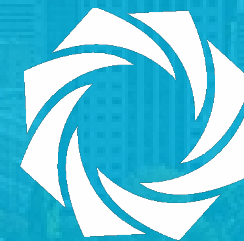


USHE Capital Facilities

Utah Board of Higher Education Training Materials



UTAH
SYSTEM OF
HIGHER
EDUCATION

BOARD RESPONSIBILITIES

Evaluate, prioritize, authorize and recommend certain institution capital projects and real property transactions.

Determine allocation of dedicated project funds to degree-granting institutions.

Resolve to issue revenue bonds on behalf of an institution and pledge revenues for the repayment of special obligation debt.

Review and consider institution capital facilities master plans and five-year plans when authorizing and recommending certain capital facility projects.

Conduct system-wide space utilization analyses and reporting.

USHE Institution Capital Project Types

Funding Type	State Appropriations				Institution Funds	Debt
Funding Source	Higher Education Capital Projects Fund & Technical College Capital Projects Fund		Income Tax Fund (Free Revenue)		Unappropriated Funds (fees, donations, land exchange, etc.)	Revenue Bonds
Project Types	Dedicated Projects	Non-Dedicated Projects	Non-Dedicated Projects	Landbanks, Capital Improvements, Other Capital Projects	Other Capital Projects	Capital Projects with Revenue Stream Repayment Sources (e.g. housing, student services, parking, etc.)
Description	<ul style="list-style-type: none"> Degree-granting institution dedicated projects are supported by \$100,689,700 in ongoing appropriations to the Higher Education Capital Projects Fund. Institution dedicated project fund allocations are determined on the basis of enrollment, projected growth, facility age and condition, performance, sqft per FTE and utilization. Technical college dedicated projects are supported by \$19,310,300 in ongoing appropriations to the Technical College Capital Projects Fund. There is no dedicated project fund allocation formula for technical colleges, and in practice, this fund has supported technical college non-dedicated projects. 	<ul style="list-style-type: none"> The Higher Education Capital Projects Fund has also been used to support non-dedicated projects for select degree granting institutions. The Technical College Capital Projects Fund has been exclusively used to support non-dedicated projects for select technical colleges. 	<ul style="list-style-type: none"> At current levels of ongoing appropriations to the Higher Education Capital Projects Fund and Technical College Capital Projects Fund, the system may request additional funding for one non-dedicated degree-granting project and one non-dedicated technical college project per year. 	<ul style="list-style-type: none"> Income tax fund revenue also supports system requests for landbanks, annual capital improvement allocations and other legislatively prioritized capital projects. 	<ul style="list-style-type: none"> State Code and USHE Board Policy defines a non-state funded project as any capital development project whose source of funding comes from anything other than state funds appropriated by the Legislature. 	<ul style="list-style-type: none"> State Code and USHE Board Policy allow degree-granting institutions to issue revenue bonds to support certain projects provisional on legislative and Board authorization.

HIGHER EDUCATION CAPITAL PROJECTS FUND DEDICATED FUNDING ALLOCATION FORMULA

Enrollment
(20 pts)

Projected Growth
(15 pts)

Facility Age and
Condition
(20 pts)

Performance
(15 pts)

Square Feet per FTE
(15 pts)

Utilization
(15 pts)

HIGHER EDUCATION CAPITAL PROJECTS FUND

Higher Education Capital Projects Fund Current (FY 24) and Anticipated Status (FY 25)

School	2023 General Session: FY 24			2024 General Session: FY 25		
	Beginning Balance	Allocations		Balance	Base Approp. (e)	Balance (e)
		To Fund	From Fund			
UU	\$15,371,500	\$20,251,300	\$(35,543,000)	\$79,800	\$20,251,300	\$20,331,100
UVU	\$0	\$16,211,200	\$0	\$16,211,200	\$16,211,200	\$32,422,400
USU	\$0	\$13,457,700	\$(13,457,700)	\$0	\$13,457,700	\$13,457,700
SUU	\$0	\$11,533,600	\$(11,533,600)	\$0	\$11,533,600	\$11,533,600
UTU	\$0	\$11,141,800	\$0	\$11,141,800	\$11,141,800	\$22,283,600
WSU	\$0	\$11,389,700	\$(8,332,400)	\$3,057,300	\$11,389,700	\$14,447,000
SLCC	\$9,031,700	\$8,783,200	\$(17,814,900)	\$0	\$8,783,200	\$8,783,200
Snow	\$8,018,200	\$7,921,200	\$0	\$15,939,400	\$7,921,200	\$23,860,600
Total	\$32,421,400	\$100,689,700	\$(86,681,600)	\$46,429,500	\$100,689,700	\$147,119,200

