for non-state funded projects when certain conditions are met.

Governor: the Governor's Office of Management and Budget reviews recommendations and prioritizations of the Board of Regents and State Building Board. The Governor then creates a budget proposal for capital development funding to present to the Legislature.

Utah State Legislature: has three levels of capital facility oversight – appropriations subcommittees, an Executive Appropriations Committee, and the full legislature. As the final step in the capital development process, the entire Legislature debates and votes on a revenue bond bill and an appropriations bill containing state funded capital development projects.

Infrastructure and General Government (IGG): an appropriations subcommittee that reviews and approves non-state funded facility projects for inclusion in an annual *Revenue Bond and Capital Facilities Amendments* bill. The subcommittee also reviews all state funded capital facility requests by considering the prioritization of the State Building Board, the Board of Regents, and the Governor before making its own prioritization and recommendation to the Executive Appropriations Committee.

Executive Appropriations Committee (EAC): comprised of legislative leadership from both legislative Houses and Parties. This committee ultimately decides on the availability of revenue and which capital facility projects should be funded in annual appropriations bills.

Board of Regent Capital Development Prioritization Process

The Board of Regents annually reviews system-wide capital development needs and prioritizes current state funded project requests for consideration by the Governor, the State Building Board, and the State Legislature. The process consists of four fundamental steps:

1. Establish Priority Guidelines
2. Submission of Requests
3. Analysis and Scoring of Needs
4. Prioritization of Projects for Funding Consideration

The Board of Regents adopts priority guidelines at the beginning of each funding cycle to inform institutions as to the most pressing and critical needs for the Utah System of Higher Education.



Institutions then submit their highest priority capital development needs to the Office of the Commissioner of Higher Education for evaluation. Research institutions may submit two projects for consideration and scoring. Submitted projects must be approved in the master plan of an institution in one of three categories: mission and role (to address program deficiencies), renovation and replacement, and major infrastructure.

The analysis portion of the process addresses the gap between the calculated need of a project (based on space standards and enrollment projections) and the actual available space. Additional points are given for projects with non-appropriated funds such as donations, institutional priorities, facility condition assessments (life safety and related issues), and major infrastructure projects.

The final step in the process is for the Board of Regents to award “Priority Points” to develop and enhance institutional missions including to: improve existing facilities, restore building life, update existing space to meet current and emerging program requirements, accommodate changes in role and mission, address emerging needs in branch and satellite campuses, and resolve major infrastructure problems. Scoring for Priority Points includes:

Guideline Based Points

0-10 Points

Critical Programmatic and Infrastructure Needs	10 Points
<ul style="list-style-type: none"> • Imminent threats to daily operations and program delivery • Extraordinary economic development/competitive opportunities • Enhancement of critical programs (science, engineering, technology, etc.) • Facilities needs to achieve 2020 Plan goals 	
High Priority Issues	
<ul style="list-style-type: none"> • Strategic planning & emerging time-sensitive opportunities • Branch and satellite campus development • Significant changes in role and mission • Mergers and partnerships • Operational and programmatic efficiency • Sustainability (energy conservation and efficiency) • Operational efficiency (optimization of O&M costs) • Innovative and cost effective delivery of academic programs • Improved space utilization • Eliminate functional obsolescence of equipment and space 	5-8 Points
Fulfills a Non-Critical Need	3 Points
<ul style="list-style-type: none"> Core programmatic enhancement Strengthen program deficiencies 	
Project Does Not Qualify for Regents’ Priority Points	0 Points

Discretionary Points










0-15 Points

These points are designed to position institutions to further develop and enhance their assigned missions and roles (see R741.3.4.1) and include appropriate consideration of projects that respond to achieving the goals and recommendations of the *HigherEdUtah 2020 Plan*. Consideration will also be given, where deemed to be appropriate, to projects with prior approved Legislative planning funding.

Total Regents Discretionary Points

25 Points

**USHE Physical Facilities Inventory 2015**

		Acreage	# Bldgs.	Residence Hall Beds	Gross Sq. Ft. of Space
Main Campus		1,459.0	316	4,822	15,047,389
Branch & Satellite		22.0 *	34 *	0	559,535 *
Other on-Contiguous Property		4,580.0 *			
UU Total		6,061.0	350	4,822	15,606,924
Main Campus		1,373.0	405	4,604	7,049,801
Branch & Satellite		1,731.5	184	146	1,365,576
Farm & Non-Contiguous Property		3,513.3 **	0	0	
USU Total		6,617.8	589	4,750	8,415,377
Main Campus		399.8	98	1,001	2,529,686
Branch & Satellite		106.9	10	0	351,860
Other on-Contiguous Property		26.5	0	0	
WSU Total		533.2	108	1,001	2,881,546
Main Campus		136.3	60	600	1,514,653
Farm & Property		3,843.0 ***	15 ***	0	
SUU Total		3,979.3	75	600	1,514,653
Main Campus		92.6	41	770	914,798
Branch & Satellite		89.2	7	0	325,000
Snow Total		181.8	48	770	1,239,798
Main Campus		105.8	61	353	1,140,748
Branch & Satellite		8.4	1	0	11,039
Farm & Non-Contiguous Property		84.8	5	0	43,346
DSC Total		199.0	67	353	1,195,133
Main Campus		246.5	47	0	2,753,861
Branch & Satellite		290.8	9	0	261,994
UVU Total		537.3	56	0	3,015,855
Main Campus		118.2	42	0	1,102,808
Branch & Satellite		272.7	39	0	1,289,247
SLCC Total		391.0	81	0	2,392,055
Main Campus		3,931.2	1,070	12,150	32,053,744
Branch & Satellite		2,521.6	284	146	4,164,251
Farm & Non-Contiguous Property		12,047.6	20	0	43,346
USHE Total		18,500.3	1,374.0	12,296	36,261,341

