

March 20, 2019

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Impact of Senate Bill 102 and Proposed Metrics

Issue

Senate Bill 102, *Higher Education Capital Facilities* (2019 General Session) substantially alters funding for USHE capital facilities by providing \$36,500,000 in FY 2020-21 and \$73,000,000 each year thereafter for the Board of Regents to distribute by formula. Metrics and weights for the formula as required by the bill are proposed for Regent review and discussion ahead of formal policy development and approval.

Background

Senate Bill 102 creates two processes for funding USHE capital development needs. The first process sets aside \$73,000,000 each year (after the initial two-year phase-in period) for USHE capital projects and requires the Board of Regents to determine how to allocate those funds based on six statutory factors:

1. Enrollment
2. Total performance across the metrics described in Utah Code 53B-7-706
3. Projected growth in student population
4. Existing square feet per student full-time equivalent
5. Facility age and condition
6. Utilization of academic space including off-campus facilities

The legislation requires the Regents to establish a process for allocation based on the six factors before August 1, 2019. Specifically, the Regents must determine how to measure USHE institutional fulfillment of the six factors and the relative weight for each factor. The Commissioner's Office has created an initial proposal that has been shared with the institutions and is attached for initial comments and discussion by the Board. In order to provide guidance to the USHE institutions for the upcoming capital development cycle, the Commissioner's Office will use Board comments and feedback from the Regent Capital Committee to develop policies documenting the process for action in the May or July Board meeting.

The second process created by the legislation allows the Board of Regents to submit between one to three additional capital development projects to the state legislature for funding each year. This process allows the Board to prioritize requested projects in a similar way as prior years and provides additional flexibility to the institutions with smaller funding allocations. The Commissioner's Office intends to update the current

Capital Development Prioritization (CDP) process to meet the requirements the legislation. Additional information on this updated process will be provided in the May Board of Regent meeting.

The following attachments are provided for Board information and discussion:

- An Issue Brief describing the new processes in Senate Bill 102
- An Issue Brief describing the proposed funding formula with associated metrics and weights
- A handout of the slides from the Commissioner's Office presentation

The Commissioner's staff will be available to answer Board members' questions about the legislation as well as any of the proposed metrics and weights.

Commissioner's Recommendation

This is an information item; no action is required.

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David L. Buhler  
Commissioner of Higher Education

