

FY 2026-27 USHE Capital Budget Guidance

July 18, 2025



UTAH
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FY 2026-27 Capital Budget Guidance

Bottom Line Up Front: Action Requested to adopt Guidance

Key Areas

- Board's capital budget recommendation must adhere to statutory restrictions and be sensitive to state revenue environment.
- Guidance contemplates requests for dedicated, non-dedicated, landbank, and non-state-funded projects.
- Non-Dedicated project ranking frozen.
- Newly proposed Technical College Dedicated project pathway.

FY 2026-27 Capital Request Timeline

Key Dates

August 1: Updated five-year capital facilities plans and state-funded capital requests for dedicated projects, non-dedicated projects* and landbanks due to the Commissioner's office.

September 19: Division of Facilities Construction and Management provides final Construction Budget Estimate (CBE).

October 2: Institutional project presentation and Utah Board of Higher Education prioritization.

FY 2026-27 Capital Budget Guidance

Dedicated Project Requests

- Degree-granting institutions and technical colleges may submit requests to use anticipated FY 2027 capital project fund balances. Funding subject to appropriations by the Legislature.

Non-Dedicated Project Requests

- Requires institutional participation from Dedicated Capital Project Funds. Previous prioritization frozen with USU MAIDAC & DXTC Trades & Technology Building. Board option to re-prioritize next year.

Landbank Requests

- Should be funded with institution-dedicated project allocations, with additional new funding requests provisional on extenuating circumstances.

Non-State Funded Project Requests

- Institutions may submit for Board approval consistent with statute and policy.

2025 GS Action – Higher Education & Technical Colleges Capital Project Funds

<u>HB 6 Item 78 & SB 2 Item 196 & SB 3 Item 456</u>	One-Time	Ongoing	Total	One-Time Red.	Ongoing Red.
FY 2026 HECPF Appropriations	\$44,438,200	\$51,151,500	\$95,589,700	-\$5,100,000	-\$49,538,200
<u>HB 6 Item 79 & SB 2 Item 197 & SB 3 Item 457</u>	One-Time	Ongoing	Total	One-Time Red.	Ongoing Red.
FY 2026 TCCPF Appropriations	\$10,600,000	\$7,310,300	\$17,910,300	-\$1,400,000	-\$12,000,000

2026 GS Higher Education Capital Project Fund Estimated Balances & Appropriations

2026 GS - Higher Education Capital Project Fund	UU	USU	WSU	SUU	Snow	UT	UVU	SLCC	Total
FY 2025 Balance w/out Interest Earnings	\$22,980,900	\$2,029,900	\$12,158,700	\$5,964,200	\$0	\$20,234,000	\$28,418,300	\$9,426,600	\$101,212,600
FY 2026 Appropriated Allocation	\$20,169,400	\$16,292,700	\$8,776,600	\$10,500,800	\$5,630,700	\$8,387,300	\$15,792,000	\$10,040,100	\$95,589,700
FY 2026 Appropriated for Projects	\$0	-\$3,500,000	-\$12,883,500	-\$8,500,000	-\$5,931,100	-\$27,367,000	-\$23,211,000	-\$9,426,800	-\$90,819,400
FY 2026 Balance w/out Interest Earnings	\$43,150,300	\$14,822,600	\$8,051,800	\$7,965,000	-\$300,400	\$1,254,300	\$20,999,300	\$10,039,900	\$105,982,900
Previous Interest Earnings as of 2/21/2025	\$685,166	\$13,205	\$221,209	\$2,103	\$994,905	\$679,270	\$985,098	\$373,408	\$3,964,919
FY 2026 Balance w/Interest as of 2/21/2025	\$43,835,466	\$14,835,805	\$8,273,009	\$7,967,103	\$694,505	\$1,933,570	\$21,984,398	\$10,413,308	\$109,947,819
FY 2027 Allocation (Estimated)	\$10,793,000	\$8,718,500	\$4,696,500	\$5,619,200	\$3,013,100	\$4,488,200	\$8,450,500	\$5,372,600	\$51,151,500
FY 2027 Balance (Estimated)	\$54,628,466	\$23,554,305	\$12,969,509	\$13,586,303	\$3,707,605	\$6,421,770	\$30,434,898	\$15,785,908	\$161,099,319

USHE FY 2026-27 Capital Budget Requests

Degree-Granting Non-Dedicated Project Prioritization

Non-Dedicated Degree-Granting Project Requests

Institution	Project	1x ITF/GF (FY 2027 Preliminary)	1x HECPF (FY 2027 Preliminary)	1x HECPF (FY 2026)	1x Other Funds (FY 2026)	Total Project Cost (FY 2026)
USU	Math, Artificial Intelligence, Data and Analytics Center	\$19,530,400	\$23,554,300	\$3,500,000	\$0	\$46,584,700
SUU	Engineering and Computational Sciences Building	\$45,911,100	\$13,586,300	\$500,000	\$20,000,000	\$79,997,400
UTU	Health Sciences Building & Taylor Remodel for UUSOM	\$89,523,300	\$6,421,800	\$0	\$0	\$95,945,100
UVU	Health Professions 2 Building	\$80,854,102	\$30,434,898	\$8,711,000	\$30,000,000	\$150,000,000
UU	Community & Family Health Building	\$358,006,000	\$54,628,500	\$0	\$0	\$412,634,500