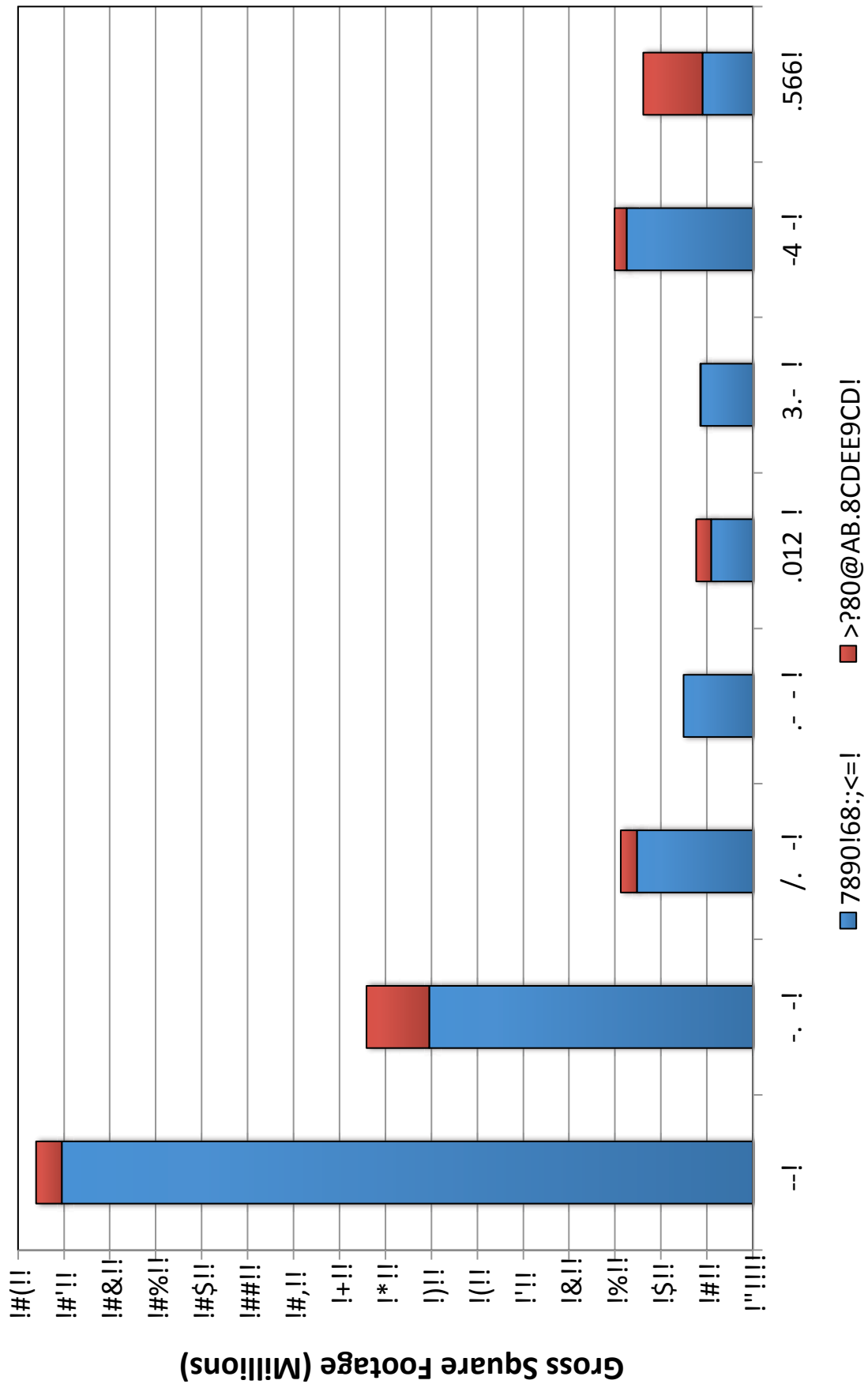
* Includes Environmental Humanities Education Ctr (Montana); Rio Mesa Center property (UT); Range Creek Property (UT); South Jordan Medical Center and other Medical Center Clinics; and Ambassador Building

