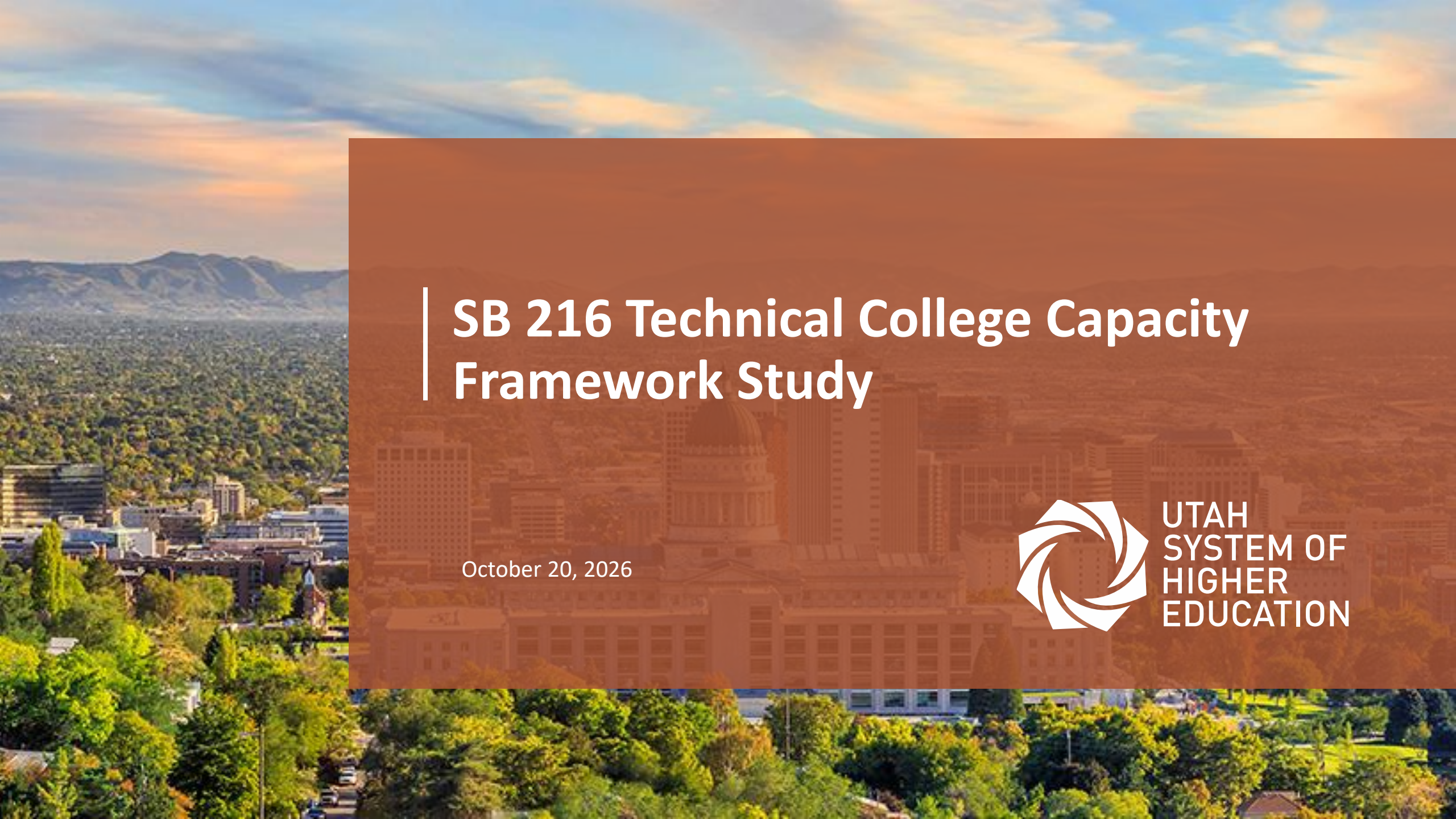


SB 216 Technical College Capacity Framework Study

October 20, 2026

UTAH SYSTEM OF HIGHER EDUCATION

SB 216 – 2026 General Session

The Board shall complete a technical college capacity funding framework study…that contemplates:

I. *Process to identify eligible programs;*
II. *Identifying, validating, and quantifying unmet student & employer demand;*
III. *Methodology to establish amount & timing of state investment;*
IV. *Availability of alternative funding sources;*
V. *Mechanisms to return state funds;*
VI. *Alignment with enrollment & performance funding models.*

Outline

- Program Eligibility
- Unmet Demand
- Funding
- Recommendations

Program Eligibility

SB 216 - *The Board shall complete a technical college capacity funding framework study…that contemplates a* ***process to identify eligible programs****.*

Policy Framework

- Statute requires technical colleges to offer programs (1) for occupations that do not require a degree and (2) that meet the needs of Utah's employers for technically skilled workers.