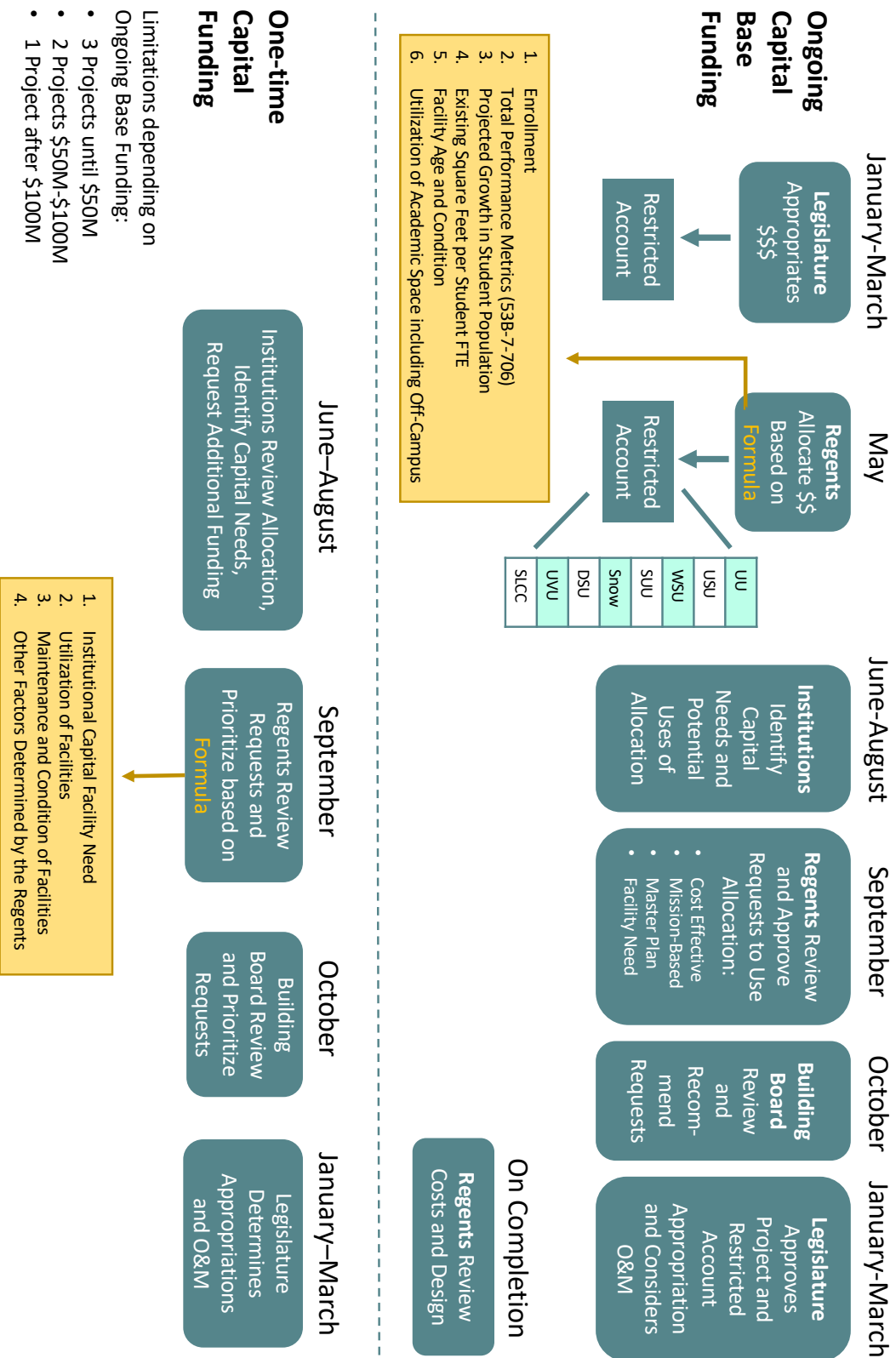
DLB/KLH/RPA  
Attachments

## Senate Bill 102, *Higher Education Capital Facilities*

### Comparison with Current Capital Prioritization Process

Process	Current Regent Practice	Senate Bill 102 Change	Line
<b>Facility Funding</b>	Funds are available on a year-to-year basis as determined by economic conditions and legislative priority	- Appropriation of \$73,000,000 ongoing to the USHE Capital Project Fund - Backs out some money one-time for two years	808-860
<b>Regent Allocation</b>	None	- Regents determine metrics and weights to allocate funds based on legislative criteria: + enrollment + total performance + projected growth in student population + square feet per student FTE + age and condition of facilities + utilization of academic space - Regents annually allocate funds to institutions	281-301
<b>Institution Presentations</b>	- Institutions present projects for Regent prioritization	- Institutions present projects to use allocation - Regents determine if a project: + is cost effective and efficient use of resources + is consistent with the institution mission + is consistent with the institution master plan + fulfills a critical institutional facility need	307-313
<b>Regent Prioritization</b>	- Regents rank based on criteria: + need + facility condition + donations + Regent criteria	- Regents rank additional projects based on criteria: + need + facility condition + utilization + Regent criteria	330-353
<b>Submission of Prioritized Projects</b>	Regents submit all projects to Governor, Building Board, and Legislature	Regents submit between 1 to 3 projects to Governor, Building Board, and Legislature depending on allocated funding levels	314-329
<b>Facility Design</b>	No “phase” funding: only funded projects are designed	Allocated funds may be used for design	546-562
<b>Bonding</b>	Capital funds are not used for debt service	Allocated funds may be used to pay debt service on legislatively approved bonds (2/3 <sup>rd</sup> vote)	272-276
<b>Operation Maintenance Funding</b>	Legislature may appropriate an ongoing amount when a project is approved	Legislature may appropriate an ongoing amount when a project is approved	354-357
<b>Legislative Process</b>	- Legislature prioritizes projects - Legislature funds projects	- Legislature approves Regent recommendations for project construction using allocated funds - Legislature prioritizes additional projects - Legislature funds additional projects	305-306
<b>Project Follow-up</b>	No current process, although Regents may create one	Regents review each project at completion including the final cost and design	358-360

# SB 102 - Utah System of Higher Education - Capital Funding Model



## Senate Bill 102 Funding Formula for USHE Capital Development

The proposed legislation appropriates \$73 million of ongoing state funds to a dedicated restricted account for the Utah System of Higher Education (USHE) and gives the Board of Regents the authority to allocate funds to individual institutions based on six general statutory factors:

- Enrollment
- Total Performance Across the Metrics Described in Utah Code 53B-7-706
- Projected Growth in Student Population
- Existing Square Feet per Student FTE
- Facility Age and Condition
- Utilization of Academic Space including Off-Campus Facilities

The legislation phases in the funding with \$36,500,000 available in 2020-2021 and \$73,000,000 available each year thereafter. The legislation envisions a final funding level of \$100,000,000 ongoing and contains a provision that could adjust the final funding level based on inflation as measured by the Consumer Price Index. The bill authorizes the Board of Regents to determine how to measure each of the six factors and assign weights to the factors through adoption of a policy by August 1, 2019.

This Brief proposes measures and weights in preparation for a Regent policy. The Board of Regents will determine the final funding formula, measures, and weights. The proposal provided in this Brief is intended to be a starting point in the continued conversation with the Board and USHE institutions. The table below shows how the \$73,000,000 appropriation would be divided among the eight USHE institutions based on the proposed measures contained in this Brief. Note that the allocation will change annually as institutional performance in the six factors changes. The subsequent sections of this Brief detail the specific data, methodology, and allocations for each proposed measure.

Point Categories	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Wt
Enrollment	5.33	4.41	3.12	1.30	0.78	1.32	4.65	4.08	25
Performance Metrics	1.22	0.96	1.00	2.12	0.72	0.29	1.74	1.95	10
Student Growth	3.15	2.23	4.07	1.37	0.73	1.94	7.58	3.93	25
Square Feet per FTE	1.23	1.21	0.76	2.00	0.28	1.40	2.07	1.06	10
Age and Condition	10.78	7.35	1.22	2.30	0.53	0.86	0.94	1.04	25
Utilization	0.00	0.00	0.00	2.97	0.00	0.00	2.03	0.00	5
<b>Funding Points</b>	<b>21.72</b>	<b>16.15</b>	<b>10.16</b>	<b>12.05</b>	<b>3.04</b>	<b>5.81</b>	<b>19.01</b>	<b>12.07</b>	
<b>\$73,000,000</b>	<b>\$15,854,000</b>	<b>\$11,786,000</b>	<b>\$7,415,000</b>	<b>\$8,797,000</b>	<b>\$2,218,000</b>	<b>\$4,241,000</b>	<b>\$13,881,000</b>	<b>\$8,809,000</b>	

## 1. Enrollment Measure

Data: Table 4, *Headcount (End of Term) Budget Related Only Enrollment History* in the USHE DataBook (Tab C).

Methodology: Budget related headcounts only (excluding self-support headcounts). The five most recent years of headcount history (resident and non-resident totals) are averaged.

Point Allocation: Points are awarded proportionate to each institution's five-year average student headcount.