(e) = estimate based on anticipated base budget appropriation

DEGREE-GRANTING INSTITUTION DEDICATED PROJECTS

The Higher Education Capital Projects Fund supports dedicated projects in degree granting institutions.

Dedicated projects typically involve construction of new capital facilities, remodels, or renovations.

Institutions may accumulate dedicated project funds over a multi-year period to support higher cost projects.

Board practice has been to recommend use of an institution's Higher Education Capital Projects Fund balances to partially offset the costs of that institution's non-dedicated project request in a year in which that institution's non-dedicated project request is recommended by the Board.

DEGREE-GRANTING INSTITUTION NON-DEDICATED PROJECTS

By statute, inflation-adjusted ongoing appropriations to the Higher Education Capital Projects Fund dictate the number of degree-granting non-dedicated capital projects that the Board may request as follows:

- ≥ \$100 million = 1 Non-Dedicated Project Request
- < \$100 million & ≥ \$50 million = 2 Non-Dedicated Project Requests
- < \$50 million = 3 Non-Dedicated Project Requests

Non-Dedicated degree-granting capital projects typically involve construction of new high cost capital facilities.

The Board scores and ranks non-dedicated project requests against quantitative needs and Board priorities.

CAPITAL FACILITIES PRIORITIZATION

Quantitative Needs Points (75 pts)

Industry/Economic Demand (25 pts)

Utilization (15 pts)

Space Need (15 pts)

Imminent Non-functionality (10 pts)

Cost Effectiveness (5 pts)

Alternative Funding Sources (5 pts)

Board Points (25 pts)

Access & Capacity

Affordability

Workforce

TECHNICAL COLLEGE CAPITAL PROJECTS FUND

Tech Colleges Dedicated Capital Projects Fund Current (FY 24) and Anticipated Status (FY 25)

2023 General Session: FY 24				2024 General Session: FY 25	
Base Approp.	Additional Approps.		Balance	Base Approp. (e)	Balance (e)
	To Fund	From Fund			
\$7,310,000	\$19,310,300	\$(26,620,300)	\$0	\$19,310,300	\$19,310,300
	<i>Mountainland Tech</i>	\$(26,620,300)			

(e) = estimate based on anticipated base budget appropriation

TECHNICAL COLLEGE DEDICATED & NON-DEDICATED PROJECTS

As a matter of Board practice, the Technical College Capital Projects Fund supports non-dedicated projects in technical colleges.

The system may accumulate Technical College Capital Projects Fund balances over a multi-year period to support higher cost projects.

TECHNICAL COLLEGE NON-DEDICATED PROJECTS

By statute, inflation-adjusted ongoing appropriations to the Technical College Capital Projects Fund dictate the number of technical college non-dedicated capital projects that the Board may request as follows:

- ≥ \$14 million = 1 Non-Dedicated Project Request
- < \$14 million & ≥ \$7 million = 2 Non-Dedicated Project Requests
- < \$7 million = 3 Non-Dedicated Project Requests

Non-Dedicated technical college capital projects typically involve construction of new high cost capital facilities.

The Board scores and ranks technical college non-dedicated project requests against the same quantitative needs and Board priorities used in the degree-granting institution non-dedicated project evaluation process.

DEGREE-GRANTING INSTITUTION REVENUE BONDS

By statute and Board policy, the Board must authorize degree-granting institutions from pursuing legislative endorsement for issuing special obligation revenue supported debt. The Board must also adopt approving resolutions that set the parameters for bonds, including maximum principal, discount from par, years to maturity, and coupon rates.

