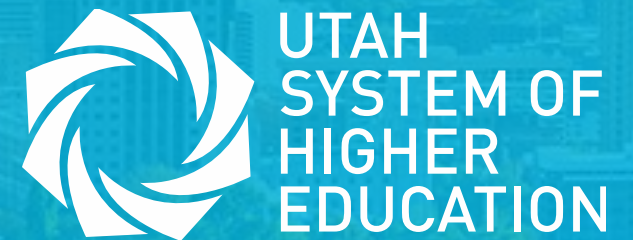


Utah System of Higher Education Board of Trustee Summit Capital Facilities & Budget Processes

October 30, 2024



Overview & Key Concepts

Overview

- This section will cover general system budget composition, the state legislative appropriations process, and USHE deliverables for institutional operating and capital budget recommendations.

Key Concepts

- Operating & Capital Budgets
- Appropriated vs. Unappropriated Funds
- Sources of Revenue & NACUBO Category Expenditures

Linked Resources/Guide



Statute/Leg. Materials



UTAH SYSTEM OF
HIGHER EDUCATION

Policy/USHE Materials



Point of Emphasis

USHE Impact on the Utah Economy

Table 2: Public Higher Education Institutions' Estimated Economic Contributions to Utah's Economy, 2023

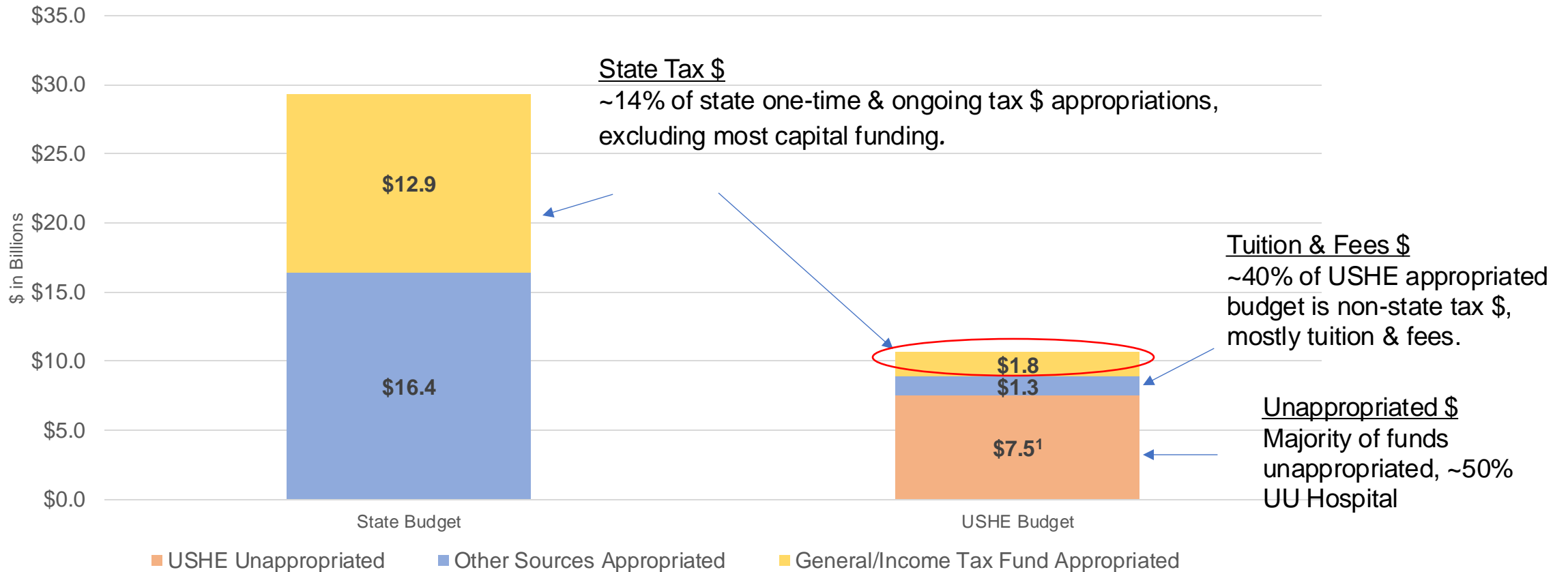
Institution Type	Direct Value Added (GDP)	Total Value Added (GDP)	% Total Value Added (GDP)
Research	~\$4.3 billion →	~\$9.3 billion	82.6%
Regional	~\$0.7 billion →	~\$1.4 billion	12.0%
Community College	~\$0.2 billion →	~\$0.4 billion	3.5%
Technical College	~\$0.1 billion →	~\$0.2 billion	1.9%
USHE total	~\$5.3 billion →	~\$11.3 billion	100%

Note: Conservative estimates based on operating expenses. Direct USHE GDP estimates total \$5.3 billion. Direct USHE GDP includes labor income and excludes property, profit, income, and taxes. Labor income is a conservative, lower-bound, estimate of the direct contribution of USHE to state GDP.

Source: Kem C. Gardner Policy Institute using IMPLAN

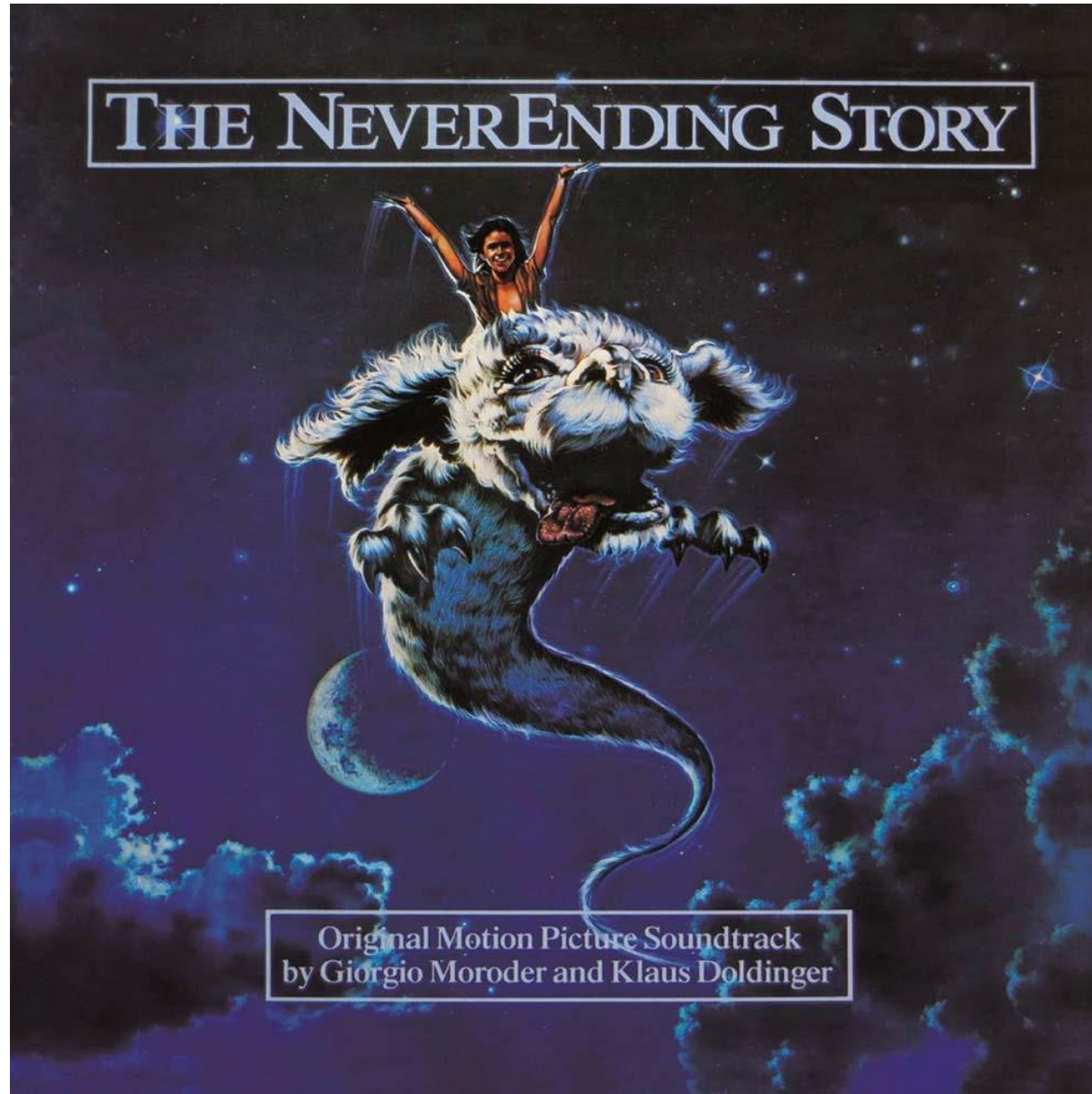
State & USHE Budgets by Appropriation Status & Source

FY 2025 State & USHE Budget by Source



¹ \$7.5 B reflects FY 2025 control total. FY 2024 unappropriated budget ~\$7.8 B.

USHE Budget Request & Appropriations Process



FY 2025-2026 USHE Operating Budget Requests

USHE Budget Request & Appropriations Process



Utah Code 53B-7-101

(2)(a) The board shall recommend a combined **appropriation** for the **operating** budgets of higher education institutions for inclusion in a state appropriations act.



Utah Code 53B-1-402

(2)(j)(vi)...developing a strategic **capital** facility plan and prioritization process in accordance with Chapter 22, Part 2, Capital Developments, and Sections 53B-2a-117 and 53B-2a-118.



USHE FY 2025-2026 Operating and Capital Budget Request Guidance

UTAH SYSTEM OF
HIGHER EDUCATION



USHE 700 Series Capital Facilities Policies

UTAH SYSTEM OF
HIGHER EDUCATION

USHE Budget Request & Appropriations Process



UTAH SYSTEM OF
HIGHER EDUCATION

System-level requests for funding items such as compensation, performance funding and growth **AND** Institution-specific budget request items adopted by the Board.



GOVERNOR'S OFFICE OF
Planning & Budget

HIGHER EDUCATION APPROPRIATIONS
SUBCOMMITTEE

EXECUTIVE APPROPRIATIONS COMMITTEE

UTAH STATE
LEGISLATURE

- Base Budget Bill
- Current Year Budget Bill
- Next Year Budget Bill
- Bill of Bills



USHE Budget Request & Appropriations Process

Operating Budgets

Utah Code 53b-7-101

(2)(a) The board shall recommend a combined appropriation for the operating budgets of higher education institutions for inclusion in a state appropriations act.