** Farm land with only incidental structures.

*** Includes farm and Mountain Center property

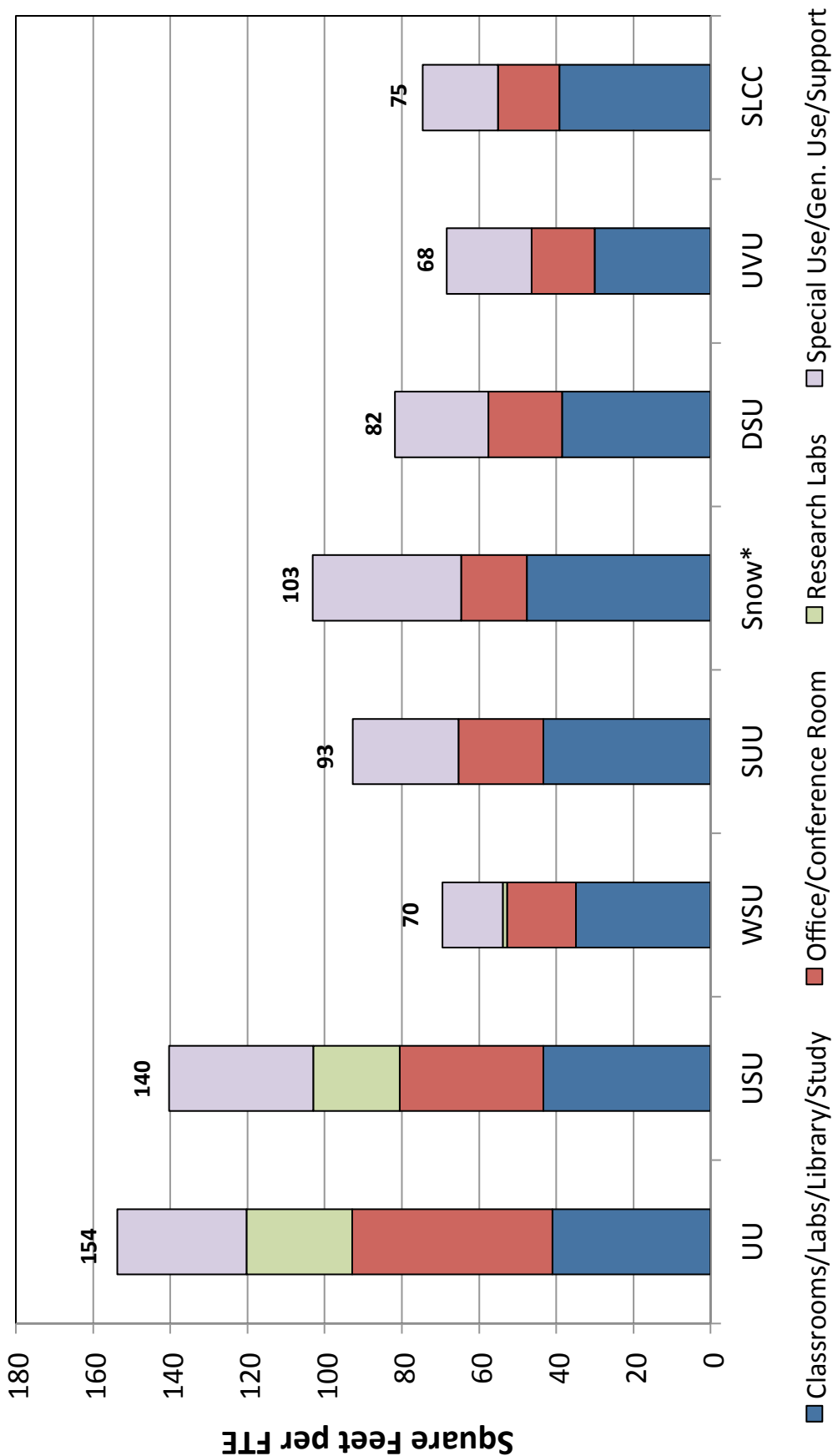


USHE Facility Gross Square Footage by Institution





USHE Total Square Feet per FTE Student - Fall 2014

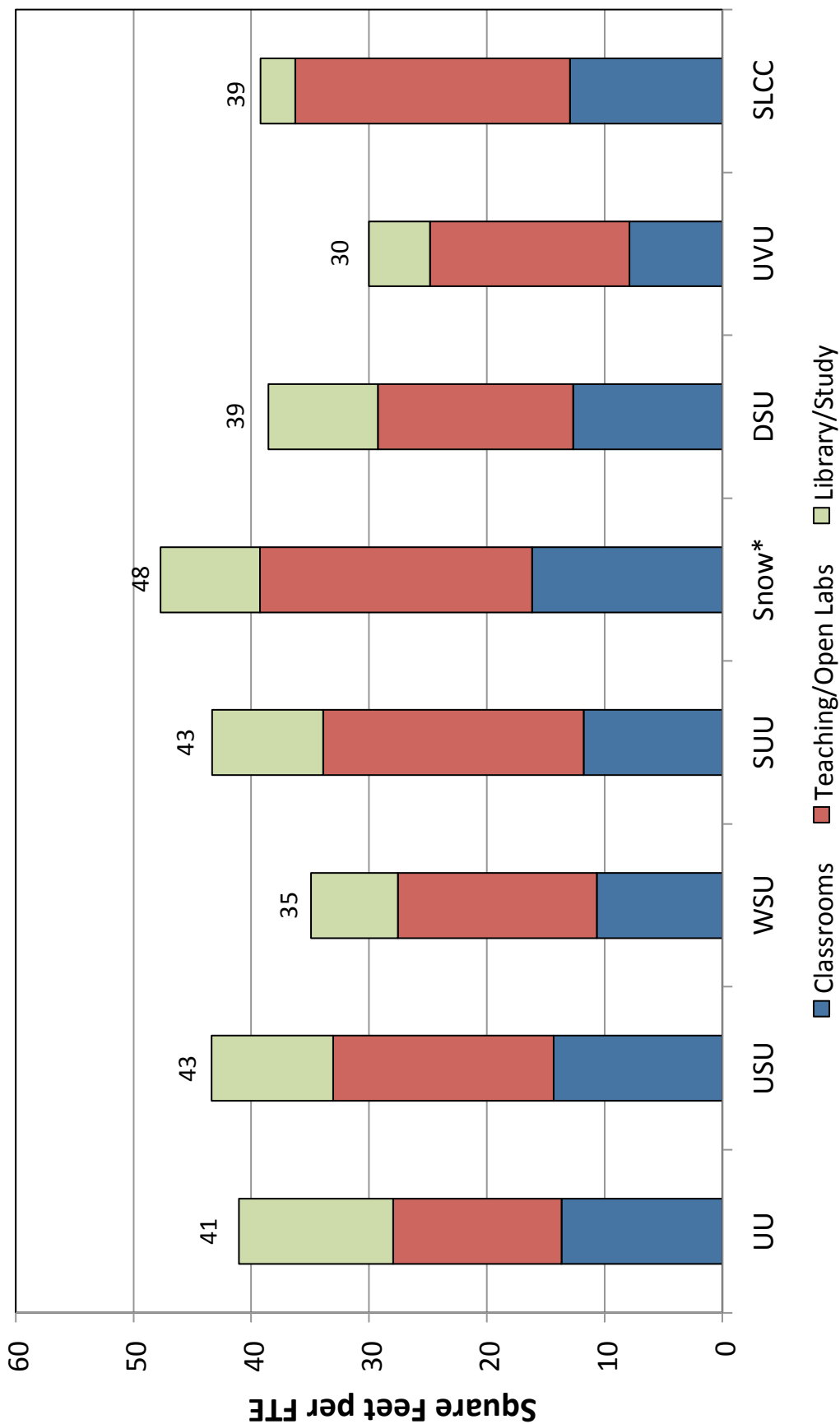


* Snow College Ephraim Campus Only

Source: USHE 2015 Data Book, Fall of 2014 USHE Space Inventories and Fall of 2014 Budget Related and Self Supporting End-of-Term FTE



