

# R744, Technical College Capital Project Prioritization Process<sup>1</sup>

**R744-1 Purpose:** To provide the Utah Board of Higher Education’s (“Board”) methodology and process for prioritization of system-wide, state-funded capital development projects at technical colleges.

## R744-2 References

- 2.1 [Utah Code § 53B-1-402](#), Establishment of Board -- Powers, Duties, and Authority
- 2.2 [Utah Code § 53B-2a-117](#), Technical Colleges – Capital Development
- 2.3 [Utah Code § 53B-20-101](#), Property of Institutions to Vest in State Board
- 2.4 [Utah Code § 63A-5b-401](#), Development of Capital Facilities
- 2.5 [Board Policy R701](#), Capital Facilities
- 2.6 [Board Policy R702](#), Non-State Funded Projects
- 2.7 [Board Policy R703](#), Acquisition of Real Property
- 2.8 [Board Policy R706](#), Capital Facilities Master Planning
- 2.9 [Board Policy R751](#), Institutional Facilities Space Utilization
- 2.10 [Board Policy R741](#), Threshold Requirements for Capital Development Project Requests

## R744-3 Definitions

**3.1 “Alternative Funding Sources”** means external donation(s) of money and/or land that are either in-hand or are committed to the technical college for the specific capital project requested. Alternative funding sources excludes fees and other institutional funds. Alternative funding sources shall not create a future liability for the State, create an external property right, or be given with the expectation of a future payback.

**3.2 “Capital Development Project”** means:

**3.2.1** A remodeling or site or utility improvement project with a total cost of \$3,500,000 or more;

**3.2.2** A new facility with a construction cost of \$500,000 or more; or

**3.2.3** A purchase of real property if an appropriation is requested and made for the purchase.

**3.3 “Dedicated Project”** means a capital development project for which state funds from the Technical Colleges Capital Projects Fund are requested or used.

**3.4 “Fund”** means the Technical Colleges Capital Projects Fund created in Utah Code section 53B-2a-118.

**3.5 “Nonappropriated Funds”** means contributions such as donations to capital projects from sources other than appropriations of the Legislature. For purposes of this policy, student fees are not considered nonappropriated funds.

**3.6 “Nondedicated Project”** means a capital development project for which state funds from a source other than the Technical Colleges Capital Projects Fund are requested or used.

**3.7 “State Funded Project”** means a capital development project submitted by an institution requiring appropriations from the Legislature to fund the design, construction, and/or operations and maintenance (“O & M”).

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<sup>1</sup> Adopted July 14, 2022; ~~amended~~ Amended November 18, 2022; [and XXX](#).

**R744-4 Capital Project Prioritization Process:** At least once every three years. ~~The~~ Board shall ~~annually~~ review and prioritize capital projects submitted by technical colleges. The ~~annual~~ project prioritization process consists of five fundamental steps:

**4.1 Step 1 – Establishment of Priority Guidelines:** By July of 2022 and May of subsequent years, the Board shall determine whether to review and prioritize capital projects submitted by technical colleges. In a year that the Board does not elect to review and prioritize technical college projects, the Board shall adopt the prioritized ranking of unfunded projects from the most recent year when project requests were reviewed and scored. In a year that the Board elects to review and prioritize technical college projects, the Board shall adopt priority guidelines pertaining to the most pressing and critical capital needs for the Utah System of Higher Education’s technical colleges. In addition to the criteria outlined in section 744-5, the guidelines will identify any factors that the Board will consider and specify a point and weighting system for final scoring of projects.

**4.2 Step 2 – Submission of Requests:** Technical colleges may submit their highest priority capital development projects to the Office of the Commissioner of Higher Education (“OCHE”) for evaluation.

**4.2.1** In a year that the Board reviews and prioritizes technical college projects, ~~Each~~ technical college may submit up to one capital project ~~per year~~.

**4.2.2** All project requests must come through the Board, and technical colleges may not submit such requests directly to the Governor, Division of Facilities and Construction Management (“DFCM”), or the Legislature.

**4.3 Step 3 – Analysis and Initial Scoring:** OCHE will review project requests and assign an initial score for each. Projects will be scored based on the criteria outlined in section 744-5 and the weighting system developed by the Board.

**4.4 Step 4 – Board Prioritization of Projects:** At least once every three years. ~~The~~ Board will meet ~~annually~~ to review and prioritize project requests. The Board may amend OCHE’s initial scoring and award additional points based on the priority factors established under subsection 4.1 to determine a final score for each requested project.

**4.5 Step 5 – Board Submission of Prioritized Projects:** The number of non-dedicated project requests the Board may submit to DFCM, the Governor, and the Legislature for further consideration and funding each year is limited as follows:

**4.5.1** If the ongoing state funds appropriation to the fund is at least \$14,000,000, the Board may submit the project with the highest final score.

**4.5.2** If the ongoing state funds appropriation to the fund is between \$7,000,000 and \$13,999,999, the Board may submit two projects with the highest final scores.

**4.5.3** If the ongoing state funds appropriation to the fund is less than \$7,000,000, the Board may submit the three projects with the highest final scores.

**4.5.4** For each calendar year beginning on or after January 1, 2020, the dollar amounts described in 4.5.1 – 4.5.3 shall be adjusted by an amount equal to the percentage difference between the Consumer Price Index for the 2019 calendar year and the previous calendar year.

#### **R744-5 Project Scoring:**

**5.1 Initial Score:** OCHE’s initial score will be based on the following criteria:

**5.1.1 Growth and Capacity:** Addresses a technical college’s: 1) existing space needs in the project’s space categories, and 2) the Board’s Room Utilization Rate in Board Policy R751, for the project’s space category(ies);

**5.1.2 Effectiveness and Support of Critical Programs:** How the project fulfills Utah industry/economic demand;

**5.1.3 Cost Effectiveness of the Project:** Cost effectiveness of the project based on the DFCM cost database;

**5.1.4 Building Deficiencies:** If the project addresses building conditions that have reached a level of imminent non-functionality on account of a catastrophic event or critical life, safety, or seismic deficiencies; and

**5.1.5 Alternative Funding Sources:** The share of the project's costs supported by alternative funding sources.

**5.2 Final Score:** The Board may amend OCHE's initial score and award additional points based on the priority factors established under subsection 4.1 to determine a final score.

**R744-6 Threshold Requirements:** The Board will ensure that each project that receives a final score meets the requirements of Board Policy R741.

**R744-7 Nondedicated Funding:** The Board will request the highest-ranked project(s) as a nondedicated project(s). If a request to fund a nondedicated project through appropriations is denied, the Board has discretion to request funding through dedicated capital project appropriations under section R744-8.

**R744-8 Dedicated Funding:** Based on available funds, the Board may, in its discretion, forward capital project request(s) for dedicated capital project funding based on prioritization.

**R744-9 Operation and Maintenance Costs:** The estimated O & M costs for each facility and the source of funding for those costs will be listed for each facility on the priority list and will be approved by the Board as part of the approval process for construction or acquisition of each facility. In prioritizing nondedicated projects, the Board will consider the magnitude of future O & M obligations and the potential impact of approval on other components of the operating budget.

**R744-10 Projects Funded from Nonappropriated Funds:** Proposals from institutions for approval of capital development projects to be financed by nonappropriated funds are subject to the approval process outlined in Board Policy R702.