(b) The board's combined budget recommendation shall include:

- (i) employee compensation;
- (ii) mandatory costs, including building operations and maintenance, fuel, and power;
- (iii) performance funding;
- (iv) statewide and institutional priorities...; and
- (v) enrollment growth.

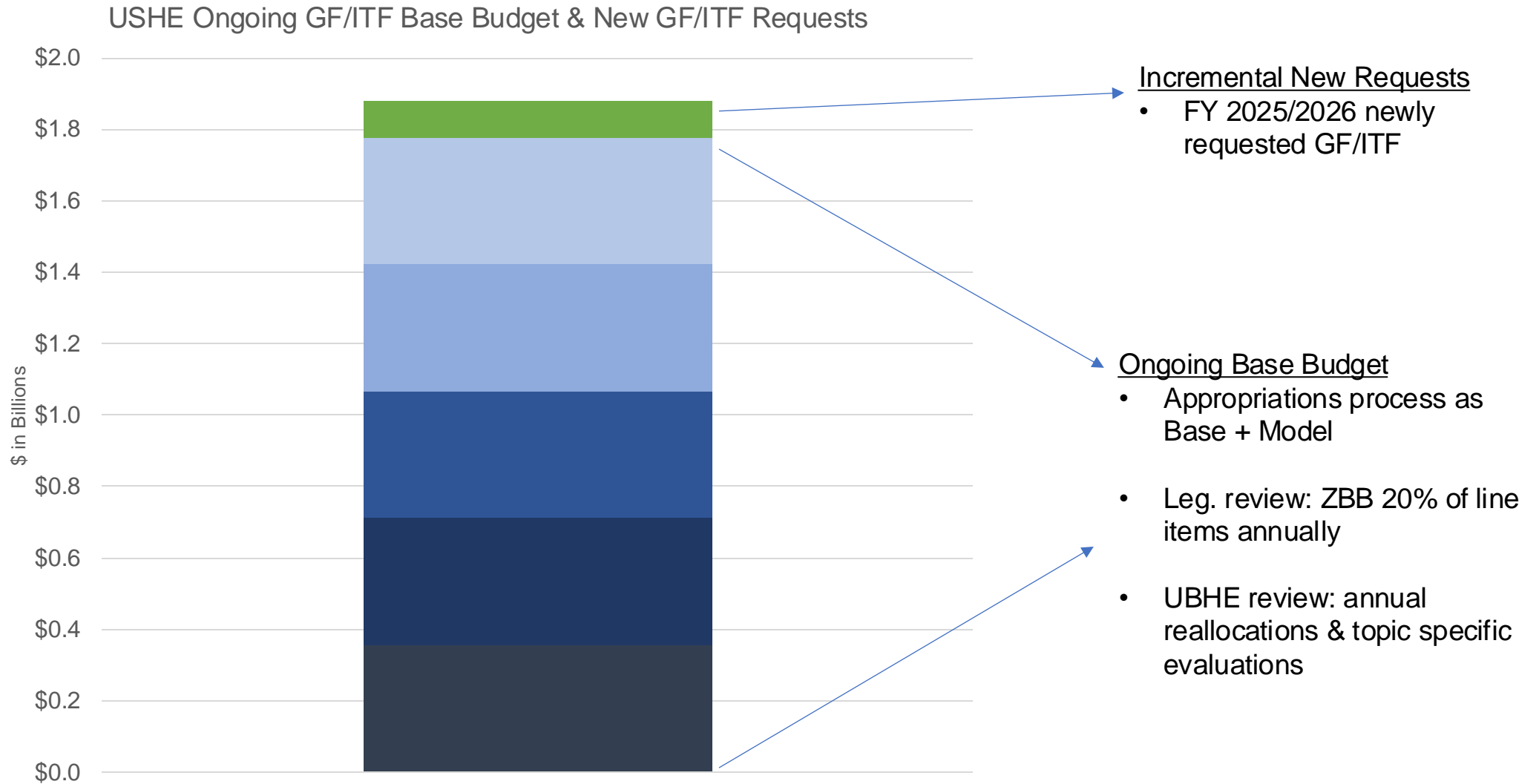
(5)(b) The appropriations recommended by the board shall be made with the dual objective of:

- (i) justifying for higher education institutions appropriations consistent with their needs, and consistent with the financial ability of the state; and
- (ii) determining an equitable distribution of funds among the respective institutions in accordance with the aims and objectives of the statewide master plan for higher education.

Operating
Budget as a
Base + Model

Budget must
recognize state
revenue environment

USHE Budget Request & Appropriations Process



USHE Budget Request & Appropriations Process

Operating Budgets

Utah Code 53b-7-101

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USHE FY 2025-2026 Operating Budget Requests Development Process



Systemwide consensus on Commissioner's Recs



Advances institutional partnerships and collaborations



Increases capacity at technical colleges



Flexible, scalable and fiscally responsible

USHE Budget Request & Appropriations Process

Operating Budgets

Utah Code 53b-7-101

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- (ii) mandatory costs,

USHE FY 2025-2026 Operating Budget

System Level Requests

1) Compensation & Mandatory Costs (TBD)

- Parity with state entities, including maintenance of existing employee cost sharing.
- Preliminary estimate of 2.7% Cost-of-Living Adjustment, 7.2% Health Insurance Renewal, 0.9% Dental Insurance Renewal.
- Mandatory cost increases for state-supported insurance and other services (e.g. property insurance, cybersecurity insurance, attorney general services, etc.).



75/25 Tuition Contribution Requirement for Degree-Granting Institutions

USHE Budget Request & Appropriations Process

Operating Budgets

Utah Code 53b-7-101

(2)(a) The board shall recommend a combined appropriation for the operating budgets of higher education institutions for inclusion in a state appropriations act.

(b) The board's combined budget recommendation shall include:

- (i) employee compensation;
- (ii) mandatory costs, **including building operations and maintenance, fuel, and power;**

USHE FY 2025-2026 Operating Budget

System Level Requests

2) Capital Operations & Maintenance (\$2,739,200 OG, -\$2,739,200 1x)

- O&M for New Dedicated Capital Project Requests
- O&M for New Non-Dedicated Capital Project Requests

3) New Technical College Facility Programming (\$1,350,000 OG, -\$1,350,000 1x)

- Funding to support programming at two newly requested technical college capital facilities.

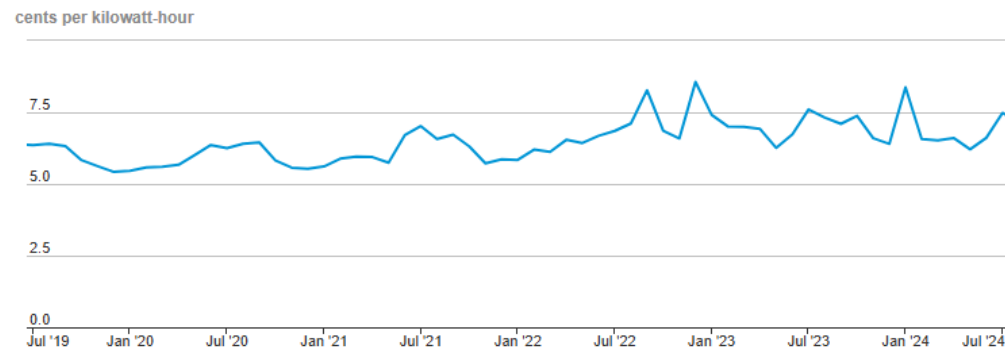
USHE FY 2025-2026 Operating Budget

System Level Requests

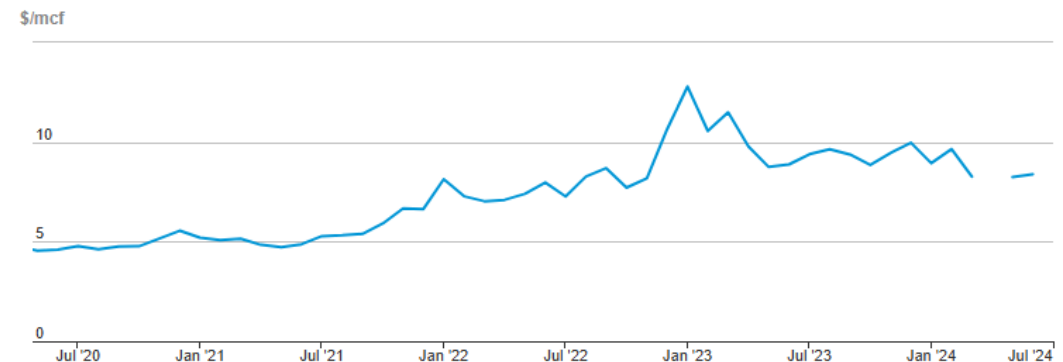
5) Fuel & Power Cost Escalation (\$4,692,200 OG)

- Calculated at 10% of institutional fuel & power budgets (75/25 match for Degree-Granting Institutions)
- Electricity price up 18% since Pre-COVID Reference Period
- Natural Gas price up 90% since Pre-COVID Reference Period

Average price of electricity to ultimate customers by end-use sector, monthly



Average natural gas prices by end-use consumer, monthly



USHE Budget Request & Appropriations Process

Operating Budgets

Utah Code 53b-7-101

(2)(a) The board shall recommend a combined appropriation for the operating budgets of higher education institutions for inclusion in a state appropriations act.