- Established legislative funding intent for programs that lead to occupations with good employment outlook, stability, and relatively high wages.

- New performance funding model also recognizes programs that support occupations of strategic importance.

Program Eligibility

- The Utah Department of Workforce Services (DWS) assigns statewide and regional "star ratings" to occupations according to employment outlook, stability, and wages.

DWS Star Ratings

1. Relatively low wages and limited outlook and stability
2. Relatively good outlook with lower-than-average wages OR relatively limited outlook with higher-than-average wages
3. Moderate to strong outlook, stability, and varying wage levels
4. **Good outlook, generally high stability, and relatively high wages**
5. **Strongest outlook, high stability, and high wages**

Program Eligibility

Proposed Criteria

- Program leads to an occupation rated as 4- or 5-star in any region of the state at appropriate levels of educational attainment, **OR** the Board designates the program as strategically important.
- Labor market data indicate potential unmet employer demand.

Proposed Process

Commissioner's Office will annually:

- Identify eligible programs (budget guidance)
- Calculate system-level request amount and institutional allocations
- institutional requests to target allocations
- With Board's approval, submit recommendation to Governor & Legislature

Unmet Student Demand

SB 216 - *The Board shall complete a technical college capacity funding framework study that contemplates identifying, validating, and quantifying* ***unmet student demand****.*

Institutional Waitlist Counts

- Occasionally referenced when discussing capacity pressures.
- Commissioner's Office sought data from each institution on the number of eligible students (adult & secondary) who were unable to enroll in a program in FY 2026 due to capacity limitations.

Unmet Demand – Student Waitlist

Reported number of eligible students unable to enroll due to capacity limitations.

Institution	Waitlist Counts				Waitlist FTE as % of Total FTE
	Adult Headcount	*Secondary Headcount*	*Total Headcount*	*FTE*	
BTC	243	474	717	200	13%
DTC	2,520	1,041	3,561	992	50%
DXTC	579	-	579	161	19%
MTC	840	323	1,163	324	14%
OWTC	849	427	1,276	355	18%
SLCC	24	-	24	7	1%
Snow	2	10	12	3	1%
SWTC	202	-	202	56	11%
TTC	322	146	468	130	32%
UBTC	-	-	-	-	0%
USU	53	-	53	15	6%
Total	**5,634**	**2,421**	**8,055**	**2,244**	**20%**

- Subtracted enrolled from applied – eligibility and reason for not enrolling isn't tracked.
- Includes students enrolled in near-term start date seeking immediate start.
- Students who chose to add their names to a contact list online when they couldn't enroll.
- May include students who are enrolled.
- Doesn't track students who were unable to enroll due to capacity limitations.

- Lack of standardized systemwide data collection and tracking methodology.
- Lack of formal commitment to get on waitlist.
- Created a task force of technical college presidents to develop a standardized solution.

Unmet Employer Demand

SB 216 - *The Board shall complete a technical college capacity funding framework study that contemplates identifying, validating, and quantifying* ***unmet employer demand****.*

Challenges to Quantifying Unmet Demand

- Openings – Share that USHE graduates can/will fill is unknown
- Unique postings – Do not include all available jobs
- Monthly hires – Do not crosswalk to openings or postings
- SOC-to-CIP many-to-many relationship challenge
  - EX: SOC 47-1011 (first-line supervisors of construction trades) associated with six different programs

National Classification Codes

CIP: Classification of Instructional Program

SOC: Standard Occupational Classification

Unmet Employer Demand

Proposed Metrics

Unmet employer demand is conceptually and analytically difficult. The following metrics help to identify and filter occupations eligible for capacity gains:

- **Hires-to-postings**
  - Ratio below statewide 5-yr average
  - Rank in 25th percentile of major occupational group
- **Posting rate** (postings per 100 employed)
  - Rank in 75th percentile of major occupational group
- **Posting acceleration** (change in annual unique postings)
  - Rank in 75th percentile of major occupational group