University of Utah – Series 2023B Revenue Bonds

Board Policy R590, *Issuance of Revenue Bonds for Colleges and Universities*, requires the Board to review and approve the issuance and sale of revenue bonds that have been affirmatively authorized by the Utah State Legislature. The University of Utah requests Board authorization to issue up to \$214,000,000 of General Revenue Bonds for the purposes described in the following sections.

Request to Issue Approximately \$214,000,000 Authorized by State Legislature

The University of Utah requests Board authorization to issue General Revenue Bonds for the following purposes that have been authorized by the state legislature:

- \$214,000,000 for the construction of the West Village Family and Graduate Housing Phase Two project as approved by the Board in November 2022 and authorized by the 2023 Legislative Session (S.B. 297); housing rental fees will be the primary source of repayment for the bonds.

The relevant parameters of the requested issue are:

- Principal amount not to exceed \$214,000,000 (before costs of issuance and capitalized interest)
 - Interest rate not to exceed 6.0%
 - Discount from par not to exceed 2%
 - Final maturity not to exceed 35 years from the date of issue
-

INSTITUTIONAL REVENUE BOND INDEBTEDNESS

Debt as of June 30, 2022

Institution	Original Amount	Outstanding Balance as of June 30, 2022	Weighted Years to Maturity	% Outstanding
University of Utah	\$1,715,330,000	\$1,211,665,000	17.6	71%
Utah State University	403,790,000	319,645,000	23.7	79%
Weber State University	59,380,000	41,655,000	12.5	70%
Southern Utah University	27,620,000	18,500,000	21.7	67%
Snow College	13,110,000	12,770,000	15.0	97%
Utah Tech University	164,445,000	154,830,000	14.1	94%
Utah Valley University	102,120,000	53,080,000	13.3	52%
Salt Lake Community College	11,735,000	8,665,000	6.0	74%
USHE Total	\$2,497,530,000	\$1,820,810,000		73%

CAPITAL IMPROVEMENTS

Utah Code 63a-5b-401(2) defines a capital improvement as:

- remodeling, alteration, replacement, or repair projects with a total cost of less than \$3.5M
- site and utility improvements with a total cost of less than \$3.5M
- a utility infrastructure improvement project that:
 - Has a total cost of less than \$7M;
 - Consists of two or more projects that, if done separately, would each cost less than \$3.5M; and
 - DFCM determines is more cost effective or feasible to be completed as a single project; or new facility (space) with a total construction cost of less than \$500K.

By statute, the legislature must annually fund capital improvement projects at 1.1% of the replacement value of state facilities.