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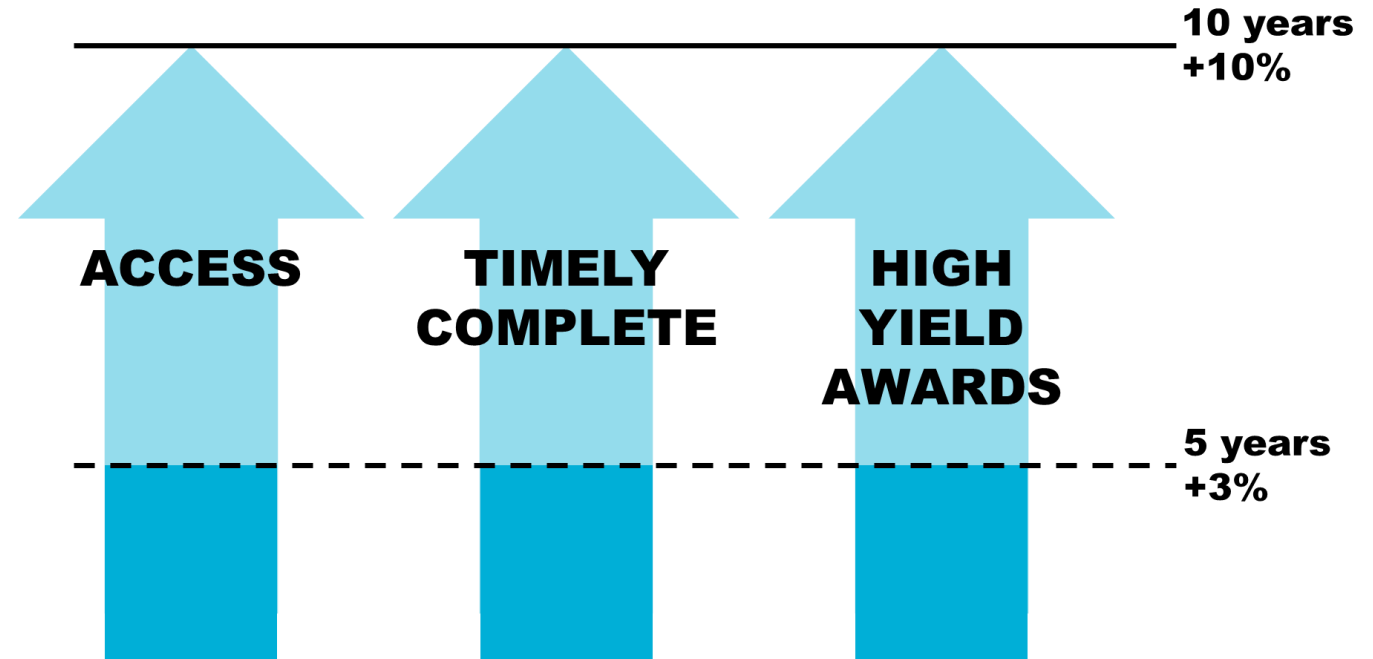
(iii) performance funding; 

Performance Funding Approach

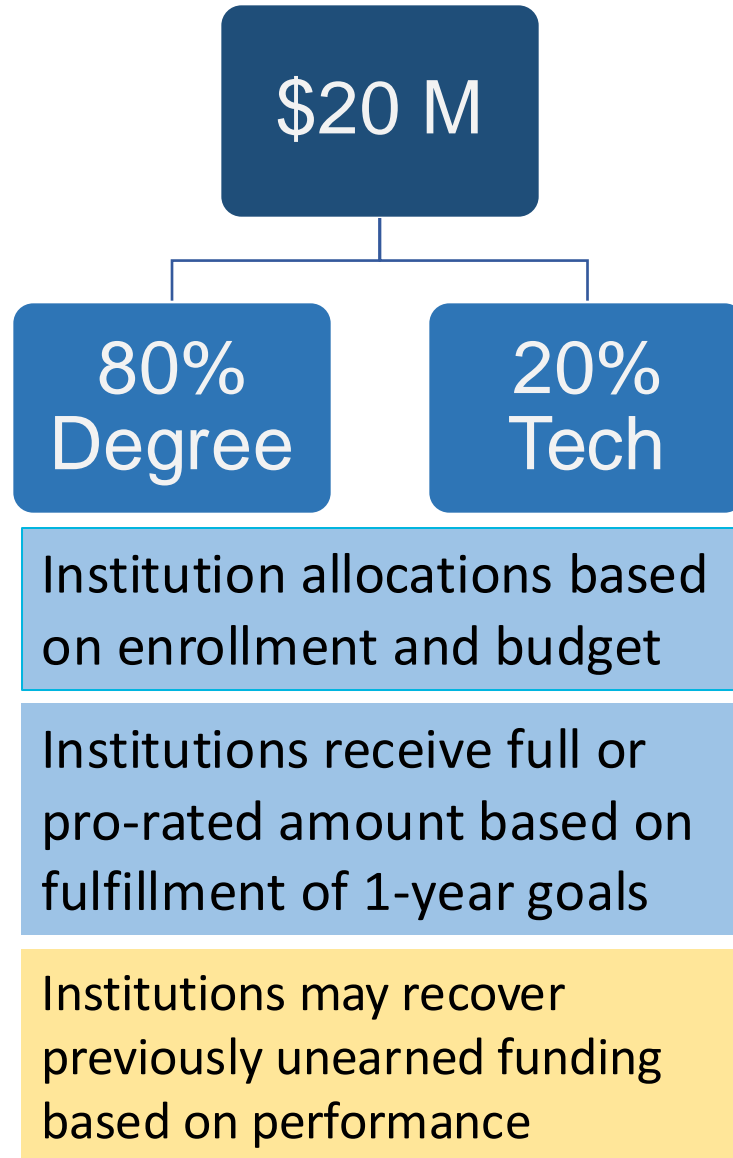
8) UBHE budget request of \$20 million in new ongoing performance funding in FY 2026 would be distributed to degree-granting institutions and technical colleges based on their annual progress toward 5-year goals for access, timely completion, and high-yield awards.

Unearned funding is requested to be appropriated to the Performance Funding Restricted Account for future recovery within the five-year performance period.

SB 192 from the 2024 GS created new ongoing performance funding mechanism equal to 6% of personal income tax withholding growth.



Performance Funding Approach



USHE FY 2025-2026 Operating Budget

System Level Requests

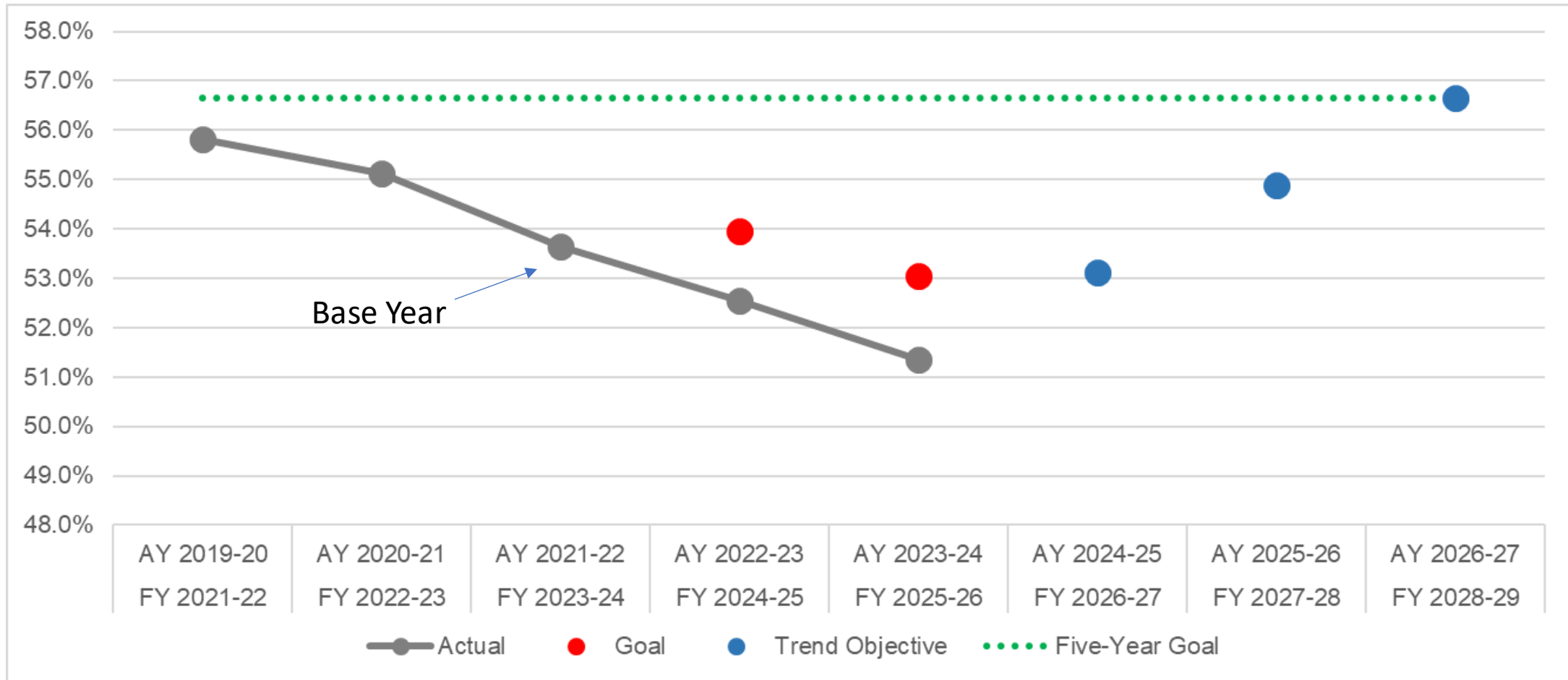
Institution	2023-24 Annualized Budget FTE	% of Total	50% \$ 8,000,000	2024-25 Total State Funded Appropriations	% of Approps	50% \$ 8,000,000	Eligible Performance Funding Amount	% of Total
UU	32,452	25.68%	\$2,054,600	\$520,003,900	33.95%	\$2,716,300	\$4,770,900	29.82%
USU	20,286	16.05%	\$1,284,300	\$336,052,900	21.94%	\$1,755,400	\$3,039,700	19.00%
WSU	14,425	11.42%	\$913,300	\$141,810,900	9.26%	\$740,800	\$1,654,100	10.34%
SUU	10,931	8.65%	\$692,100	\$81,319,800	5.31%	\$424,800	\$1,116,900	6.98%
SNOW	3,401	2.69%	\$215,300	\$43,234,900	2.82%	\$226,000	\$441,300	2.76%
UT	7,843	6.21%	\$496,600	\$70,572,300	4.61%	\$368,600	\$865,200	5.41%
UVU	24,591	19.46%	\$1,556,900	\$200,785,000	13.11%	\$1,048,800	\$2,605,700	16.29%
SLCC	12,429	9.84%	\$786,900	\$137,700,700	8.99%	\$719,300	\$1,506,200	9.41%
Total	126,358	100.0%	\$8,000,000	\$1,531,480,400	100.0%	\$8,000,000	\$16,000,000	100.0%