- FY 2026 appropriations from dedicated project fund for USU, SUU & UVU
- FY 2027 preliminary HECPF balances updated to reflect 2025 GS Action
- Board option to reprioritize next year

2026 GS Technical College Capital Project Fund Estimated Balances & Appropriations

2026 GS - Technical College Capital Project Fund	Tech Colleges
FY 2025 Balance w/out Interest Earnings	\$0
FY 2026 Appropriated Allocation	\$17,910,300
FY 2026 Appropriated for Projects (DXTC)	-\$8,000,000
FY 2026 Balance w/out Interest Earnings	\$9,910,300
Previous Interest Earnings as of 2/21/2025	\$245,488
FY 2026 Balance w/Interest as of 2/21/2025	\$10,155,788
FY 2027 Allocation (Estimated)	\$7,310,300
FY 2027 Balance (Estimated)	\$17,466,088

USHE FY 2026-27 Capital Budget Requests

Technical College Non-Dedicated Project Prioritization

Non-Dedicated Technical College Project Requests						
Institution	Project	1x ITF/GF (FY 2027 Preliminary)	1x TCCPF (FY 2027 Preliminary)	1x TCCPF (FY 2026)	1x Other Funds (FY 2026)	Total Project Cost (FY 2026)
DXTC	Trades & Technology Building	\$48,644,200	\$10,155,800	\$8,000,000	\$0	\$66,800,000
SWTC	Public Safety Building	\$24,031,000	\$0	\$0	\$1,000,000	\$25,031,000
UBTC	Health Sciences Building	\$74,961,300			\$0	\$74,961,300

- FY 2026 appropriations from dedicated project fund for DXTC
- FY 2027 preliminary TCCPF balances updated to reflect 2025 GS Action & the Commissioner's office recommendation for new technical college dedicated request pathway
- Board option to reprioritize next year

2026 GS Technical College Capital Project Fund Estimated Balances & Appropriations

2026 GS - Technical College Capital Project Fund	Tech Colleges
FY 2025 Balance w/out Interest Earnings	\$0
FY 2026 Appropriated Allocation	\$17,910,300
FY 2026 Appropriated for Projects (DXTC)	-\$8,000,000
FY 2026 Balance w/out Interest Earnings	\$9,910,300
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Recommended
for DXTC non-
dedicated
contribution

Recommended for
specific dedicated
projects in 2026 GS

Statute defines a Dedicated Project as a Capital Development Project:

- (i) a remodeling or site or utility improvement project with a total cost of \$3,500,000 or more;
- (ii) a new facility with a construction cost of \$500,000 or more; or
- (iii) a purchase of real property if an appropriation is requested and made for the purchase.

Commissioner's Recommendation for Discussion

The Commissioner recommends that the Board adopt the FY 2026-27 USHE Capital budget guidance.



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FY 2026-27 USHE Operating Budget Guidance

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Bottom Line Up Front: Action Requested to adopt Guidance

Key Areas

- Board's operating budget recommendation must be sensitive to state revenue environment.
- Guidance includes system-level requests for compensation, mandatory costs, and performance funding, and seeks to gather data and information necessary to determine recommendations for other request areas.
- Continued consensus approach. RFAs not recommended by the Board will not be authorized for advancement to the Legislature.

FY 2026-27 Operating Budget Guidance

Revenues Outperforming Consensus, but at 'New Normal' Rates of Growth

- FY 2025 collections through 11 months are promising
- Current Consensus expects ~3.6% increase in ongoing pre-tax cut revenue in FY 2026
- Even at upwardly adjusted growth rates, ~\$525 million in new ongoing GF/ITF Revenue
- At USHE's 16% share, ~\$85 million in new ongoing GF/ITF Revenue

Governor's Budget Guidance

Utah's economy continues to outperform the national average. However, both the U.S. and state economies are showing signs of moderating growth. Furthermore, current global economic conditions have increased uncertainty for the future. As a result, the state will likely see low, if any, real ongoing revenue growth. Additionally, increased earmarks and pending federal budget decisions could further strain state budgets. This restrains the ability to fund new budget requests and emphasizes the need for careful fiscal management. Therefore, we are limiting FY26 supplemental and FY27 budget requests to mandatory or critical items only.

FY 2026-27 Operating Budget Guidance



FY 2026-27 Operating Budget Guidance

Compensation & Mandatory Cost Increases

- Parity with state entities, including maintenance of existing employee cost sharing. Data collection effort to evaluate fuel and power needs.

Performance Funding

- Recommended amount for new funding is equal to the formula result estimated at \$16.6 million. Existing ongoing appropriations of \$21.8 million are available for recovery as well.

Growth Funding

- Amounts will be calculated using current models and considered in the context of the legislative interim evaluation exercise.

Technical College Capacity

- Requests should be responsive to waitlisted or otherwise under-resourced programs and to workforce demand.

FY 2026-27 Operating Budget Guidance

Institution Priorities

- Institutions should submit RFA priorities that align with system-level goals and strategic objectives.
- External requests should be captured such that the Board may fulfill its statutory requirement to prioritize all requests for appropriations directed to the System or its institutions.

Commissioner's Recommendation for Discussion

The Commissioner recommends that the Board adopt the FY 2026-27 USHE Operating budget guidance.



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