USHE Academic Square Feet per FTE Student - Fall 2014

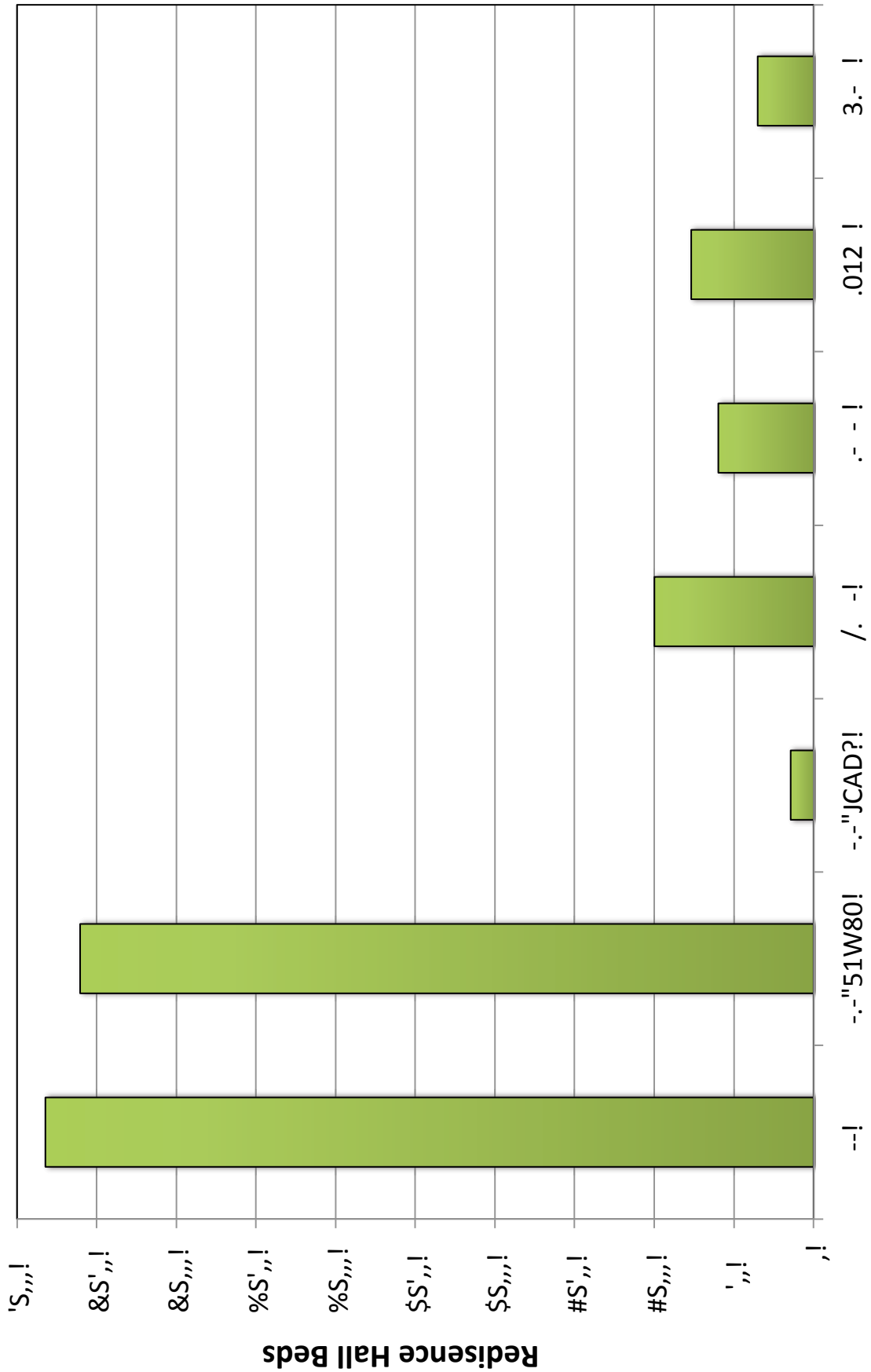


* Snow College Ephraim Campus Only

Source: USHE 2015 Data Book, Fall of 2014 USHE Space Inventories and Fall of 2014 Budget Related and Self Supporting End-of-Term FTE



USHE Inventory of Residence Hall Beds