USHE FY 2025-2026 Operating Budget

System Level Requests

Institution	2023-24 Annualized Budget FTE	% of Total	50% \$ 2,000,000	2024-25 Total State Funded Appropriations	% of Approps	50% \$ 2,000,000	Eligible Performance Funding Amount	% of Total
BTC	899	12.34%	\$246,800	\$24,512,100	13.04%	\$260,800	\$507,600	12.69%
DTC	1,445	19.84%	\$396,900	\$29,297,900	15.59%	\$311,700	\$708,600	17.72%
DXTC	602	8.27%	\$165,400	\$15,164,700	8.07%	\$161,400	\$326,800	8.17%
MTC	1,331	18.27%	\$365,400	\$31,978,000	17.01%	\$340,300	\$705,700	17.64%
OWTC	1,114	15.30%	\$306,100	\$26,284,600	13.98%	\$279,700	\$585,800	14.65%
SLCC	708	9.72%	\$194,400	\$13,342,900	7.10%	\$142,000	\$336,400	8.41%
Snow	237	3.26%	\$65,100	\$5,312,500	2.83%	\$56,500	\$121,600	3.04%
SWTC	245	3.37%	\$67,300	\$10,565,300	5.62%	\$112,400	\$179,700	4.49%
TTC	207	2.84%	\$56,800	\$9,006,100	4.79%	\$95,800	\$152,600	3.82%
UBTC	182	2.50%	\$50,000	\$14,492,600	7.71%	\$154,200	\$204,200	5.11%
USU	312	4.29%	\$85,800	\$8,003,200	4.26%	\$85,200	\$171,000	4.28%
Total	7,282	100.0%	\$2,000,000	\$187,959,900	100.0%	\$2,000,000	\$4,000,000	100.0%

Performance Funding Systemwide Access



% of Utah K-12 graduates enrolling in USHE institutions within three years of graduation

Performance Funding

Institution Timely Completion

Institution	2024 Actual			2024 Goal			Goal 2027		2025 GS Performance Funding Requested (2024 Goals)		
	Cohort	Timely	Percent	1-year +	Percent	% Achieved	5-year +	Percent	Eligible	Earned	Set-Aside
BTC	1,103	701	63.6%	0.3%	60.4%	100%	3.0%	60.6%	\$169,200	\$169,200	\$0
DTC	1,746	869	49.8%	6.4%	51.0%	81%	3.0%	53.4%	\$236,200	\$192,100	\$44,100
DXTC	588	478	81.3%	-4.9%	64.4%	100%	3.0%	64.4%	\$108,900	\$108,900	\$0
MTC	1,823	1,167	64.0%	1.4%	61.6%	100%	3.0%	71.3%	\$235,200	\$235,200	\$0
OWTC	1,441	660	45.8%	-0.5%	42.4%	100%	3.0%	42.4%	\$195,300	\$195,300	\$0
SLCC - DG	9,196	3,885	42.2%	0.4%	41.2%	100%	2.9%	42.5%	\$502,100	\$502,100	\$0
SLCC - Tech	277	99	35.7%	0.4%	48.5%	0%	4.3%	49.8%	\$112,100	\$0	\$112,100
Snow - DG	1,690	1,169	69.2%	1.1%	66.0%	100%	4.0%	67.2%	\$147,100	\$147,100	\$0
Snow - Tech	56	14	25.0%	2.5%	16.6%	100%	4.0%	16.6%	\$40,500	\$40,500	\$0
SWTC	392	296	75.5%	2.5%	73.1%	100%	3.0%	79.2%	\$59,900	\$59,900	\$0
SUU	2,467	1,451	58.8%	-0.7%	57.2%	100%	3.0%	57.2%	\$372,300	\$372,300	\$0
TTC	337	169	50.1%	1.3%	44.2%	100%	4.0%	57.7%	\$50,900	\$50,900	\$0
UBTC	386	294	76.2%	-13.6%	65.5%	100%	4.0%	65.5%	\$68,100	\$68,100	\$0
USU - Inst	6,954	4,037	58.1%	0.1%	55.8%	100%	4.0%	59.8%	\$1,013,200	\$1,013,200	\$0
USU - Tech	151	50	33.1%	0.3%	27.4%	100%	3.0%	29.9%	\$57,000	\$57,000	\$0
UT	3,402	1,230	36.2%	1.2%	38.2%	0%	3.0%	42.2%	\$288,400	\$0	\$288,400
UU	7,131	4,620	64.8%	0.0%	66.4%	0%	3.0%	68.5%	\$1,590,300	\$0	\$1,590,300
UVU	7,412	3,088	41.7%	0.5%	40.1%	100%	3.0%	41.5%	\$868,600	\$868,600	\$0
WSU	5,898	2,448	41.5%	0.8%	39.7%	100%	3.0%	41.7%	\$551,400	\$551,400	\$0
Total	52,299	26,675	51.0%	0.9%	49.6%		3.0%	51.7%	\$6,666,700	\$4,631,800	\$2,034,900

% of student cohort who graduate within 1.5 times the normal completion cycle

Performance Funding

Institution High-Yield Graduates



Institution	2024 Actual			2024 Goal			Goal 2027		2025 GS Performance Funding Requested (2024 Goals)		
	Cohort	4/5 Star	Percent*	1-year +	Percent*	% Achieved	5-year +	Percent*	Eligible	Earned	Set-Aside
BTC	1,200	699	58.3%	1.1%	53.0%	100%	7.0%	56.2%	\$169,200	\$169,200	\$0
DTC	1,719	854	49.7%	0.7%	45.1%	100%	8.0%	49.8%	\$236,200	\$236,200	\$0
DXTC	859	629	73.2%	1.3%	68.8%	100%	7.0%	73.0%	\$108,900	\$108,900	\$0
MTC	2,237	739	33.0%	1.3%	32.2%	100%	8.0%	37.6%	\$235,200	\$235,200	\$0
OWTC	1,305	784	60.1%	-1.2%	55.5%	100%	7.0%	55.5%	\$195,300	\$195,300	\$0
SLCC - DG	1,687	1,269	75.2%	3.9%	75.8%	84%	1.0%	76.4%	\$502,100	\$422,100	\$80,000
SLCC - Tech	738	531	72.0%	-1.8%	78.3%	0%	1.0%	78.4%	\$112,100	\$0	\$112,100
Snow - DG	793	593	74.8%	2.4%	76.3%	37%	7.0%	79.4%	\$147,100	\$54,500	\$92,600
Snow - Tech	213	77	36.2%	-9.4%	32.7%	100%	7.0%	32.7%	\$40,500	\$40,500	\$0
SWTC	461	264	57.3%	0.4%	54.9%	100%	7.0%	56.1%	\$59,900	\$59,900	\$0
SUU	2,424	1,800	74.3%	0.5%	72.9%	100%	3.0%	74.1%	\$372,300	\$372,300	\$0
TTC	334	219	65.6%	-2.8%	64.8%	100%	6.0%	64.8%	\$50,900	\$50,900	\$0
UBTC	763	477	62.5%	0.5%	59.0%	100%	6.0%	61.5%	\$68,100	\$68,100	\$0
USU - DG	5,497	4,425	80.5%	0.2%	80.5%	100%	3.1%	82.0%	\$1,013,200	\$1,013,200	\$0
USU - Tech	309	231	74.8%	0.3%	74.6%	100%	1.4%	77.3%	\$57,000	\$57,000	\$0
UT	1,808	1,199	66.3%	0.5%	65.6%	100%	6.0%	69.9%	\$288,400	\$288,400	\$0
UU	8,614	7,100	82.4%	-0.3%	81.6%	100%	0.0%	81.6%	\$1,590,300	\$1,590,300	\$0
UVU	7,600	5,581	73.4%	4.0%	76.9%	13%	3.0%	79.1%	\$868,600	\$115,700	\$752,900
WSU	4,656	3,735	80.2%	0.2%	81.5%	0%	3.0%	82.9%	\$551,400	\$0	\$551,400
Total	43,217	31,206	72.2%	-0.4%	72.1%		3.0%	74.2%	\$6,666,700	\$5,077,700	\$1,589,000

% of students graduating in fields that map to high-wage/high-demand jobs

* High Yield Measured as 2024 High-Yield/2024 Graduates or Base Year + 2024 Additional High Yield/Base Year + 2024 Additional High Yield

USHE FY 2025-2026 Operating Budget

System Level Requests

4) 2023 GS & 2024 GS Performance Funding Recoveries

- 2023 GS Unearned Performance Funding: \$3,566,000
 - UU: \$1,351,800 (Access)
 - USU: \$1,867,800 (Access & Timely Completion) **\$933,900 Recovered**
 - SLCC: \$346,400 (Access & High-Yield Awards)
- 2024 GS Unearned Performance Funding: \$10,155,000
 - All Institutions: \$6,667,000 (Access)
 - 7 Institutions: \$2,073,700 (Timely Completion) **\$1,201,200 Recovered**
 - 3 Institutions: \$1,414,300 (High-Yield Awards) **\$45,700 Recovered**

2023 GS & 2024 GS Performance Funding Recoveries will be based on system-level and institutional performance against previously adopted performance goals to be evaluated in the November Board meeting

Performance Funding – Goal Setting

Codified in Board Policy R522 *'Annual Performance Goal Setting and Funding Determination'*

- Must be greater than or equal to zero relative to previous year performance OR greater than five-year goal if five-year goal met or exceeded.
- Must be sufficiently rigorous to achieve five-year performance goals.
- Funding may be prorated in years when goals are partially achieved.
- Previously unearned funding may be recovered if current year goal achieved AND missed goal(s) are met or exceeded.




USHE Budget Request & Appropriations Process

Operating Budgets

Utah Code 53b-7-101

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- (iii) performance funding;
- (iv) statewide and institutional priorities...; and
- (v) enrollment growth. 