Unmet Employer Demand

Eligibility Analysis Example

					Unmet Employer Demand Flags				*Regional Star Ratings*							
Programs	**CIP**	**SOC**	**Job Title**	**Education**	**2026 Hires-to-Posts Ratio**	**Hires-to-Posts Peer Rank**	**Posting Rate Peer Rank**	**Post Acceler Peer Rank**	**Statewide**	**High Desert**	**Logan**	**Ogden**	**Provo, Orem, Lehi**	**SLC-Murray**	**St. George**	**Wasatch Fringe**
Automation Technology					*< State Avg*	*25th Pctl*	*75th Pctl*	*75th Pctl*								
	47.0303	47-4021	Elevator and Escalator Installers and Repairers	High school diploma or equivalent	-	-	1	-	4	*	*	*	*	4	*	*
		49-9012	Control and Valve Installers and Repairers...	High school diploma or equivalent	1	-	-	1	4	*	*	4	*	*	*	*
		49-9041	Industrial Machinery Mechanics	High school diploma or equivalent	-	-	-	-	4	4	4	4	4	4	4	3
		49-9043	Maintenance Workers, Machinery	High school diploma or equivalent	-	-	-	1	3	4	*	3	4	3	4	3
		49-9044	Millwrights	High school diploma or equivalent	1	1	-	1	3	*	*	*	*	3	*	*
Barbering																
	12.0402	39-5011	Barbers	Postsecondary non-degree award	1	-	-	-	2	*	*	*	*	2	*	*
Electrical Programs																
	46.0302	47-1011	First-Line Supervisors of Construction Trades...	High school diploma or equivalent	-	-	-	-	5	4	4	4	4	5	5	4
		47-2111	Electricians	High school diploma or equivalent	-	-	-	-	4	4	3	3	4	4	4	3
		49-2098	Security and Fire Alarm Systems Installers	High school diploma or equivalent	-	-	-	-	3	*	*	3	3	3	4	*

Potentially Strategically Important: no unmet demand flags, but high star ratings and need is often raised

Eligible Program: Leads to at least one SOC with an unmet demand flag, high star rating, and appropriate education

Ineligible Program: low star ratings

Eligibility Criteria

-Required education

-Unmet demand flag (1 = criteria met)

-4/5-star rating in one region

Funding Calculation

SB 216 - *The Board shall complete a technical college capacity funding framework study that contemplates a* ***methodology to establish the amount & timing*** *of state-funded capacity appropriations.*

Setting Capacity Request Amount

- Select amount sensitive to state's revenue environment
- Set per-FTE cost factor for consistency and conformity with enrollment funding

OCHE's Approach

- Per-FTE Cost Factor
  - 120% of direct cost of instruction per FTE to account for enrollment funding alignment & potential indirect costs

- Calculate cost to increase FTEs in eligible programs at a level that is sensitive to the state revenue environment
  - 10%-equivalent FTE increase = $7.2 million
  - FY 27 capacity appropriation = $7.0 million

Institution	% of Programs Eligible
BTC	69%
DTC	71%
DXTC	80%
MTC	62%
OWTC	69%
SWTC	76%
TTC	68%
UBTC	79%
USU	70%
SNOW	64%
SLCC	79%
TOTAL	**71%**

Funding Cycle

Capacity Funding = Pre-funding **prospective** enrollment growth

Enrollment Funding = **Retrospective** funding for enrollment growth

Performance Funding = **Post-performance** funding for completions

Calculated capacity funding amount

Capacity Funding Requests Cycle										
Funding Reduction		Hold-harmless	20%	40%	60%	80%				
Capacity Funding Round	**Year 1 (FY28/GS27)**	**Year 2 (FY29/GS28)**	**Year 3 (FY30/GS29)**	**Year 4 (FY31/GS30)**	**Year 5 (FY32/GS31**	**Year 6 (FY33/GS32)**	**Year 7 (FY34/GS33)**	**Year 8 (FY35/GS34)**	**Year 9 (FY36/GS35)**	**Year 10 (FY37/GS36)**
Round 1	**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700	$1,442,900				
Round 2		**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700	$1,442,900			
Round 3			**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700	$1,442,900		
Round 4				**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700	$1,442,900	
Round 5					**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700	$1,442,900
Round 6						**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700
Round 7							**$7,214,000**	$7,214,000	$5,771,100	$4,328,300
TOTAL	*$7,214,000*	*$14,428,000*	*$20,199,100*	*$24,527,400*	*$27,413,100*	*$28,856,000*	*$28,856,000*	*$21,642,000*	*$14,428,000*	*$8,656,900*