Percent of USHE Facility Inventory

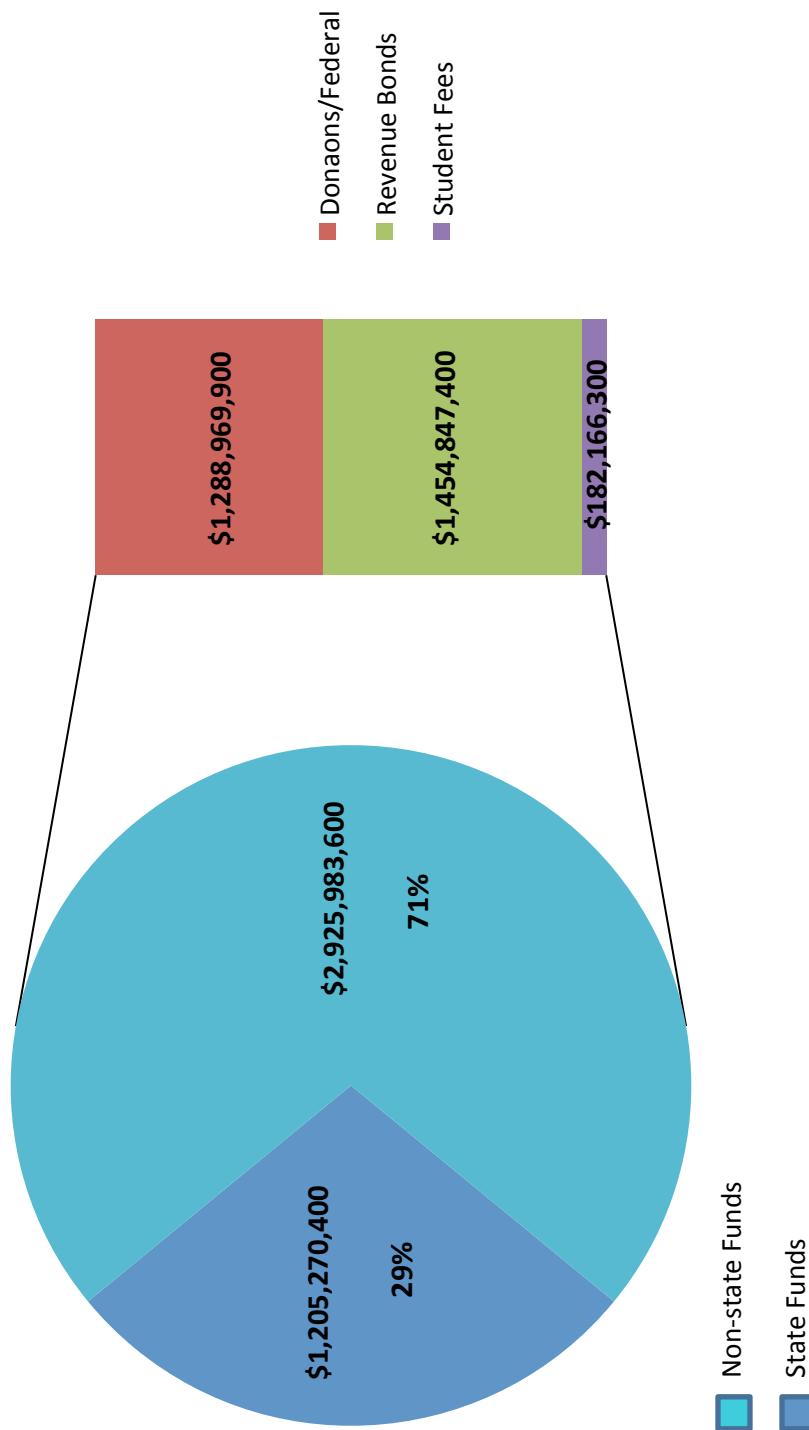


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LEVERAGING STATE DOLLARS

USHE provides \$2.43 for every state dollar of capital development
USHE Capital Funding By Source (1996-2015)