USHE FY 2025-2026 Operating Budget System Level Requests

6) Technical College Growth Funding: \$4,707,000 Ongoing

- Bridgerland Tech: +100 FTE, \$850,000
- Davis Tech: +180 FTE, \$1,530,000
- Dixie Tech: +90 FTE, \$1,052,000
- Ogden Weber Tech: +150 FTE, \$1,275,000

Fiscal Year 2025-2026 Budget Request

Adjusted Expenditure per FTE		Proportion of Tax Funds					Adjustment for Size				
Course Level	Average	Course Level	Research Universities	Regional Universities	Community Colleges	Technical Colleges	FTE	Research Universities	Regional Universities	Community Colleges	Technical Colleges
Technical Education-Small	\$ 12,984	Tech Ed-Small				90%	100-1,000				100%
Technical Education-Large	\$ 9,447	Tech Ed-Large				90%	1,000-3,000				100%
Vocational		Vocational	50%	55%	70%		3,000-6,000			120%	
Lower Division		Lower Division	50%	55%	70%		6,000-10,000		115%		
Upper Division		Upper Division	50%	55%	70%		> 10,000	100%	100%	100%	

Adjusted Baseline - FY 2022 Certificate Seeking, Occupational, & Secondary FTE (See note for DGI) Plus FY 2025 Funded Growth											
Course Level	USU-TE	Snow-TE	SLTC	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
Technical Education	298	258	708	1,330	1,785	605	2,027	1,574	464	339	548

Fiscal Year 2024 Certificate Seeking, Occupational, & Secondary FTE											
Course Level	USU-TE	Snow-TE	SLTC	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
Technical Education	312	237	708	1,439	1,968	704	2,028	1,731	426	333	554

Certificate Seeking, Occupational, & Secondary FTE Growth (More Than 25 Additional Students)											
Course Level	USU-TE	Snow-TE	SLTC	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
Technical Education	-	-	-	100	180	90	-	150	(35)	-	-

Growth Funding											
Course Level	USU-TE	Snow-TE	SLTC	BTC	DTC	DXTC	MTC	OWTC	SWTC	TTC	UBTC
Technical Education	\$ -	\$ -	\$ -	\$ 850,000	\$ 1,530,000	\$ 1,052,000	\$ -	\$ 1,275,000	\$ (454,438)	\$ -	\$ -
Requested Growth Funding	\$ -	\$ -	\$ -	\$ 850,000	\$ 1,530,000	\$ 1,052,000	\$ -	\$ 1,275,000	\$ -	\$ -	\$ -
										Total Growth Request Amount	\$ 4,707,000

USHE FY 2025-2026 Operating Budget System Level Requests

7) Degree-Granting Institution Growth Funding: \$885,000 Ongoing

- Utah State University: +300 in Upper Division & -300 in Lower Division, \$302,000
- Southern Utah University: +100 FTE, \$583,000

Fiscal Year 2025-2026 Budget Request

Adjusted Cost Expenditure per FTE		Proportion of Tax Funds				Adjustment for Size			
		Course Level	Research Universities	Regional Universities	Community Colleges	FTE	Research Universities	Regional Universities	Community Colleges
Vocational	\$ 7,956	Vocational	50%	55%	70%	3,000-6,000			120%
Lower Division	\$ 7,316	Lower Division	50%	55%	70%	6,000-10,000		115%	
Upper Division	\$ 9,329	Upper Division	50%	55%	70%	> 10,000	100%	100%	100%

Adjusted Baseline - Calendar Year 2019 Annualized Budget Related Resident FTE Plus 2022- 2025 Funded Growth									
Course Level	UU	USU	WSU	SUU	UT	UVU	Snow	SLCC	
Vocational	-	352	3,633	660	894	4,630	553	4,742	
Lower Division	8,159	8,224	5,814	3,497	3,312	10,296	2,381	8,642	
Upper Division	9,810	6,698	3,516	2,272	1,745	6,617	74	-	

Fiscal Year 2024 Annualized Budget Related Resident FTE									
Course Level	UU	USU	WSU	SUU	UT	UVU	Snow	SLCC	
Vocational	-	433	3,825	918	1,451	4,183	542	4,265	
Lower Division	8,109	7,846	4,833	3,285	2,466	10,269	2,173	6,825	
Upper Division	9,072	7,075	3,287	2,401	1,775	6,835	74	-	

FTE Growth (100 Students)									
Course Level	UU	USU	WSU	SUU	UT	UVU	Snow	SLCC	
Vocational	-	-	100	200	500	(400)	-	(400)	
Lower Division	-	(300)	(900)	(200)	(800)	-	(200)	(1,800)	
Upper Division	(700)	300	(200)	100	-	200	-	-	
	(700)	-	(1,000)	100	(300)	(200)	(200)	(2,200)	

Growth Funding									
Course Level	UU	USU	WSU	SUU	UT	UVU	Snow	SLCC	
Vocational	\$ -	\$ -	\$ 438,000	\$ 875,000	\$ 2,516,000	\$ (1,750,000)	\$ -	\$ (2,228,000)	
Lower Division	\$ -	\$ (1,097,000)	\$ (3,622,000)	\$ (805,000)	\$ (3,702,000)	\$ -	\$ (1,229,000)	\$ (9,218,000)	
Upper Division	\$ (3,265,000)	\$ 1,399,000	\$ (1,026,000)	\$ 513,000	\$ -	\$ 1,026,000	\$ -	\$ -	
Degree Granting Growth	\$ (3,265,000)	\$ 302,000	\$ (4,210,000)	\$ 583,000	\$ (1,186,000)	\$ (724,000)	\$ (1,229,000)	\$ (11,446,000)	
Requested Growth Funding	\$ -	\$ 302,000	\$ -	\$ 583,000	\$ -	\$ -	\$ -	\$ -	

Total Growth Requested Amount \$ 885,000

USHE FY 2025-2026 Operating Budget System Level Requests

9) Talent Ready Utah Engineering & Computer Science Initiative: \$4,000,000 Ongoing

10) Talent Ready Utah Prime Expansion: \$1,000,000 One-Time

11) Cybersecurity Software & Tools: \$3,000,000 One-Time

USHE FY 2025-2026 Operating Budget System Level Requests

2025 GS OCHE Recommended Operating Budget Request - System						
Inst Priority	Rec Priority	Institution	Item	One-Time	Ongoing	Total
1	1	USHE	Compensation & Mandatory Increases (TBD)			
2	2	USHE	O&M - New Dedicated Projects	-\$1,487,800	\$1,487,800	\$0
2	2	USHE	O&M - New Non-Dedicated Projects	-\$1,251,400	\$1,251,400	\$0
3	3	USHE	Technical College New Dedicated & Non-Dedicated Programming	-\$1,350,000	\$1,350,000	\$0
4	4	USHE	2023 & 2024 GS Performance Funding Recoveries (Non-GF/ITF)			
5	5	USHE	Fuel & Power (10% Increase at 75/25 DG Match)	\$0	\$4,692,200	\$4,692,200
6	6	USHE	Technical College Growth Funding	\$0	\$4,707,000	\$4,707,000
7	7	USHE	Degree-Granting Growth Funding	\$0	\$885,000	\$885,000
8	8	USHE	Technical College Performance Funding	\$0	\$4,000,000	\$4,000,000
8	8	USHE	Degree-Granting Performance Funding	\$0	\$16,000,000	\$16,000,000
9	9	USHE	Talent Ready Utah Engineering and Computer Science Initiative	\$0	\$4,000,000	\$4,000,000
10	10	USHE	Talent Ready Utah PRIME Expansion	\$1,000,000	\$0	\$1,000,000
11	11	USHE	Cybersecurity Software & Tools	\$3,000,000	\$0	\$3,000,000
			Systemwide Subtotal	-\$89,200	\$38,373,400	\$38,284,200

USHE FY 2025-2026 Operating Budget Degree-Granting Institution Requests

2025 GS OCHE Recommended Operating Budget Request - Degree-Granting Institutions						
Inst Priority	Rec Priority	Institution	Item	One-Time	Ongoing	Total
1	12	UU/UTU	Spencer Fox Eccles School of Medicine in St. George	-\$1,322,200	\$5,187,400	\$3,865,200
1	13	USU/WSU	Space & Defense Research Institute & Workforce Initiative w/WSU (Phase 1)	\$11,250,000	\$0	\$11,250,000
1	14	SUU/SWTC	Workforce Alignment Partnership w/SWTC & Accelerated Master Degrees	\$0	\$1,000,000	\$1,000,000
1	15	Snow/UBTC	Future Focus Initiative for Rural Secondary Students w/UBTC	\$0	\$560,000	\$560,000
2	16	UVU	Applied AI Center	\$2,000,000	\$1,000,000	\$3,000,000
2	17	WSU	Completion Grant Pilot	\$900,000	\$0	\$900,000
1	18	UTU	Higher Education for Incarcerated Youth Program Expansion	\$0	\$200,000	\$200,000
4	19	WSU	Utah Academic Library Consortium Shared Service	\$0	\$240,000	\$240,000
			Degree-Granting Institution Subtotal	\$12,827,800	\$8,187,400	\$21,015,200

USHE FY 2025-2026 Operating Budget Technical College Requests

2025 GS OCHE Recommended Operating Budget Request - Technical Colleges						
Inst Priority	Rec Priority	Institution	Item	One-Time	Ongoing	Total
NA	20	BTC	New Programming - Health Science & Tech Building & Brigham City Exp	\$0	\$1,246,400	\$1,246,400
NA	21	TTC	New Programming - Campus Expansion Building	\$0	\$1,490,900	\$1,490,900
1	22	DTC	New Programming - Welding Building	\$0	\$584,800	\$584,800
1	23	MTC	New Programming - Payson & Provo Campus	\$0	\$2,455,000	\$2,455,000
NA	24	OWTC	New Programming - Pathways Building	-\$1,904,100	\$1,904,100	\$0
NA/1	25	SLCC	New Programming - Capacity & Equipment	\$815,000	\$265,600	\$1,080,600
NA	26	UBTC	New Programming - Capacity	\$0	\$288,500	\$288,500
NA	27	SWTC	New Programming - Capacity	\$0	\$210,400	\$210,400
NA	28	DXTC	New Programming - Capacity	\$0	\$298,600	\$298,600
NA	29	USU	New Programming - Capacity	\$0	\$157,800	\$157,800
NA	30	Snow	New Programming - Capacity	\$0	\$105,700	\$105,700
Technical College Subtotal				-\$1,089,100	\$9,007,800	\$7,918,700

OCHE Recommended Total (w/out TBD Item Amounts)	\$11,649,500	\$55,568,600	\$67,218,100
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USHE Budget Request & Appropriations Process

Operating Budgets

Utah Code 53b-7-101

(2)(a) The board shall recommend a combined appropriation for the operating budgets of higher education institutions for inclusion in a state appropriations act.