Proposed Weight: 25 points

	UU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	USHE Total
<b>2014 (13-14)</b>	31,128	25,329	18,496	6,507	4,212	7,569	25,080	25,064	<b>143,385</b>
<b>2015 (14-15)</b>	31,174	26,459	18,271	7,185	4,525	7,511	26,649	24,499	<b>146,273</b>
<b>2016 (15-16)</b>	31,310	26,184	18,375	8,162	4,815	7,729	27,560	24,005	<b>148,140</b>
<b>2017 (16-17)</b>	32,014	26,084	18,806	7,963	4,883	8,150	28,694	23,782	<b>150,376</b>
<b>2018 (17-18)</b>	32,157	26,375	18,333	8,584	4,716	8,100	29,645	23,347	<b>151,257</b>
<b>5 yr Average</b>	31,557	26,086	18,456	7,680	4,630	7,812	27,526	24,139	147,886
<b>Points</b>	<b>5.33</b>	<b>4.41</b>	<b>3.12</b>	<b>1.30</b>	<b>0.78</b>	<b>1.32</b>	<b>4.65</b>	<b>4.08</b>	<b>25.00</b>

## 2. Performance Measure

Data: Performance funding detail by institution from the Performance Funding Model and Allocations (adopted in the May Board of Regents meeting).

Methodology: Same calculations as the performance funding model: the percent change in the current year from the previous five-year average in each of the five metrics: completion, Pell-eligible, market demand, awards per FTE, and research (for the two research institutions). The weighted performance is the sum-product of the five metrics with their associated weights.

Point Allocation: Points are awarded proportionate to each institution's weighted performance.

Proposed Weight: 10 points

2018-19 Model	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Rsrch Wt.	NonR Wt.
%Δ Completion	3.2%	8.9%	5.1%	19.3%	28.9%	7.8%	17.0%	2.6%	15%	15%
%Δ Pell-Eligible	150.5%	82.3%	94.9%	149.5%	59.5%	40.3%	134.4%	107.5%	10%	10%
%Δ Market Demand	5.1%	8.1%	11.4%	17.5%	-14.1%	14.0%	25.2%	17.1%	25%	25%
%Δ Awards per FTE	3.2%	6.3%	4.1%	19.7%	8.2%	-8.5%	8.2%	28.4%	40%	50%
%Δ Research	4.2%	3.9%							10%	
<b>Wtd. Performance</b>	<b>0.18</b>	<b>0.14</b>	<b>0.15</b>	<b>0.32</b>	<b>0.11</b>	<b>0.04</b>	<b>0.26</b>	<b>0.30</b>		
<b>Points</b>	<b>1.22</b>	<b>0.96</b>	<b>1.00</b>	<b>2.12</b>	<b>0.72</b>	<b>0.29</b>	<b>1.74</b>	<b>1.95</b>		

### 3. Projected Student Growth Measure

**Data:** 1. 18-24 year-old population projections for 2016 and 2026 from the Kem C. Gardner County Population Projections: <http://gardner.utah.edu/demographics/population-projections/> 2. Table 8, *Fall Semester (End of Term) Total Headcount Enrollment by County of Origin* in the USHE Data Book (Tab C). It is anticipated that we will work with Gardner to receive annual population projects by county.

**Methodology:** Allocate points based on which USHE institutions will accommodate the projected 10-year growth in 18-24 year-old Utahns (the college-age population). First, calculate the projected number of new 2026 students in each county by subtracting the current (2016) 18-24 year-old population from the projected 10-year (2026) 18-24 year-old population in each county (Gardner data). Second, determine the percentage of students from a particular county that each USHE institution accommodates by taking the ratio of the number of students attending a particular institution by the total number of students from the county attending all USHE institutions (Databook Table 8). Third, multiply the institutional ratios by the number of projected students from each county and sum across all counties.

**Point Allocation:** Points are awarded proportionate to the total number of 18-24 year-old students each institution is projected to accommodate in 2026.