State Funding for Capital Development 1996-2015
Utah System of Higher Education

Institution	Year Funded	Building/Project	Funded Amount	% of Total
	1996	Huntsman Cancer Institute	\$2,500,000	
	1997	Gardner Hall	\$15,303,600	
	1997	Art Museum	\$150,000	
	1998	Cowles Building Remodel-Design	\$445,500	
	1998	Art Museum	\$150,000	
	1999	Cowles Building Renovation	\$7,268,500	
	2001	Engineering Remodel	\$4,613,000	
	2001	Engineering Initiative Building	\$15,000,000	
	2001	Huntsman Cancer Expansion	\$5,000,000	
	2002	Health Sciences	\$33,000,000	
	2005	Marriott Library Renovation & ASRS	\$48,023,000	
	2005	Art Museum	\$465,000	
	2007	Nursing Expansion	\$13,500,000	
	2008	Museum of Natural History	\$25,000,000	
	2009	Eccles Bldg. Replacement	\$22,900,000	
	2012	Utility Distribution Infrastructure	\$22,000,000	
	2013	Huntsman Cancer Institute	\$2,500,000	
	2014	Huntsman Cancer Institute - Phase IV	\$8,000,000	
	2015	Crocker Science Center	\$34,000,000	
	2015	Huntsman Cancer Institute - Phase IV	\$9,500,000	
	Total University of Utah		\$269,318,600	22.3%
	1996	Widtsoe Hall Design	\$1,259,000	
	1997	Widtsoe Hall	\$23,986,700	
	1998	Roosevelt Center Facility	\$2,000,000	
	1998	Am. West Center	\$300,000	
	2000	Heat Plant Design	\$9,198,800	
	2001	Heat Plant	\$29,713,400	
	2001	Engineering Initiative Building	\$5,943,500	
	2001	Engineering Building	\$16,151,200	
	2002	Merrill Library Planning	\$800,000	
	2003	Merrill Library Construction	\$40,000,000	
	2005	Relocate Agricultural Science Buildings to South Farm	\$5,000,000	
	2006	Relocate Agricultural Science Buildings to South Farm	\$5,000,000	
	2007	Ag. Science Bldg Planning	\$2,500,000	
	2008	Ag. Science Bldg.	\$43,111,000	
	2011	Business Building Addition	\$14,000,000	
	2013	USU Eastern Central Instruction Building - Design	\$500,000	
	2013	Brigham City Regional campus Academic Building - Design	\$500,000	
	2014	USU Eastern Central Instruction Building - Construction	\$19,000,000	
	2014	Brigham City Regional campus Academic Building - Construction	\$7,500,000	
	2015	Clinical Services Building	\$10,000,000	
	2015	Botanical Center Infrastructure	\$1,250,000	
	Total Utah State University		\$237,713,600	19.7%
(CEU became a Regional Campus of USU in 2009 and is now known as USU Eastern)	1996	Student Center	\$5,191,700	
	1997	Durrant School Acquisition	\$400,000	
	2001	Main Building	\$10,114,600	
	2004	San Juan Library	\$2,400,000	
	2006	Energy Training Center	\$1,100,000	
	Total USU - Eastern		\$19,206,300	1.6%





State Funding for Capital Development 1996-2015
Utah System of Higher Education

Institution	Year Funded	Building/Project	Funded Amount	% of Total
	1996	Browning Center Ph. II	\$14,200,000	
	1996	Davis Campus Planning	\$200,000	
	1997	Davis Land Acquisition	\$771,000	
	2001	Davis Campus	\$21,585,800	
	2004	Swenson Remodel	\$5,569,000	
	2006	Design - Bldg 1&2 Replacement	\$2,000,000	
	2007	Classroom Building/ Chiller Project	\$22,950,000	
	2011	Davis Campus Professional Classrooms Bldg. & Central Plant	\$31,535,000	
	2013	New Science Building Design	\$3,500,000	
	2014	New Science Building - Construction	\$57,400,000	
	2015	Browning Center Seating	\$1,000,000	
Total Weber State University			\$160,710,800	13.3%
	1997	Physical Education-Design	\$1,100,000	
	1998	Middle School Purchase	\$4,600,000	
	1999	Physical Education Building	\$19,945,200	
	2005	Teacher Education Center	\$10,000,000	
	2009	Gibson Science Center	\$13,851,000	
	2013	Utah Shakespeare project	\$2,000,000	
Total Southern Utah University			\$51,496,200	4.3%
	1996	Noyes Building	\$8,307,000	
	2000	Snow South Land Purchase	\$425,000	
	2001	Performing Arts Building Design	\$986,800	
	2002	Performing Arts Building	\$15,583,000	
	2007	Library/Classroom Bldg.	\$17,651,000	
	2014	Richfield Campus - Sevier School District Lease Buyout	\$3,000,000	
	2015	New Science Building	\$19,937,000	
Total Snow College			\$65,889,800	5.5%
	1997	Land Acquisition-Harmons	\$708,700	
	1998	Land Acquisition-Harmons	\$1,000,000	
	2000	Dixie Eccles/Graff Center	\$220,000	
	2001	Dixie Fine Arts - Design	\$1,088,800	
	2002	Graff Fine Arts	\$13,308,000	
	2005	Health Sciences Building	\$15,743,000	
	2009	Centennial Commons - Design	\$3,000,000	
	2010	Holland Centennial Commons Building - Construction	\$35,000,000	
	2013	East Elementary School Purchase - Partial Funding	\$500,000	
	2014	East Elementary School Purchase - Final Funding	\$1,000,000	
	2015	University Plaza Land Bank Purchase	\$3,000,000	
Total Dixie State University			\$74,568,500	6.2%