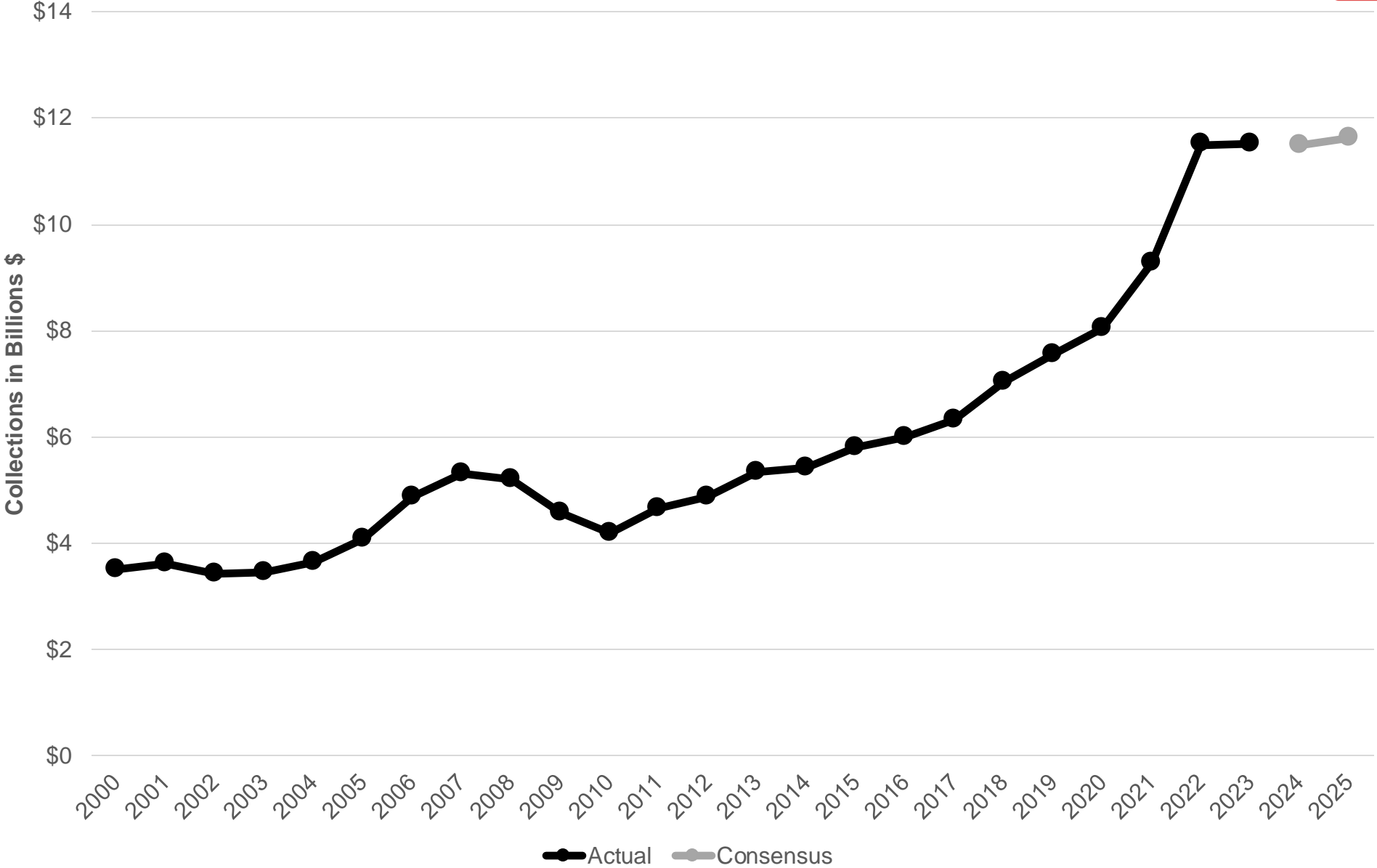
(b) The board's combined budget recommendation shall include:

- (i) employee compensation;
- (ii) mandatory costs, including building operations and maintenance, fuel, and power;
- (iii) performance funding;
- (iv) statewide and institutional priorities...; and
- (v) enrollment growth.

(5)(b) The appropriations recommended by the board shall be made with the dual objective of:

- (i) justifying for higher education institutions appropriations consistent with their needs, and **consistent with the financial ability of the state**; and
- (ii) determining an equitable distribution of funds among the respective institutions in accordance with the aims and objectives of the statewide master plan for higher education.

State General Fund/Income Tax Fund Revenue



USHE FY 2025-2026 Operating Budget Requests

Consensus Operating Budget Request (Less Compensation/ISF)	One-Time	Ongoing	Total
New General Fund/Income Tax Fund	\$11,649,500	\$55,568,600	\$67,218,100

2024 GS USHE Operating Budget Increases (New GF/ITF Less Compensation/ISF)			
2024 GS USHE Operating Budget Requests	One-Time	Ongoing	Total
System Level Requests to Higher Education Appropriations Subcommittee	\$3,121,300	\$38,160,400	\$41,281,700
RFAs to Higher Education Appropriations Subcommittee	\$30,877,800	\$25,972,700	\$56,850,500
Total Requested	\$33,999,100	\$64,133,100	\$98,132,200
Total Funded	\$52,839,000	\$15,492,900	\$68,331,900

Hypothetical 2025 GS Incremental New State USHE Operating Budget Resources			
Hypothetical 2025 GS Incremental New State Budget Resources	One-Time	Ongoing	Total
New Revenue at FY 2025 Growth Rates w/no Tax Cut		\$370,000,000	\$370,000,000
Potential Re-Purposing of Budget Buffers	\$775,000,000	\$330,000,000	\$1,105,000,000
Hypothetical Available	\$775,000,000	\$700,000,000	\$1,475,000,000
USHE Operating Budget Amount at 2024 GS Budget % Less Estimated Comp/ISF	\$19,800,000	\$60,700,000	\$80,500,000

2025 GS Request Comparisons	One-Time	Ongoing	Total
2025 GS Requested vs. 2024 GS Requested	-\$22,349,600	-\$8,564,500	-\$30,914,100
2025 GS Request vs. 2024 GS Funded	-\$41,189,500	\$40,075,700	-\$1,113,800
2025 GS Request vs. 2025 GS Hypothetical Available	-\$8,150,500	-\$5,131,400	-\$13,281,900

FY 2025-2026 USHE Capital Budget Requests

USHE Budget Request & Appropriations Process



Utah Code 53B-7-101

(2)(a) The board shall recommend a combined appropriation for the **operating** budgets of higher education institutions for inclusion in a state appropriations act.



Utah Code 53B-1-402

(2)(j)(vi)...developing a strategic **capital** facility plan and prioritization process in accordance with Chapter 22, Part 2, Capital Developments, and Sections 53B-2a-117 and 53B-2a-118.



USHE FY 2025-2026 Operating and Capital Budget Request Guidance

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USHE 700 Series Capital Facilities Policies

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USHE Capital Facility Policies



USHE Board Policy R701 Capital Facilities

- Defines terms and general Board of Trustee responsibilities.



USHE Board Policy R702 Non-State Funded Projects

- Delegated institutional Board of Trustee approval for projects ≤ \$5 Million.



USHE Board Policy R703 Acquisition of Real Property

- Delegated institutional Board of Trustee approval for acquisitions ≤ \$1.5 Million & UU Health Projects. Property must be appraised with purchase price less than appraised value.



USHE Board Policy R704 Disposal of Real Property

- Delegated institutional Board of Trustee approval for sales ≤ \$1 Million & UU Health Projects. Property must be appraised with sale price greater than appraised value.



USHE Board Policy R706 Capital Facilities Master Planning

- Annual BoT approval of Master Plans and Five-Year Plans.



USHE Board Policy R741-R745 Dedicated & Non-Dedicated Project Request Policies

- Guidance, Capital Project Fund Allocation Formulas, Scoring Criteria, etc.



USHE Board Policy R751 Institutional Facilities Space Utilization

- Standards of 33.75 hours per week of Classroom Utilization (RUR) & 66.7% Seat Occupancy (SOR).

USHE Revenue Bond Authorization Policy



USHE Board Policy R590 Issuance of Bonds for Colleges and Universities

- Requires USHE institutions to procure financial services and bond documentation.
- Requires UBHE approval to request Legislative authorization.
- Requires Legislative authorization in bill or resolution.
- Requires UBHE to approve bonding resolution with specific parameters for principal, maturity date, discounts and interest rates (UBHE as issuing entity).

USHE FY 2025-2026 Capital Budget Requests

Project Types

Dedicated Project Requests

- Degree-granting institutions & technical colleges may submit requests to use anticipated FY 2026 capital project fund balances. Funding subject to appropriations by the Legislature.

Non-Dedicated Project Requests

- Each institution may submit one non-dedicated project request. Institutions are expected to contribute dedicated project fund balances to reduce the cost of the non-dedicated project selected by the Board for advancement to the Governor & Legislature.

Landbank Requests

- Should be funded with institution dedicated project allocations.

Non-State Funded Requests

- Requests not supported by appropriations (e.g. Revenue Bonds, Institution Funds, etc.)