**Proposed Weight:** 25 points

10 year College Age County Population Change by Institutional Service Region										Fall Semester 2018 (End of Term) Total Headcount Enrollment By County of Origin										Kem Gardner County Population Projections			
Student County of Origin	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC		Student County of Origin	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Total	County	2018 School 18-24 age Population	2026 School 18-24 age Population	10-yr Δ
Beaver	2	8	3	37	17	6	5	1	78	Beaver	7	32	11	147	67	24	20	3	311	Beaver	542	620	78
Box Elder	40	397	357	62	49	47	64	30	1,046	Box Elder	61	611	549	95	76	73	99	46	1,610	Box Elder	4,084	5,130	1,046
Cache	274	2,065	437	109	87	97	148	87	3,304	Cache	324	2,442	517	129	103	115	175	103	3,908	Cache	23,073	26,377	3,304
Carbon	30	347	17	27	4	16	35	5	481	Carbon	48	555	27	43	7	25	56	8	769	Carbon	1,826	2,307	481
Daggett	-	5	3	3	7	4	5	1	27	Daggett	-	5	3	3	8	4	5	1	29	Daggett	76	103	27
Davis	919	458	5,084	178	86	109	551	722	8,107	Davis	2,178	1,085	12,043	421	204	259	1,305	1,711	19,206	Davis	29,192	37,299	8,107
Duchesne	24	256	41	88	28	40	97	14	589	Duchesne	19	200	32	69	22	31	76	11	460	Duchesne	1,460	2,049	589
Emery	4	146	7	32	19	7	12	3	228	Emery	9	353	16	77	47	16	29	7	554	Emery	765	994	228
Garfield	3	3	2	30	24	10	10	0	82	Garfield	7	8	5	77	61	25	25	1	209	Garfield	375	457	82
Grand	19	52	17	22	4	9	10	8	140	Grand	27	74	24	32	5	13	14	11	200	Grand	588	729	140
Iron	46	22	11	836	13	54	38	10	1,029	Iron	111	52	26	1,998	31	128	90	24	2,460	Iron	7,960	8,988	1,029
Juab	9	27	13	47	187	6	101	3	392	Juab	13	39	19	67	268	8	145	4	563	Juab	1,097	1,489	392
Kane	3	5	9	32	18	55	11	1	133	Kane	7	10	21	71	39	122	24	2	296	Kane	510	643	133
Millard	-	-	-	-	-	-	-	-	-	Millard	18	42	27	115	261	69	110	16	658	Millard	1,064	1,159	-
Morgan	18	30	258	11	7	13	37	8	382	Morgan	29	47	405	17	11	20	58	12	599	Morgan	1,071	1,453	382
Plute	0	0	-	3	8	1	1	0	13	Plute	1	2	-	16	44	7	6	1	77	Plute	128	141	13
Rich	1	23	6	4	10	1	16	1	63	Rich	2	37	10	7	16	2	27	2	103	Rich	162	225	63
Salt Lake	4,782	511	585	403	283	246	1,804	8,393	17,008	Salt Lake	13,860	1,482	1,697	1,169	820	714	5,228	24,328	49,298	Salt Lake	93,153	110,161	17,008
San Juan	7	81	8	26	7	5	9	2	145	San Juan	22	254	26	81	22	15	27	7	454	San Juan	1,371	1,515	145
Sanpete	5	11	7	17	114	4	14	2	174	Sanpete	51	109	69	162	1,079	34	137	15	1,656	Sanpete	5,653	5,827	174
Sevier	4	12	6	44	189	22	32	4	313	Sevier	15	46	24	165	712	83	121	16	1,182	Sevier	1,627	1,940	313
Summit	24	2	4	2	1	1	22	11	68	Summit	659	64	123	69	39	29	616	296	1,895	Summit	2,973	3,041	68
Tooele	217	339	186	172	131	136	172	633	1,986	Tooele	230	360	198	183	139	145	183	672	2,110	Tooele	5,707	7,693	1,986
Uintah	63	472	76	116	84	61	247	41	1,160	Uintah	31	231	37	57	41	30	121	20	568	Uintah	2,488	3,648	1,160
Utah	1,647	591	395	785	495	339	16,399	816	21,467	Utah	2,422	869	581	1,154	728	498	24,117	1,200	31,569	Utah	94,368	115,834	21,467
Wasatch	276	43	24	66	62	27	894	50	1,442	Wasatch	350	55	30	84	79	34	1,133	63	1,828	Wasatch	2,458	3,900	1,442
Washington	129	121	68	585	47	4,051	387	54	5,442	Washington	170	160	90	772	62	5,348	511	71	7,194	Washington	14,881	20,323	5,442
Wayne	1	2	1	5	15	2	2	1	30	Wayne	4	10	5	21	61	7	9	4	121	Wayne	202	232	30
Weber	280	202	3,755	93	48	58	109	114	4,660	Weber	637	460	8,534	211	108	131	248	260	10,589	Weber	21,833	26,492	4,660
Total	8,828	6,232	11,381	3,835	2,043	5,425	21,232	11,014	69,990	In-state, by County	21,312	9,694	25,149	7,512	5,160	8,009	34,715	28,915	140,466	Total	320,686	390,771	69,990

Fall 2018 County Enrollment	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Total
2028 Projected Students	8,828	6,232	11,381	3,835	2,043	5,425	21,232	11,014	69,990
Points	3.15	2.23	4.07	1.37	0.73	1.94	7.58	3.93	25.00

**Additional Information:** This measure is anticipated to be fairly stable across time. Institutions may gain additional points by attracting Utah students, especially from those regions with the highest projected student population growth. The following table shows calculations for the last three years using the above methodology:

	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Total
<b>2018 Students</b>	8,828	6,232	11,381	3,835	2,043	5,425	21,232	11,014	<b>69,990</b>
<b>Points 2019</b>	3.15	2.23	4.07	1.37	0.73	1.94	7.58	3.93	<b>25.00</b>
<b>2017 Students</b>	9,617	7,127	11,988	3,817	2,288	5,674	22,612	11,924	<b>75,046</b>
<b>Points 2018</b>	3.20	2.37	3.99	1.27	0.76	1.89	7.53	3.97	<b>25.00</b>
<b>2016 Students</b>	10,223	8,222	11,842	3,922	2,237	5,770	22,900	12,526	<b>77,643</b>
<b>Points 2017</b>	3.29	2.65	3.81	1.26	0.72	1.86	7.37	4.03	<b>25.00</b>

#### 4. Square Feet per Student FTE Measure

Data: 1. Table 2, *FTE (End of Term) Budget Related and Self-Support Enrollment History* in the USHE DataBook (Tab C) adjusted for online FTE and Concurrent Enrollment FTE. 2. Academic square feet for classrooms (100), teaching labs (200), and study/library space (400) from the Fall space inventory in the USHE DataBook (Tab L) plus square feet under construction (“pipeline” projects from CDP forms).

Methodology: Institutional square feet per FTE are calculated for each of the three academic space categories (classrooms, teaching labs, and study/library) by dividing the current institutional space inventory (including pipeline projects) by the number of full-time students adjusted to subtract out online and concurrent enrollment FTE. The three space categories are weighted to distribute the assigned points.

Point Allocation: Points are awarded proportionate to the institutional square feet per FTE calculations relative to the institution with the most square feet per FTE in each of the three space categories. The institution with the most square feet per FTE in a particular space category does not receive points for that category.