CAPITAL IMPROVEMENT FUNDING HISTORY

Attachment A - Five-Year Capital Improvement Funding History

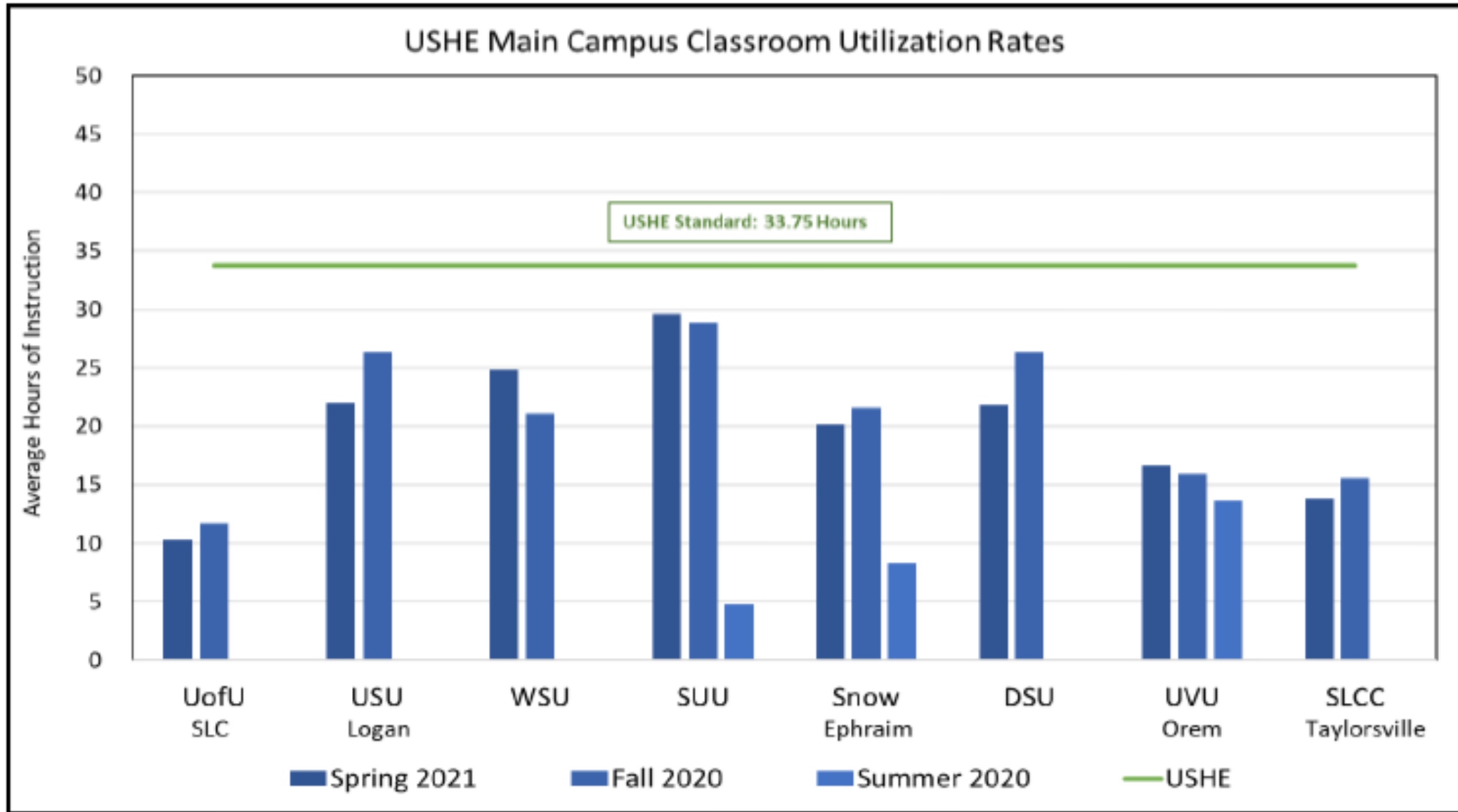
Agencies / Institutions	FY 2020	%	FY 2021	%	FY 2022	%	FY 2023	%	FY 2024	%
University of Utah	28,510,000	21%	26,966,100	21%	29,097,600	20%	31,143,200	20%	33,717,200	20%
Utah State University	13,467,900	10%	14,055,000	11%	15,730,000	11%	16,955,000	11%	17,515,000	10%
Weber State University	5,794,538	4%	6,235,120	5%	6,777,641	5%	7,095,614	5%	7,144,452	4%
Southern Utah University	5,233,826	4%	3,680,469	3%	4,111,144	3%	4,874,163	3%	4,719,761	3%
Snow College	2,910,062	2%	2,380,836	2%	3,001,466	2%	3,413,353	2%	3,588,466	2%
Dixie State University	3,820,594	3%	3,217,360	2%	4,419,199	3%	5,276,366	3%	5,434,773	3%
Utah Valley University	4,940,000	4%	5,820,542	4%	7,979,758	6%	8,676,596	6%	8,667,106	5%
Salt Lake Community College	6,187,828	5%	5,738,132	4%	7,238,377	5%	7,018,911	5%	6,554,413	4%
Bridgerland Technical College	1,053,520	1%	1,159,927	1%	1,571,340	1%	1,599,461	1%	1,711,046	1%
Davis Technical College	1,010,862	1%	1,157,141	1%	1,660,086	1%	1,375,271	1%	1,877,568	1%
Dixie Technical College	660,768	0%	446,000	0%	89,566	0%	246,318	0%	802,254	0%
Mountainland Technical College	1,500,000	1%	1,000,000	1%	1,264,967	1%	1,646,861	1%	1,424,168	1%
Ogden-Weber Technical College	972,472	1%	2,221,212	2%	1,450,000	1%	1,700,000	1%	1,320,000	1%
Southwest Technical College	750,000	1%	824,285	1%	464,345	0%	566,522	0%	490,384	0%
Tooele Technical College	90,000	0%	250,035	0%	78,120	0%	174,306	0%	482,123	0%