USHE FY 2025-2026 Capital Budget Requests

Dedicated Project Request Process

- Dedicated Project Requests are submitted to the Commissioner's Office for review
- Dedicated Projects must meet criteria in Board Policy *R741 Threshold Requirements*
 - Cost Effectiveness
 - Role, Mission and Master Plan
 - Fulfillment of Critical Institutional Facility Need
- Dedicated Projects must be fully supported by institutional funds and allocations from the Higher Education Capital Projects Fund or Technical College Capital Projects Fund. FY 2026 allocations are estimated and will be finalized in January.
- Dedicated Projects are not scored or ranked like Non-Dedicated Projects

USHE FY 2025-2026 Capital Budget Requests

Degree-Granting Capital Project Fund Balances

FY 2026 Higher Education Capital Projects Fund Estimated Institution Allocations & Balances

Fund/Institution	FY 2025 Fund Balance	FY 2026 Allocation (Preliminary Estimate)	FY 2026 Fund Balance (Preliminary Estimate)
Higher Education Capital Projects Fund	\$101,212,600	\$100,689,700	\$201,902,300
University of Utah	\$22,980,900	\$22,980,900	\$45,961,800
Utah Valley University	\$28,418,300	\$15,771,200	\$44,189,500
Utah State University	\$2,029,900	\$16,039,200	\$18,069,100
Southern Utah University	\$5,964,200	\$11,404,100	\$17,368,300
Utah Tech University	\$20,234,000	\$9,190,600	\$29,424,600
Weber State University	\$12,158,700	\$9,354,200	\$21,512,900
Salt Lake Community College	\$9,426,600	\$9,291,700	\$18,718,300
Snow College	\$0	\$6,657,800	\$6,657,800

\$100,689,700 in ongoing Base Budget Income Tax Fund Appropriations



Higher Education Capital Project Fund Allocation Formula

\$100,689,700 in ongoing Base Budget Income Tax Fund Appropriations

Enrollment (20%)

Performance (15%)

Projected Growth (15%)

Square Feet per FTE (15%)

Facility Age & Condition (20%)

Utilization (15%)



USHE FY 2025-2026 Capital Budget Requests

Degree-Granting Dedicated Project Requests

Dedicated Degree-Granting Project Requests									
<u>Institution</u>	<u>Project</u>	<u>ITF/GF 1x</u>	<u>HECPF 1x (p)</u>	<u>Other Funds 1x</u>	<u>Total Project Cost</u>	<u>1x O&M</u>	<u>Ongoing O&M</u>	<u>1x Program</u>	<u>OG Program</u>
UTU	McDonald Building Renovation & Addition	\$0	\$27,367,000	\$0	\$27,367,000	(407,700)	407,700		
SUU	Business Building West Cost-Escalation	\$0	\$1,365,100	\$17,344,300	\$18,709,400	-	-		
SUU	South Edge of Campus Landbank	\$0	\$6,635,000	\$0	\$6,635,000	-	-		
UVU	Health Professions 2 Building - Design	\$0	\$8,711,000	\$0	\$8,711,000	-	-		
UVU	Student Athlete Building	\$0	\$14,500,000	\$14,500,000	\$29,000,000	(317,700)	317,700		
WSU	Student Services Support Center Renovation	\$0	\$8,204,500	\$2,500,000	\$10,704,500	(214,200)	214,200		
WSU	Allied Health South Building Remodel	\$0	\$4,679,000	\$0	\$4,679,000	(449,400)	449,400		
SLCC	South City Campus Seismic Upgrade	\$0	\$9,426,800	\$28,279,800	\$37,706,600	-	-		
Snow	Washburn Building Entrance Addition	\$0	\$6,455,000	\$0	\$6,455,000	(45,600)	45,600		

USU Dee Glen Smith Spectrum Building Remodel also approved if non-dedicated project not funded in the 2025 GS

USHE FY 2025-2026 Capital Budget Requests

Technical College Capital Project Fund Proposal

FY 2026 Technical College Capital Projects Fund Estimated Institution Allocations (Preliminary)						
Institution	2023-24 Annualized Budget FTE	FTE (45%)	Performance (15%)	10-Year Projected Space Need (20%)	Facility Age & Condition (20%)	Preliminary FY 2026 Allocation \$
BTC	1,439	\$1,361,600	\$490,400	\$354,800	\$1,164,900	\$3,371,700
DTC	1,968	\$1,862,300	\$245,200	\$916,100	\$1,368,300	\$4,391,900
DXTC	704	\$666,600	\$490,400	\$599,900	\$76,900	\$1,833,800
MTC	2,028	\$1,918,800	\$199,300	\$775,600	\$52,000	\$2,945,700
OWTC	1,731	\$1,637,800	\$490,400	\$400,700	\$1,007,800	\$3,536,700
SWTC	426	\$403,300	\$245,200	\$815,000	\$55,900	\$1,519,400
TTC	333	\$315,300	\$245,200	\$0	\$55,000	\$615,500
UBTC	554	\$523,900	\$490,400	\$0	\$81,300	\$1,095,600
Total	9,182	\$8,689,600	\$2,896,500	\$3,862,100	\$3,862,100	\$19,310,300

\$19,310,300 in ongoing Base Budget Income Tax Fund Appropriations 

Decrease weight as possible

Increase weight as possible

USHE FY 2025-2026 Capital Budget Requests

Technical College Dedicated Project Requests

Dedicated Technical College Project Requests									
Institution	Project	1x ITF/GF	1x TCCPF(p)	1x Other Funds	Total Project Cost	1x O&M	OG O&M	1x Program	OG Program
SWTC	Diesel Tech Program Bays	\$0	\$1,500,000	\$0	\$1,500,000	-\$53,200	\$53,200	-\$150,000	\$150,000
TTC	Adjacent Property Landbank	\$0	\$631,200	\$8,800	\$640,000	\$0	\$0	\$0	\$0

USHE FY 2025-2026 Capital Budget Requests

Non-Dedicated Project Request Process

- Non-Dedicated Project Requests are submitted to the Commissioner's Office for review
- Non-Dedicated Projects must meet criteria in Board Policy *R741 Threshold Requirements*
 - Cost Effectiveness
 - Role, Mission and Master Plan
 - Fulfillment of Critical Institutional Facility Need
- The Commissioner's Office scores non-dedicated requests against various criteria for industry demand, space need, etc.
- The Board must prioritize degree-granting and technical college non-dedicated requests, with the top ranked projects from each sub-system advancing to the Gov & Leg. The Board may elect to maintain the project list and ranking for up to three years.

Non-Dedicated Capital Facilities Prioritization

Quantitative Needs Points (Initial Ranking)

Industry/Economic Demand (30%)

Utilization (30%)

Space Need (15%)

Imminent Non-functionality (10%)

Cost Effectiveness (10%)

Alternative Funding Sources (5%)

Board Assessment (Final Ranking)

Quantitative Needs Points

Strategic Pillars

Other Board Considerations

USHE FY 2025-2026 Capital Budget Requests

Degree-Granting Non-Dedicated Project Scoring

Institution	Project	Economic Demand (30%)	Space Utilzn (30%)	Space Need (15%)	Imminent Non-Funct (10%)	Cost Effctnss (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

- Scoring is required by statute and policy, but available data and methodologies are limiting.
- Scoring results don't contemplate salient variables like project readiness, state revenue environment or USHE operating budget requests.
- Consistent with the FY 2025-2026 Capital Budget Guidance adopted in the July Board meeting, the Commissioner recommends that the Board consider but de-emphasize scoring results and prioritize non-dedicated project requests according to other qualitative and strategic factors.



USHE FY 2025-2026 Capital Budget Requests

Degree-Granting Non-Dedicated Project Priorities

Non-Dedicated Degree-Granting Project Requests								
Priority	Institution	Project	1x ITF/GF	1x HECPF(p)	1x Other Funds	Total Project Cost	1x O&M	OG O&M
1	USU	Math, Artificial Intelligence, Data and Analytics Center	\$28,515,600	\$18,069,100		\$46,584,700	-\$286,200	\$286,200
2	SUU	Engineering and Computational Sciences Building	\$42,629,100	\$17,368,300	\$20,000,000	\$79,997,400	-\$1,080,000	\$1,080,000
3	UTU	Health Sciences Building & Taylor Building Remodel for UUSOM	\$60,963,800	\$34,981,300	\$0	\$95,945,100	-\$1,040,100	\$1,040,100
4	UVU	Health Professions 2 Building	\$75,810,500	\$44,189,500	\$30,000,000	\$150,000,000	-\$1,867,000	\$1,867,000
5	UU	Community & Family Health Building	\$366,672,700	\$45,961,800		\$412,634,500	-\$2,989,000	\$2,989,000

USHE FY 2025-2026 Capital Budget Requests

Technical College Non-Dedicated Project Scoring

Institution	Project	Economic Demand (30%)	Space Utilzn (30%)	Space Need (15%)	Imminent Non-Funct (10%)	Cost Effctnss (10%)	Alt Funding (5%)	Total (100%)
DXTC	Trades & Technology Building	30	30.0	8.8	0	3.3	0.0	72.1
SWTC	Public Safety Building	30	24.1	6.5	0	3.3	1.0	64.9
UBTC	Health Sciences Building	18	18.6	7.6	0	3.3	0.0	47.5

- Scoring is required by statute and policy, but available data and methodologies are limiting.
- Scoring results don't contemplate salient variables like project readiness, state revenue environment or USHE operating budget requests.
- Consistent with the FY 2025-2026 Capital Budget Guidance adopted in the July Board meeting, the Commissioner recommends that the Board consider but de-emphasize scoring results and prioritize non-dedicated project requests according to other qualitative and strategic factors.



USHE FY 2025-2026 Capital Budget Requests

Technical College Non-Dedicated Project Priorities

Non-Dedicated Technical College Project Requests

Priority	Institution	Project	1x ITF/GF	1x TCCPF(p)	1x Other Funds	Total Project Cost	1x O&M	OG O&M	1x Program	OG Program
1	DXTC	Trades & Technology Building	\$71,712,900	\$1,778,900	\$0	\$73,491,800	-\$965,200	\$965,200	-\$1,200,000	\$1,200,000
2	SWTC	Public Safety Building	\$22,444,500	\$1,586,500	\$1,000,000	\$25,031,000	-\$295,100	\$295,100	-\$400,000	\$400,000
3	UBTC	Health Sciences Building	\$73,869,800	\$1,091,500	\$0	\$74,961,300	-\$1,021,900	\$1,021,900	-\$2,750,000	\$2,750,000

USHE FY 2025-2026 Capital Budget Requests

Summary

Dedicated Project Requests

- 11 projects at \$89.5 Million in Higher Education/Technical College Capital Project Funds with \$1.5 million in O&M and \$150,000 in instructional programming.