Proposed Weight: 10 points

Space Use	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Wt.
2017 Fall 3rd Week Enrollment FTE	28,188	22,813	17,221	7,761	4,097	7,398	25,198	16,297	
Online FTE	3,456	3,297	3,395	1,142	267	864	3,558	3,216	
Concurrent Enrollment FTE		1,007	3,476		612	510	3,379	2,238	
<b>Adjusted 2017 End-of-Term FTE</b>	<b>24,732</b>	<b>18,509</b>	<b>10,349</b>	<b>6,619</b>	<b>3,218</b>	<b>6,024</b>	<b>18,260</b>	<b>10,843</b>	
Classroom (100) Inventory + Pipeline	408,095	327,848	222,857	78,392	74,191	102,975	222,312	231,057	
Classroom ASF/FTE	16.5	17.7	21.5	11.8	23.1	17.1	12.2	21.3	
<b>Points</b>	<b>0.61</b>	<b>0.49</b>	<b>0.14</b>	<b>1.04</b>	<b>-</b>	<b>0.55</b>	<b>1.01</b>	<b>0.16</b>	<b>40%</b>
Teaching Lab (200) Inventory/Pipeline	408,232	457,235	297,568	130,911	182,755	100,956	444,504	445,294	
Teaching Lab ASF/FTE	16.5	24.7	28.8	19.8	56.8	16.8	24.3	41.1	
<b>Points</b>	<b>0.62</b>	<b>0.50</b>	<b>0.43</b>	<b>0.57</b>	<b>-</b>	<b>0.62</b>	<b>0.50</b>	<b>0.24</b>	<b>35%</b>
Study/Library (400) Inventory/Pipeline	352,418	206,375	120,543	57,521	32,957	65,828	112,543	52,482	
Study/Library ASF/FTE	14.2	11.2	11.6	8.7	10.2	10.9	6.2	4.8	
<b>Points</b>	<b>-</b>	<b>0.21</b>	<b>0.18</b>	<b>0.39</b>	<b>0.28</b>	<b>0.23</b>	<b>0.56</b>	<b>0.65</b>	<b>25%</b>
<b>Total Points</b>	<b>1.23</b>	<b>1.21</b>	<b>0.76</b>	<b>2.00</b>	<b>0.28</b>	<b>1.40</b>	<b>2.07</b>	<b>1.06</b>	



## 5. Facility Age and Condition Measure

**Data:** 1. Square feet, replacement value, constructed year, and auxiliary square feet from annual Utah Division of Risk Management reports of USHE institution-provided insured property information. 2. Facility condition assessments (FCA) made by the State Building Board or an institutional facility management system.

**Methodology:** 1. Calculate a deficiency ratio of pre-1989, non-auxiliary buildings over \$3.5 million by dividing the total institutional facility deficiency cost by the replacement value of those assets from FCA data. 2. Calculate the average non-auxiliary age of institutional facilities from the Risk Management data. 3. Calculate an Age and Condition Score by multiplying the deficiency ratio by the average non-auxiliary age and the total non-auxiliary square feet.

**Point Allocation:** Points are awarded proportionate to the total age and condition score for each institution.

**Proposed Weight:** 25 points

**Additional Information:** The data behind these calculations will need to be validated by USHE institutions. Particular attention will need to be made in the future to ensure Risk Management has the most current building information including percent auxiliary use, construction year, square feet, and replacement value. Focus will also need to be made by institutions to either implement a best-practice facility-management system tracking facility needs and deficiencies or working closely with the State Building Board facilities condition assessment contractor.

	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC
Replacement Value	\$734,431,346	\$374,332,503	\$185,701,522	\$95,933,555	\$82,425,022	\$12,408,267	\$86,545,557	\$166,900,395
Facility Deficiency	\$119,393,666	\$69,526,567	\$20,823,107	\$24,116,437	\$7,677,413	\$2,343,991	\$7,355,205	\$11,704,264
<b>Deficiency to Value Ratio</b>	16.3%	18.6%	11.2%	25.1%	9.3%	18.9%	8.5%	7.0%
<b>x Non-Auxiliary Sq. Feet</b>	9,793,333	6,047,014	2,120,000	1,381,431	961,028	1,090,505	2,604,278	2,220,801
<b>x Average Non-Aux. Age</b>	37	35	28	36	32	22	23	36
<b>Age and Condition Score</b>	58,309,289	39,744,525	6,582,218	12,438,496	2,872,470	4,630,331	5,062,402	5,631,425
<b>Points</b>	<b>10.78</b>	<b>7.35</b>	<b>1.22</b>	<b>2.30</b>	<b>0.53</b>	<b>0.86</b>	<b>0.94</b>	<b>1.04</b>

## 6. Utilization Measure

Data: Annual USHE Space Utilization Reports (due in December and presented in the January Regent meeting).

Methodology: Multiply the classroom Room Utilization Rate (RUR) by the Seat Occupancy Rate (SOR) for each USHE institution. The USHE standard for classroom utilization is 22.5 (33.75 hours per week RUR x 66.7% SOR).

Point Allocation: Points are awarded proportionate to the percent each institution achieves above the USHE standard for classroom utilization. Institutions not meeting the standard do not receive any points.

Proposed Weight: 5 points

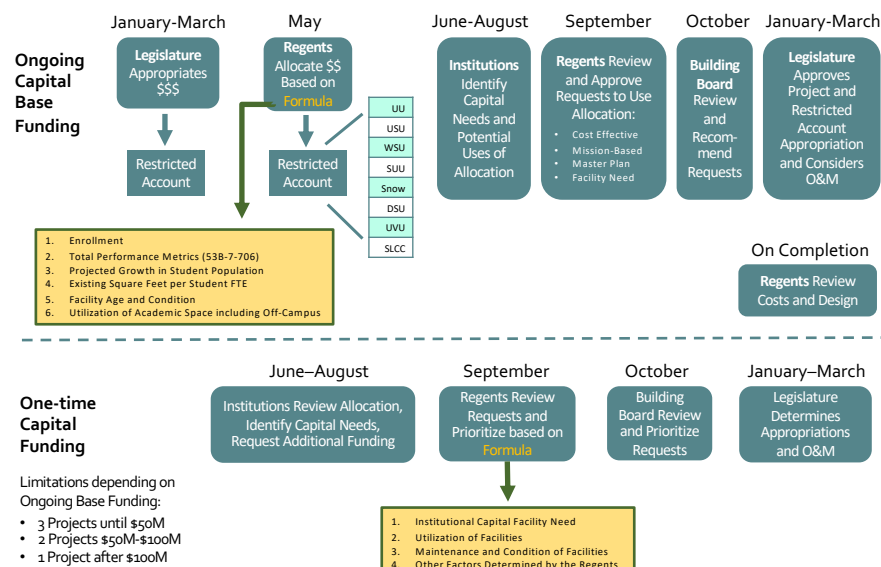
Additional Information: This measure is weighted low for the initial year to allow institutions the opportunity to implement utilization strategies for their facilities and achieve the USHE standards. It is anticipated that over time weight would shift from the Facility Age and Condition measure to utilization. Laboratory utilization may also be included in future measures.