Funding Cycle

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Round 2		**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700	$1,442,900			
Round 3			**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700	$1,442,900		
Round 4				**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700	$1,442,900	
Round 5					**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700	$1,442,900
Round 6						**$7,214,000**	$7,214,000	$5,771,100	$4,328,300	$2,885,700
Round 7							**$7,214,000**	$7,214,000	$5,771,100	$4,328,300
TOTAL	*$7,214,000*	*$14,428,000*	*$20,199,100*	*$24,527,400*	*$27,413,100*	*$28,856,000*	*$28,856,000*	*$21,642,000*	*$14,428,000*	*$8,656,900*

Example Funding Request								
Round 1 Annual Funding & Legislative Request								
1x	$2,885,700	$2,885,700	$1,442,800	$0	$0	$0	**$7,214,200**	*Request amount for one round of capacity funding.*
OG	$4,328,300	$4,328,300	$4,328,300	$4,328,300	$2,885,700	$1,442,900	**$4,328,300**	

2nd-yr hold-harmless to account for 2-yr enrollment funding budget-cycle lag

6-yr cycle & 20% annual reduction for enrollment funding alignment; retain remaining 20% in year 6

Example request for one full round of capacity expansion:

- 1x replaced with ongoing enrollment funding
- Ongoing for costs that exceed enrollment funding

Funding Scenarios

FY28 Funding Mix Scenarios

Funding Scenario	1x	OG	OG Reduction
Scenario 1	$20,198,600	$1,442,900	OG at 20%, no OG reduction
Scenario 2	$12,984,600	$2,885,700	Reduce OG to final 20% in year 6
Scenario 3	$7,214,200	$4,328,300	Start reducing OG in year 5
Scenario 4	$2,885,800	$5,771,100	Start reducing OG in year 4
Scenario 5	$0	$7,214,000	Start reducing OG in year 3

In all scenarios, institutions retain 20% in ongoing funds ($1,442,900).

- Scenarios represent the total one-time (1x) and ongoing (OG) FY28 appropriations required to fund a round of capacity expansion.
- In all scenarios, institutions retain 20% in OG funding ($1,442,900).

Institutional Funding Allocation

Institution	Base Allocation	Proportional Allocation	Total	Funding Share	1x	Ongoing	Total FY28 Appropriation
BTC	$100,000	$780,300	$880,300	12%	$920,700	$528,200	$1,448,900
DTC	$100,000	$1,008,500	$1,108,500	15%	$1,190,000	$665,100	$1,855,100
DXTC	$100,000	$442,700	$542,700	8%	$522,400	$325,600	$848,000
MTC	$100,000	$1,168,400	$1,268,400	18%	$1,378,700	$761,000	$2,139,700
OWTC	$100,000	$1,009,500	$1,109,500	15%	$1,191,200	$665,700	$1,856,900
SWTC	$100,000	$254,900	$354,900	5%	$300,700	$212,900	$513,600
TTC	$100,000	$207,400	$307,400	4%	$244,800	$184,400	$429,200
UBTC	$100,000	$333,200	$433,200	6%	$393,200	$259,900	$653,100
USU	$100,000	$197,500	$297,500	4%	$233,000	$178,500	$411,500
SNOW	$100,000	$149,800	$249,800	3%	$176,700	$149,900	$326,600
SLCC	$100,000	$561,800	$661,800	9%	$662,800	$397,100	$1,059,900
TOTAL	**$1,100,000**	**$6,114,000**	**$7,214,000**		**$7,214,200**	**$4,328,300**	**$11,542,500**

Utah Board of Higher Education Actions

- Adopted the capacity funding framework, methodology, and FY 2028 funding request.
- Assigned a task force to develop a no-cost solution to standardize waitlist data collection and evaluation methodologies at all technical colleges prior to incorporation into the capacity funding model.
- Voted to seek Legislative commitment to annually appropriate ongoing funding for enrollment growth.



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