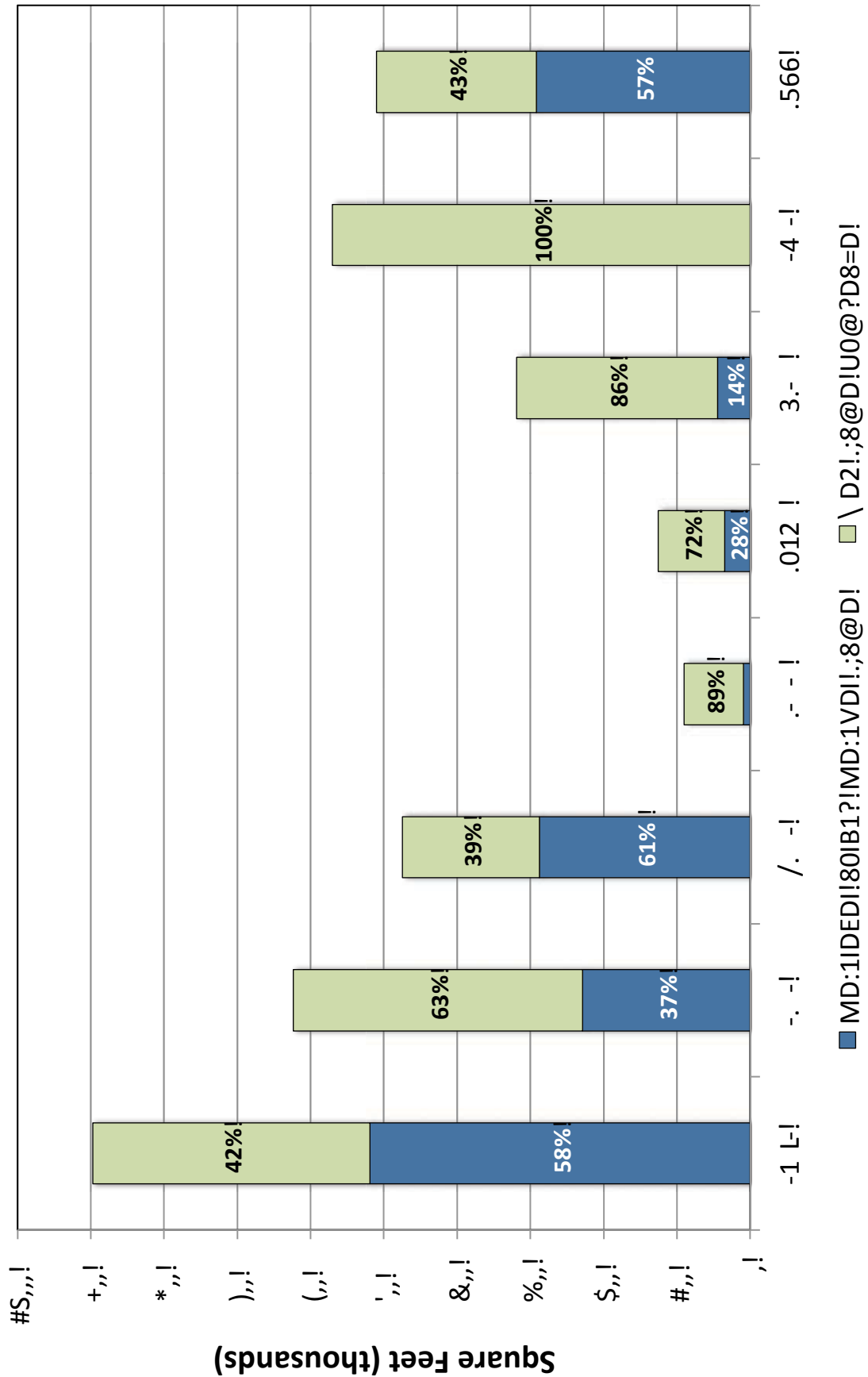


State Funding for Capital Development 1996-2015
Utah System of Higher Education

Institution	Year Funded	Building/Project	Funded Amount	% of Total
	1996	Perimeter Rd/Land Acq	\$3,885,000	
	1998	Information Sciences Bldg-Design	\$1,166,300	
	1999	Information Sciences Building	\$29,000,000	
	2000	Classroom Additions	\$1,465,000	
	2001	Classroom Building	\$17,468,300	
	2002	Wasatch Campus	\$9,587,000	
	2003	Vineyard Elementary Purchase	\$6,600,000	
	2006	Digital Learning Center	\$46,750,000	
	2008	Nielsen Orchard Purchase	\$550,000	
	2009	Science/Health Bldg. Design	\$2,800,000	
	2010	Science/Health Building Addition	\$45,000,000	
	2012	Classroom Building - Design	\$2,175,000	
	2013	New Classroom Building	\$54,000,000	
	2015	Student Activity Center	\$1,500,000	
Total Utah Valley University			\$221,946,600	18.4%
	1997	Jordan High Tech-Design	\$1,165,000	
	1998	Jordan High Tech-Construction	\$21,500,000	
	1999	Applied Education Center	\$4,200,000	
	2004	Health Sciences - West Jordan	\$21,000,000	
	2009	Digital Design/Communications Ctr.	\$21,305,000	
	2010	Instructional/Administrative Complex	\$29,000,000	
	2011	Herriman Campus Land Bank	\$3,000,000	
	2015	CTE Learning Resource & Classroom Bldg. Design	\$3,000,000	
	2015	Fencing	\$250,000	
Total Salt Lake Community College			\$104,420,000	8.7%
USHE Total			\$1,205,270,400	100.0%










USHE Remodeled and New Space Increase since 2004





USHE Branch/Satellite Campuses & Other Instructional Centers and Sites

Institution	Branch/Satellite Campuses	Instructional Centers	Other Instructional Sites	Projected Future Locations
		Stoker School - Bountiful Cedar Park Center - Murray Sandy Center - Sandy Graduate Center - St. George		
	USU Eastern Price USU Eastern Blanding Brigham City Uintah Basin Tooele	Moab Kaysville Salt Lake City Orem Ephraim	High Schools DSU BATC SWATC	
	WSU Davis Campus	West Center - Roy* Downtown Center - Ogden Community Ed. Center - Ogden Professional Ed. Cntr. - Farmington	Kaysville Morgan SLCC OWATC BATC	Hooper Morgan
	Richfield Campus		Gunnison Prison	
		Hurricane Ed. Center - Hurricane	High Schools	
	Wasatch Campus - Heber City	West Campus - Orem Provo Airport - Provo Canyon Park - Orem	Westlake HS (Saratoga Springs) Spanish Fork HS Springville Advanced Learning Ctr. (Springville) Capital Reef Field Station (Torrey)	Thanksgiving Point (Lehi) Payson Saratoga Springs Vineyard (Geneva Steel)
	Meadowbrook Campus** South City Campus Jordan Campus Juniper Canyon Campus*** Miller Campus Westpointe Campus	Int. Aerospace/Aviation Ed. Ctr. - SLC Library Square Center - SLC Community Writing Center - SLC Community Learning Ctr. - W. Valley		

* Eventually will be moved to a future branch campus in Hooper,

** Scheduled for vacation with programs moved to the Westpointe Campus

*** Herriman, UT - currently property only



Glossary of Terms