2017-2018 Utilization	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Wt.
Classroom Utilization	13.9	10.9	16.0	28.4	14.2	16.4	26.5	19.0	
USHE Standard	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	
% Above/below Standard	(38.4%)	(51.8%)	(29.1%)	26.2%	(36.8%)	(27.2%)	17.9%	(15.7%)	
Points	-	-	-	2.97	-	-	2.03	-	

# S.B. 102, Higher Education Capital Facilities Funding Model

Utah State Board of Regents  
March 29, 2019

## SB 102 - Utah System of Higher Education - Capital Funding Model





## Regent Responsibilities Under SB 102

Process	Current Regent Practice	Senate Bill 102 Change	Line
<b>Regent Capital Process</b>	Regents rank based on criteria: need, facility condition, <b>donations</b> , Regent criteria	<ul style="list-style-type: none"> <li>Regents determine metrics and weights for formula</li> <li>Determine projects to move forward for allocated funds</li> <li>Rank alternative projects based on criteria: need, facility condition, <b>utilization</b>, Regent criteria</li> </ul>	307-313 330-353
<b>Institution Presentations</b>	Institutions present projects for Regent prioritization	<ul style="list-style-type: none"> <li>Institutions present projects to use allocation and for alternative funding</li> <li>Regents determine if an allocated funds project:               <ol style="list-style-type: none"> <li>is cost effective and efficient use of resources</li> <li>is consistent with the institution mission</li> <li>is consistent with the institution master plan</li> <li>fulfills a critical institutional facility need</li> </ol> </li> </ul>	307-313
<b>Submission of Projects</b>	Regents submit all projects to Gov., Building Bd., and Legislature	<ul style="list-style-type: none"> <li>Regents compile a list of approved projects</li> <li>Regents prioritize between 1 to 3 projects for alt. funding</li> </ul>	314-329
<b>Project Follow-up</b>	No current process	Regents review projects at completion for cost and design	358



## Alternative Capital Funding Process

- Limits Prioritization Based on Formula Funding
  - 3 projects if less than \$50 million -> (FY2020)
  - 2 projects if between \$50 million and \$100 million -> FY2021
  - 1 project if \$100 million or more -> FY 2022 and beyond
- Update of Current Regent CDP Process
  - Capital facility need
  - Utilization of facilities
  - Maintenance and condition of facilities
  - Additional factors to be determined by the Board



## SB102 Additional Elements

- Allows using allocated funds for Design (lines 546-562)
  - Removes "phase" funding prohibition
- Allows using allocated funds for Debt Service (lines 272-276)
  - General Obligation bonds approved by legislature by 2/3rds vote
- O&M requests at time of legislative authorization (lines 354-357)



## Fiscal Note

Ongoing Revenue	FY 2020	FY 2021	FY 2022
Higher Education Capital Projects	\$0	\$36,500,000	\$73,000,000
Technical Colleges Capital Projects	\$0	\$7,000,000	\$14,000,000
<b>Total Ongoing Revenues</b>	<b>\$0</b>	<b>\$43,500,000</b>	<b>\$87,000,000</b>
USHE Legislative Project Requests	3	3	2



## Statutory Funding Formula Factors

1. Enrollment	Students
2. Performance Metrics*	
3. Student Growth	
4. Square Feet per FTE	Facilities
5. Age and Condition	
6. Utilization*	

\*Performance Factors

- Regents are asked to consider metric and weight of each factor
- Additional considerations:
  - Fixed weights for two or more years to allow planning
  - Initial lower Performance Factor weights with future increases



## 1. Enrollment

## 25 Points

- 5-year Average of Budget Related End-of-Term Headcount

	UU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	USHE Total
2014 (13-14)	31,128	25,329	18,496	6,507	4,212	7,569	25,080	25,064	143,385
2015 (14-15)	31,174	26,459	18,271	7,185	4,525	7,511	26,649	24,499	146,273
2016 (15-16)	31,310	26,184	18,375	8,162	4,815	7,729	27,560	24,005	148,140
2017 (16-17)	32,014	26,084	18,806	7,963	4,883	8,150	28,694	23,782	150,376
2018 (17-18)	32,157	26,375	18,333	8,584	4,716	8,100	29,645	23,347	151,257
5 yr Average	31,557	26,086	18,456	7,680	4,630	7,812	27,526	24,139	147,886
Points	5.33	4.41	3.12	1.30	0.78	1.32	4.65	4.08	25.00



## 2. Performance

## 10 Points

- Performance Funding Model Allocation (May SBR)

Research Universities						
Weighting	Completion 15%	Underserved Students 10%	Market Demand 25%	Research 10%	Awards per FTE 40%	Total 100%
<b>University of Utah</b>						
Available Allocation (29.31%)	\$1,175,820	\$ 783,880	\$1,959,700	\$ 783,880	\$3,135,520	\$7,838,800
1% Progress Measure (increase/decrease)	3.16%	150.46%	5.15%	4.22%	3.17%	
Actual Award within Available Allocation	\$1,175,820	\$ 783,880	\$1,959,700	\$ 783,880	\$3,135,520	\$7,838,800
Percent (%) Funded	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$
<b>Utah State University</b>						
Available Allocation (20.27%)	\$ 812,745	\$ 541,830	\$1,354,575	\$ 541,830	\$2,167,320	\$5,418,300
1% Progress Measure (increase/decrease)	8.93%	82.35%	8.06%	3.92%	6.29%	
Actual Award within Available Allocation	\$ 812,745	\$ 541,830	\$1,354,575	\$ 541,830	\$2,167,320	\$5,418,300
Percent (%) Funded	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$



