



CAPITAL BUDGET BUDGET SUMMARY

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

OVERVIEW

The Capital Budget funds new construction, major remodeling, alterations, repairs, improvements, real estate, roofing, and paving projects. The Capital Budget’s two largest areas are Capital Improvements and Capital Development; other areas include Property Acquisition and Land Banking.

Capital Improvement

A capital improvement is a project on an existing facility that costs less than \$3.5 million; a utility project that costs less than \$7.0 million subject to certain provisions; or new construction that costs less than \$500,000. The Legislature is required by statute to appropriate 1.1 percent of the current replacement value (CRV) of existing state facilities and infrastructure to capital improvements before funding the design or construction of any new capital development projects. At least 80 percent of the state funds appropriated for capital improvements must be used for maintenance or repair of existing buildings or facilities unless the State Building Board (SBB) determines that a different allocation is in the best interest of the state. Also, no more than 20 percent of capital improvement funding may be used for aesthetic upgrades or additions to existing buildings (see [UCA 63A-5-104](#)).

Statutory capital improvement funding for FY 2021 is \$128,488,000. The Legislature appropriated \$138,339,100 (or approximately 1.2 percent of CRV) in [S.B. 6](#), 2020 General Session, Item 50.

LFA Option

The Legislature appropriated \$71,551,000 from the Education Fund and \$66,788,100 from the General Fund for capital improvement funding in S.B. 6. The proportion of CRV attributable to

- institutions of higher education and education-oriented state agencies is about 63 percent;
- other non-transportation-oriented state agencies is about 34 percent; and
- the Department of Transportation (DOT) including the Division of Aeronautics is about 3 percent.

Capital improvement funding could be appropriated in relation to the CRV proportions by making the budget adjustments shown in the rightmost column in Table 1.

Table 1: Capital Improvement Appropriations - Financing Proportional to CRV

Category	Financing Source	S.B. 6, Item 50 Appropriation	Proportion of CRV	S.B. 6 Amount Proportional to CRV	Adjustment
Higher education & education-oriented agencies	Education Fund	\$71,551,000	63%	\$87,155,700	\$15,604,700
Other non-DOT agencies	General Fund	\$66,788,100	34%	\$46,482,700	(\$20,305,400)
Department of Transportation	Transportation Fund	\$0	3%	\$4,683,900	\$4,683,900
Division of Aeronautics	Aeronautics Restricted Account	\$0	0%	\$16,800	\$16,800
Total		\$138,339,100	100%	\$138,339,100	\$0

State-funded Projects

Table 3 shows SBB's top ten priorities for capital development projects for FY 2021.

Table 3: State Building Board's Prioritization of Capital Development Projects for FY 2021

Agency / Institution	Project	State Funding Request	Total Estimated Cost	Total Square Feet after Project	Cost per Square Foot	Increased State O&M	Annual Capital Improve.
Bridgerland Technical College	Health Science and Technology Building	\$38,059,600	\$39,059,600	74,922	\$521.34	\$624,000	\$429,700
Southern Utah University	Academic Classroom Building	\$43,013,700	\$45,013,700	90,000	\$500.15	\$495,200	\$806,400
State Courts	Manti Sixth District Courthouse	\$19,597,900	\$20,668,561	30,221	\$683.91	\$90,400	\$227,400
Department of Public Safety	Brigham City Consolidated Public Safety Building	\$9,575,700	\$7,525,700	17,350	\$551.91	\$37,200	\$105,300
Department of Natural Resources	Richfield Fire Cache & Storage Building	\$2,363,800	\$2,363,800	9,555	\$247.39	\$0	\$26,000
University of Utah	Applied Sciences Building	\$60,000,000	\$84,560,700	140,729	\$600.88	\$646,500	\$930,200
Division of State Parks	New Quail Creek Campground	\$5,209,200	\$5,209,200	11,390	\$457.35	\$0	\$57,300
Division of Wildlife Resources	Loa Fish Hatchery	\$33,892,200	\$33,892,200	48,974	\$692.04	\$0	\$372,814
Department of Human Services	USDC Therapy Building	\$17,568,800	\$17,568,800	29,984	\$585.94	\$251,000	\$193,300
Utah State University	Heravi Global Teaching & Learning Center	\$14,500,000	\$17,000,000	108,631	\$442.37	\$332,100	\$187,000

Source: [Utah State Building Board, Five Year Building Program, Fiscal Year 2021.](#)

Land Bank

The State Building Board included the following land bank request in its FY 2021 Five Year Building Program:

Dixie State University: \$10,075,000 to purchase 126 acres on which to construct classroom and laboratory buildings in the future. The land is currently owned by the School and Institutional Trust Lands Administration.