Auxiliary Enterprises – Enterprises furnishing goods or services to students, faculty, staff, other institutional departments or the public that charge a fee to recover costs and are managed as essentially self-supporting activities (i.e. residence halls, food service, parking).

Capital Development – Major facility construction projects costing more than \$500,000 for new facilities or \$2,500,000 for existing facility remodels and renovations.

Capital Improvement – Alterations, repairs, or improvements to physical facilities costing less than \$2,500,000. Also includes construction of new facilities costing less than \$500,000.

Education and General Expenses – Expenses for general educational purposes other than auxiliary enterprises. These expenses include: instruction, research, public service, academic support, student services, institutional support, and scholarships and fellowships.

Education Fund – A State governmental fund that is the main funding source for education. Primarily derived from income tax, which is 100% dedicated by the Utah Constitution to public and higher education. Cannot be spent on any other government operation.

Executive Appropriations Committee (EAC) – The most powerful state budget committee comprised of legislative leadership. All appropriations subcommittees report to it and it has final oversight of the budget bills.

General Fund – A State governmental fund derived primarily from the state portion of sales tax. Funds all operations within state government including a portion of higher education.

Infrastructure and General Government Appropriations Subcommittee (IGG) – the appropriations subcommittee that prioritizes state funded capital development projects for the Legislature and that drafts the annual non-state funded capital development bill.

Legislative Appropriation – An official act made through legislation to allocate tax funds and other revenue sources to particular state programs and operations.

Legislative Appropriation Committees – All legislators are appointed to at least one of eight subcommittees that oversee a specific portion of the state budget.

Non-State Funded Project – A capital development project funded by income other than appropriations; typically through donations or revenue bonds defeased with student fees or auxiliary operations.

Operation and Maintenance (O&M) – The ongoing operational needs of facilities including utilities, maintenance personnel, custodial, and grounds. O&M is historically funded by the Legislature at the time of construction for state funded projects.

State Funded Project – A capital development project funded all or in part with tax revenue from the General Fund or the Education Fund that requires a legislative appropriation.