## 2. Performance

## 10 Points

	UU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Total	Rsrch Wt.	NonR Wt.
%Δ Completion	3.2%	8.9%	5.1%	19.3%	28.9%	7.8%	17.0%	2.6%		15%	15%
%Δ Pell-Eligible	150.5%	82.3%	94.9%	149.5%	59.5%	40.3%	134.4%	107.5%		10%	10%
%Δ Market Demand	5.1%	8.1%	11.4%	17.5%	-14.1%	14.0%	25.2%	17.1%		25%	25%
%Δ Awards per FTE	3.2%	6.3%	4.1%	19.7%	8.2%	-8.5%	8.2%	28.4%		40%	50%
%Δ Research	4.2%	3.9%								10%	
Wt. Performance	0.18	0.14	0.15	0.32	0.11	0.04	0.26	0.30	1.51		
Points	1.22	0.96	1.00	2.12	0.72	0.29	1.74	1.95	10.00		



### 3. Projected Student Growth

### 25 Points

- Utah K-12 Pipeline to USHE
- How many 18-24 year-old Utah students will USHE need to accommodate in the next 10 years?
- Which institutions will accommodate that growth?

	UU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Total
2028 Projected Students	8,828	6,232	11,381	3,835	2,043	5,425	21,232	11,014	69,990
Points	3.15	2.23	4.07	1.37	0.73	1.94	7.58	3.93	25.00



10 year College Age County Population Change by Institutional Service Region										Fall Semester 2018 (End of Term) Total Headcount Enrollment By County of Origin										Kem Gardner County Population Projections			
Student County of Origin	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC		Student County of Origin	UofU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Total	County	2018 School 18-24 age Population	2028 School 18-24 age Population	10-yr Δ
Beaver	2	8	3	37	17	6	5	1	78	Beaver	7	32	11	147	67	24	20	3	311	BEAVER COUNTY	542	620	78
Box Elder	40	397	357	62	49	47	64	30	1,046	Box Elder	61	611	549	95	76	73	99	46	1,610	BOX ELDER COUNTY	4,084	5,130	1,046
Cache	274	2,065	437	109	87	97	148	87	3,304	Cache	324	2,442	517	129	103	115	175	103	3,908	CACHE COUNTY	23,073	26,377	3,304
Carbon	30	347	17	27	4	16	35	5	481	Carbon	48	555	27	43	7	25	56	8	769	CARBON COUNTY	1,826	2,307	481
Daggett	-	5	3	3	7	4	5	1	27	Daggett	-	5	3	3	8	4	5	1	29	DAGGETT COUNTY	76	103	27
Davis	919	458	5,084	178	86	109	551	722	8,107	Davis	2,178	1,085	12,043	421	204	259	1,305	1,711	19,206	DAVIS COUNTY	29,192	37,299	8,107
Duchesne	24	256	41	88	28	40	97	14	589	Duchesne	19	200	32	69	22	31	76	11	460	DUCHESNE COUNTY	1,460	2,049	589
Emery	4	146	7	32	19	7	12	3	228	Emery	9	353	16	77	47	16	29	7	554	EMERY COUNTY	765	994	228
Garfield	3	3	2	30	24	10	10	0	82	Garfield	7	8	5	77	61	25	25	1	209	GARFIELD COUNTY	375	457	82
Grand	19	52	17	22	4	9	10	8	140	Grand	27	74	24	32	5	13	14	11	200	GRAND COUNTY	588	729	140
Iron	46	22	11	836	13	54	38	10	1,029	Iron	111	52	26	1,998	31	128	90	24	2,460	IRON COUNTY	7,960	8,988	1,029
Juab	9	27	13	47	187	6	101	3	392	Juab	13	39	19	67	268	8	145	4	563	JUAB COUNTY	1,097	1,489	392
Kane	3	5	9	32	18	55	11	1	133	Kane	7	10	21	71	39	122	24	2	296	KANE COUNTY	510	643	133
Millard	-	-	-	-	-	-	-	-	-	Millard	18	42	27	115	261	69	110	16	658	MILLARD COUNTY	1,064	1,159	-
Morgan	18	30	258	11	7	13	37	8	382	Morgan	29	47	405	17	11	20	58	12	599	MORGAN COUNTY	1,071	1,453	382
Piute	0	0	-	3	8	1	1	0	13	Piute	1	2	-	-	16	44	7	6	77	PIUTE COUNTY	128	141	13
Rich	1	23	6	4	10	1	16	1	63	Rich	2	37	10	7	16	2	27	2	103	RICH COUNTY	162	225	63
Salt Lake	4,782	511	585	403	283	246	1,804	8,393	17,008	Salt Lake	13,860	1,482	1,697	1,169	820	714	5,228	24,328	49,298	SALT LAKE COUNTY	93,153	110,161	17,008
San Juan	7	81	8	26	7	5	9	2	145	San Juan	22	254	26	81	22	15	27	7	454	SAN JUAN COUNTY	1,371	1,515	145
Sanpete	5	11	7	17	114	4	14	2	174	Sanpete	51	109	69	162	1,079	34	137	15	1,656	SANPETE COUNTY	5,653	5,827	174
Sevier	4	12	6	44	189	22	32	4	313	Sevier	15	46	24	165	712	83	121	16	1,182	SEVIER COUNTY	1,627	1,940	313
Summit	24	2	4	2	1	1	22	11	68	Summit	659	64	123	69	39	29	616	296	1,895	SUMMIT COUNTY	2,973	3,041	68
Tooele	217	339	186	172	131	136	172	633	1,986	Tooele	230	360	198	183	139	145	183	672	2,110	TOOELE COUNTY	5,707	7,693	1,986
Uintah	63	472	76	116	84	61	247	41	1,160	Uintah	31	231	37	57	41	30	121	20	568	UINTAH COUNTY	2,488	3,648	1,160
Utah	1,647	591	395	785	495	339	16,399	816	21,467	Utah	2,422	869	581	1,154	728	498	24,117	1,200	31,569	UTAH COUNTY	94,368	115,834	21,467
Wasatch	276	43	24	66	62	27	894	50	1,442	Wasatch	350	55	30	84	79	34	1,133	63	1,828	WASATCH COUNTY	2,458	3,900	1,442
Washington	129	121	68	585	47	4,051	387	54	5,442	Washington	170	160	90	772	62	5,348	511	71	7,184	WASHINGTON COUN	14,881	20,323	5,442
Wayne	1	2	1	5	15	2	2	1	30	Wayne	4	10	5	21	61	7	9	4	121	WAYNE COUNTY	202	232	30
Weber	280	202	3,755	93	48	58	109	114	4,660	Weber	637	460	8,534	211	108	131	248	260	10,589	WEBER COUNTY	21,833	26,492	4,660
Total	8,828	6,232	11,381	3,835	2,043	5,425	21,232	11,014	69,990	In-state, by County	21,312	9,694	25,149	7,512	5,160	8,009	34,715	28,915	140,466	Total	320,686	390,771	69,990