SPACE UTILIZATION FOR DEGREE-GRANTING INSTITUTIONS

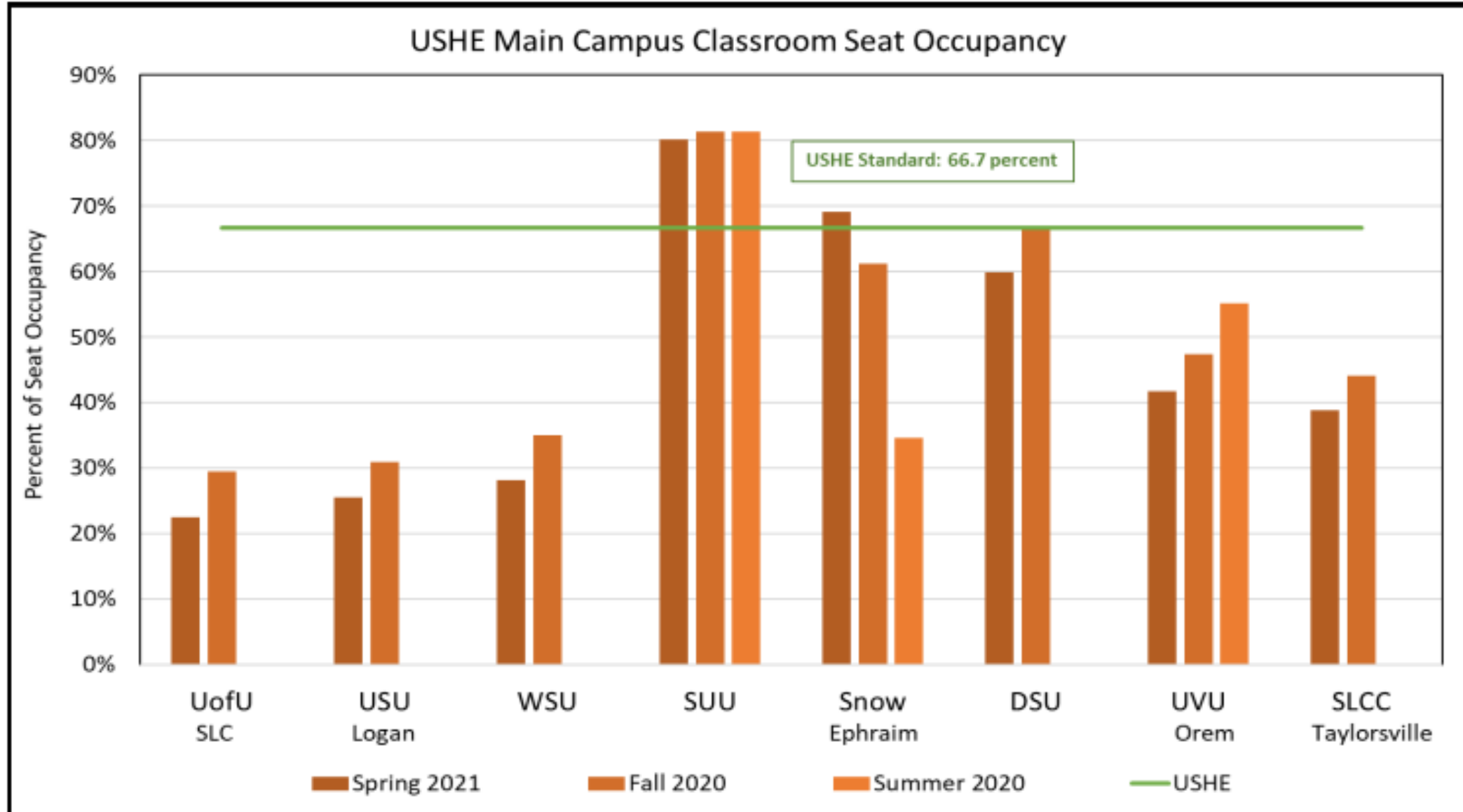
The Board provides systemwide standards for the utilization of classrooms and teaching laboratories. Legislative intent language enacted beginning with the 2019 General Session further codified space utilization standards as follows:

- (1) the standard of 33.75 average hours of instruction per week for Spring and Fall semesters;
 - (2) the standard of 66.7 percent seat occupancy in classrooms; and
 - (3) increasing the summer utilization of classrooms.
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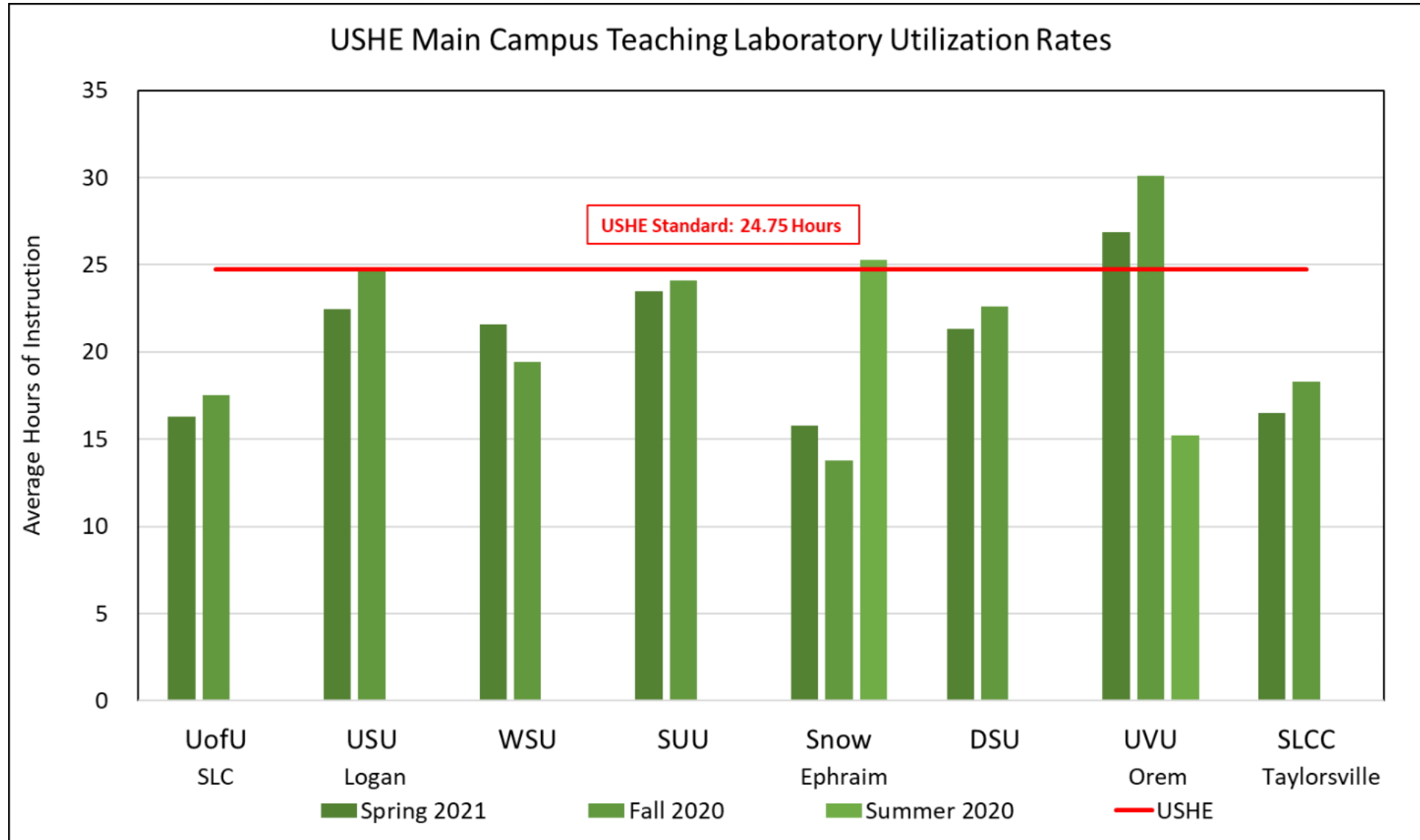
AY 2021-22 SPACE UTILIZATION REPORT