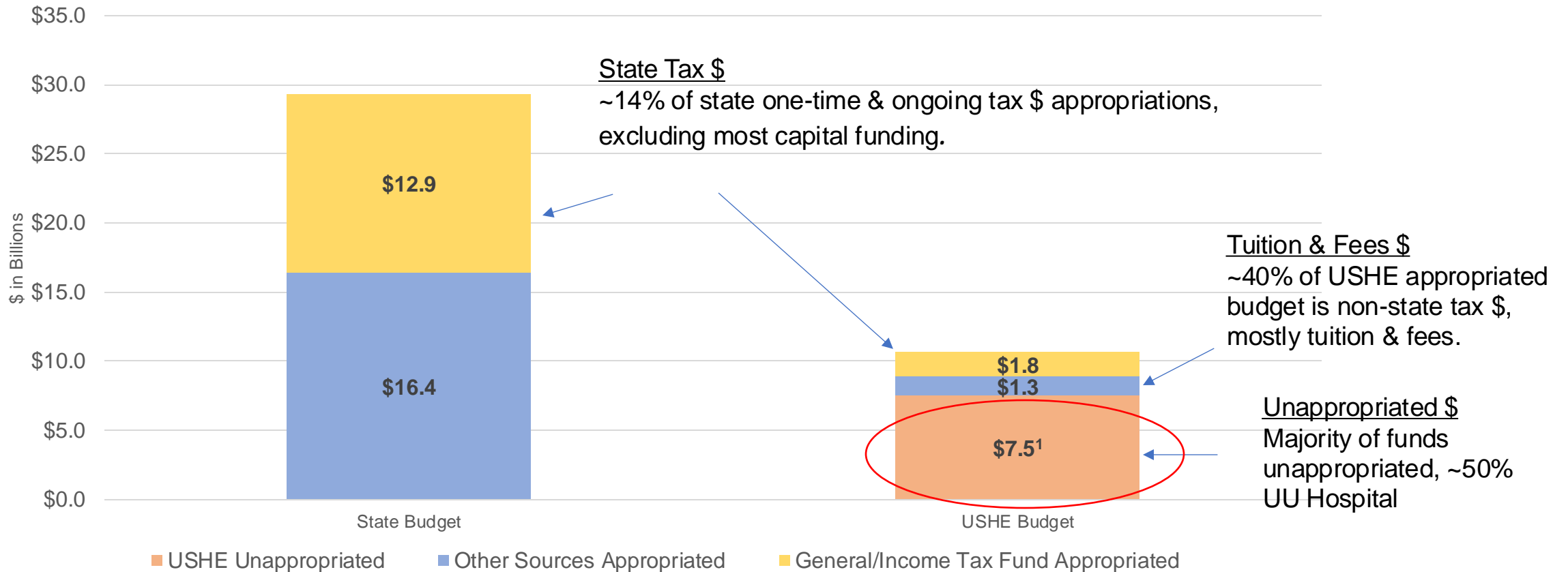
Non-Dedicated Project Requests

- Two projects at \$100.2 Million in GF/ITF with \$1.2 million in O&M and \$1.2 Million in instructional programming.

Sources of Revenue & Expenditures

State & USHE Budgets by Appropriation Status & Source

FY 2025 State & USHE Budget by Source



¹ \$7.5 B reflects FY 2025 control total. FY 2024 unappropriated budget ~\$7.8 B.

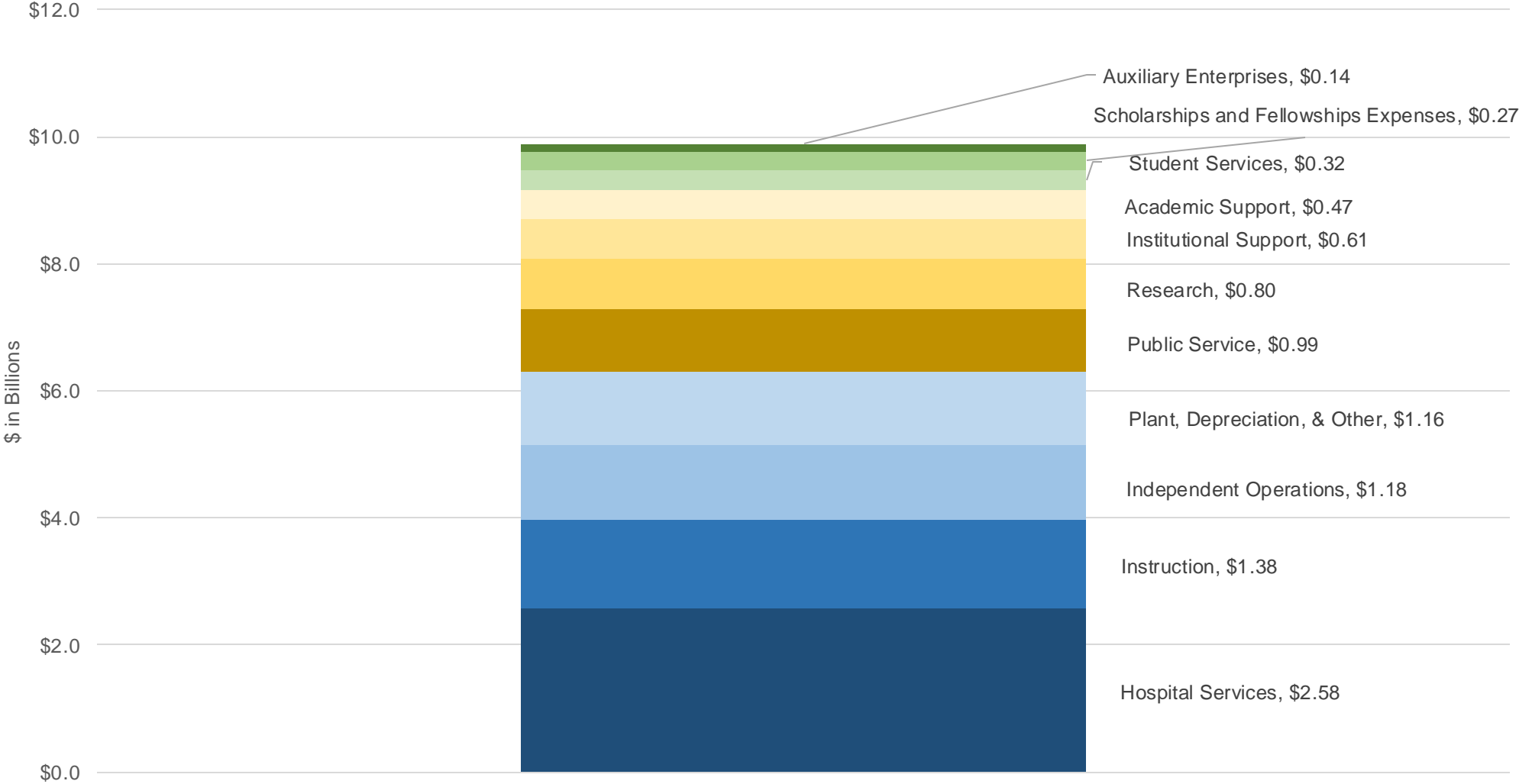
USHE Budgets by Unappropriated Revenue Source

FY 2023-2024 USHE Unappropriated Revenue Sources

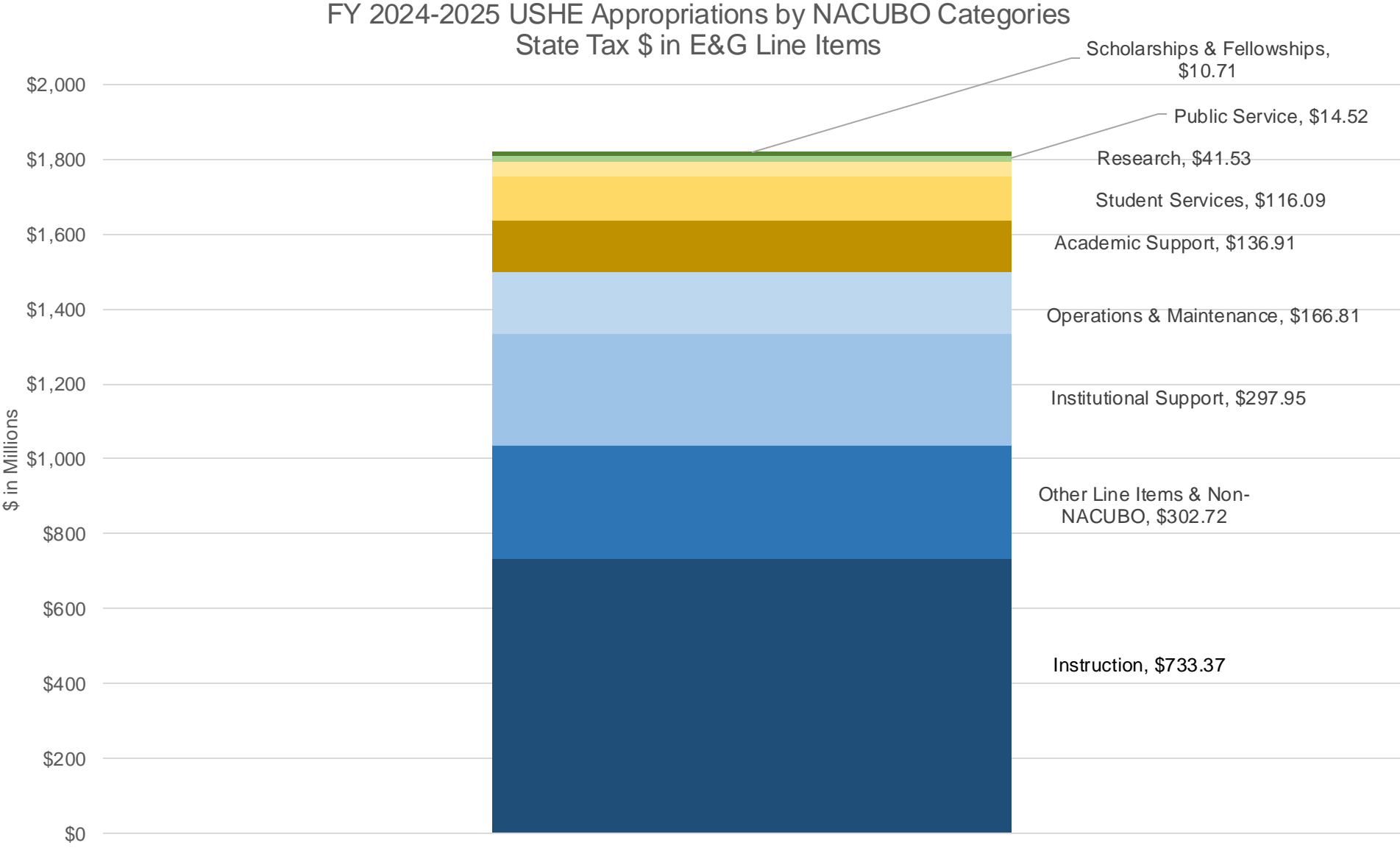


USHE Budgets by Expenditure Source

FY 2023-2024 USHE Expenditures by NACUBO Categories
All Sources of Revenue



USHE Budgets by Appropriations to NACUBO Categories





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