## 4. Square Feet per FTE

## 10 Points

	UU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Weight
2017 Fall 3rd Week Enrollment FTE	28,188	22,813	17,221	7,761	4,097	7,398	25,198	16,297	
Online FTE	3,456	3,297	3,395	1,142	267	864	3,558	3,216	
Concurrent Enrollment FTE		1,007	3,476		612	510	3,379	2,238	
Adjusted 2017 End-of-Term FTE	24,732	18,509	10,349	6,619	3,218	6,024	18,260	10,843	
Classroom (100) Inventory + Pipeline	408,095	327,848	222,857	78,392	74,191	102,975	222,312	231,057	
Classroom ASF/FTE	16.5	17.7	21.5	11.8	23.1	17.1	12.2	21.3	
Points	0.61	0.49	0.14	1.04	-	0.55	1.01	0.16	40%
Teaching Lab (200) Inventory + Pipeline	408,232	457,235	297,568	130,911	182,755	100,956	444,504	445,294	
Teaching Lab ASF/FTE	16.5	24.7	28.8	19.8	56.8	16.8	24.3	41.1	
Points	0.62	0.50	0.43	0.57	-	0.62	0.50	0.24	35%
Study/Library (400) Inventory + Pipeline	352,418	206,375	120,543	57,521	32,957	65,828	112,543	52,482	
Study /Library ASF/FTE	14.2	11.2	11.6	8.7	10.2	10.9	6.2	4.8	
Points	-	0.21	0.18	0.39	0.28	0.23	0.56	0.65	25%
Total Points	1.23	1.21	0.76	2.00	0.28	1.40	2.07	1.06	



## 5. Facility Age and Condition

## 25 Points

(Facility Deficiencies / Replace Value) x Non-Aux Sq. Ft. x Avg. Age

- Risk Management Data and State Building Board FCA – need review

	UU	USU	WSU	SUU	Snow	DSU	UVU	SLCC
Replacement Value	\$734,431,346	\$374,332,503	\$185,701,522	\$95,933,555	\$82,425,022	\$12,408,267	\$86,545,557	\$166,900,395
Facility Deficiency	\$119,393,666	\$69,526,567	\$20,823,107	\$24,116,437	\$7,677,413	\$2,343,991	\$7,355,205	\$11,704,264
Deficiency to Value Ratio	16.3%	18.6%	11.2%	25.1%	9.3%	18.9%	8.5%	7.0%
x Non-Auxiliary Sq. Feet	9,793,333	6,047,014	2,120,000	1,381,431	961,028	1,090,505	2,604,278	2,220,801
x Average Non-Aux. Age	37	35	28	36	32	22	23	36
Age and Condition Score	58,309,289	39,744,525	6,582,218	12,438,496	2,872,470	4,630,331	5,062,402	5,631,425
Points	10.78	7.35	1.22	2.30	0.53	0.86	0.94	1.04



## 6. Utilization

## 5 Points

- Annual utilization reports -> Classroom Room Use\*Seat Occupancy
- No points unless meet or exceed standard
- Low weight will change over time -> reduce Age and Condition

	UU	USU	WSU	SUU	Snow	DSU	UVU	SLCC	Wt
Classroom Utilization	13.9	10.9	16.0	28.4	14.2	16.4	26.5	19.0	
USHE Standard	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	
% Above/below Standard	(38.4%)	(51.8%)	(29.1%)	26.2%	(36.8%)	(27.2%)	17.9%	(15.7%)	
Points	-	-	-	2.97	-	-	2.03	-	5.00



## Proposed Funding Formula

Point Categories	UU	USU	WSU	SUU	Snow	Dixie	UVU	SLCC	Wt
Enrollment	5.33	4.41	3.12	1.30	0.78	1.32	4.65	4.08	25
Performance Metrics	1.22	0.96	1.00	2.12	0.72	0.29	1.74	1.95	10
Student Growth	3.15	2.23	4.07	1.37	0.73	1.94	7.58	3.93	25
Square Feet per FTE	1.23	1.21	0.76	2.00	0.28	1.40	2.07	1.06	10
Age and Condition	10.78	7.35	1.22	2.30	0.53	0.86	0.94	1.04	25
Utilization	0.00	0.00	0.00	2.97	0.00	0.00	2.03	0.00	5
<b>Funding Points</b>	<b>21.72</b>	<b>16.15</b>	<b>10.16</b>	<b>12.05</b>	<b>3.04</b>	<b>5.81</b>	<b>19.01</b>	<b>12.07</b>	

**\$73m Funding\***    **\$15,854,000**    **\$11,786,000**    **\$7,415,000**    **\$8,797,000**    **\$2,218,000**    **\$4,241,000**    **\$13,881,000**    **\$8,809,000**

\* FY 2022 Funding (\$36,500,000 in FY 2021)



## Next Steps

### Regent Policies by August 1, 2019

1. Updated Capital Facilities Policy
2. Allocation Formula and Weighting
3. Process for Accessing Allocated Funds
4. Updated Prioritization Process

### Additional Regent Considerations for Policy Change

- Campus Master Plan to include 5-year plans