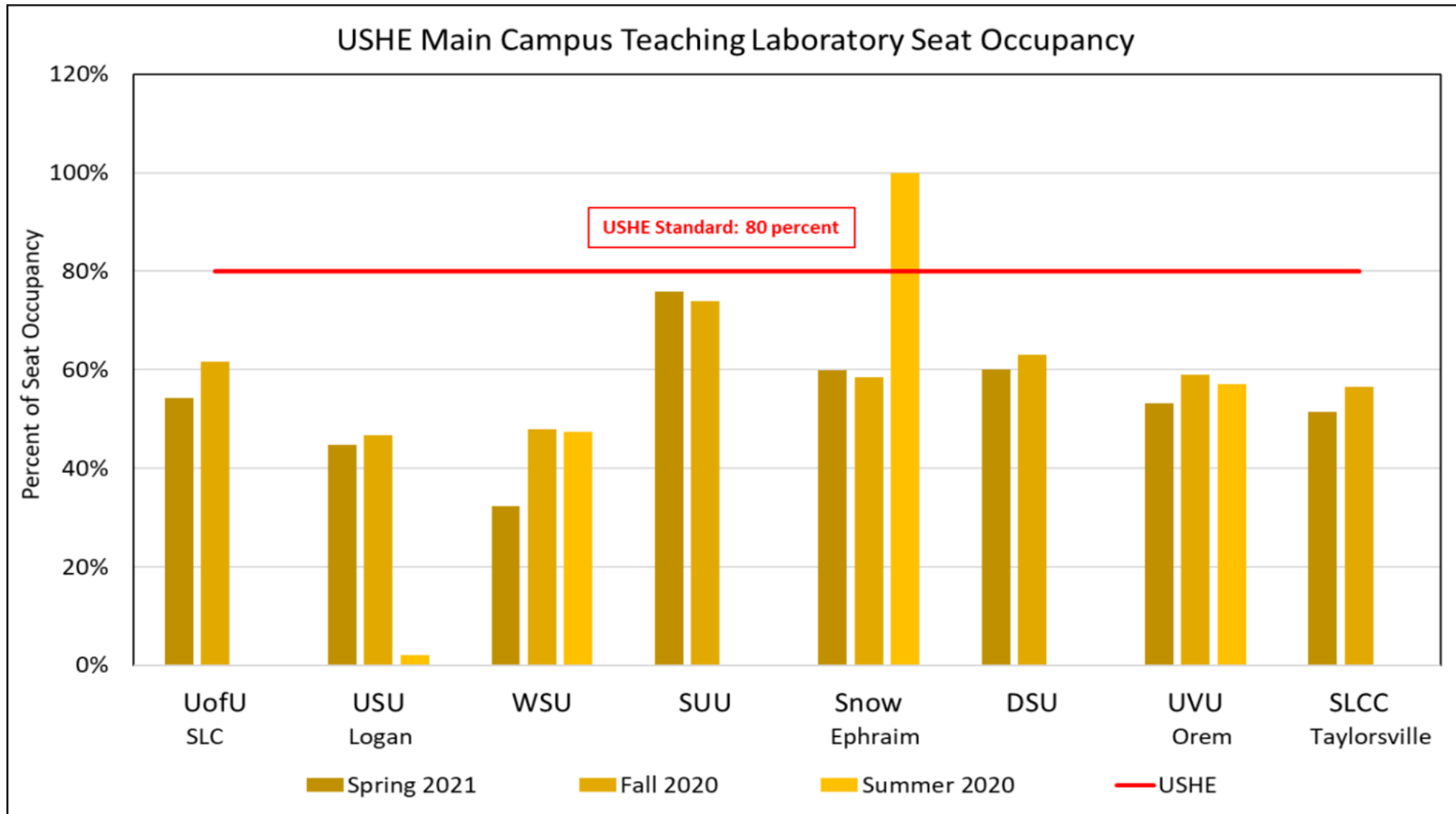
AY 2021-22 SPACE UTILIZATION REPORT



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