



GUIDELINES FOR USE OF UNANTICIPATED REPAIR FUNDS

2025-27 biennium

Updated: 8/12/2025

General

Unanticipated Repair Funds (URF) are included in the Minor Works Preservation and Program appropriation to the State Board for Community and Technical Colleges in the 2025-27 enacted capital budget. The college URF allocation is specifically intended to provide colleges with the flexibility to respond to unforeseen capital needs that arise during the biennium. URF funds are intended to preserve existing state-owned assets by repairing essential infrastructure¹ or building systems at individual college campuses. URF funds are not intended for program improvements that expand the function of a facility or system beyond its current use.

Colleges must ensure that all URF expenditures align with the capital budget bill, legislative intent and Office of Financial Management (OFM) requirements. These guidelines are in place to support accountability and to help the Community and Technical College system maintain system credibility with policymakers. Adherence to these expectations will strengthen the system's position when competing for limited capital resources in future budget cycles.

For additional details, refer to [2025-27 Minor Project Allocation Notes](#).

URF allocation formula

Each biennium, the State Board determines a target request amount for system emergency funds, including URF. The formula for determining each college's URF share is based on the following:

<u>Criteria</u>	<u>Approximate share of available dollars</u>
Total GSF of owned buildings	35%
Total state supported FTE (students)	35%
Total GSF of buildings that are more than 25 years old	30%

Budget requirements

Section 8016 of the 2025–27 capital budget bill defines "minor works projects" and outlines specific funding criteria. Since URF is a component of the SBCTC Minor Works Preservation and Program appropriation, these funding requirements also apply to the use of URF:

- A project must have a minimum value of \$25,000 and may not exceed \$4 million.
- Funds are expected to be spent within the biennium and are not intended for

¹ For purposes of these guidelines, "essential infrastructure" refers to campus-wide or site-level physical systems that support multiple buildings or the overall campus environment. Examples include campus water, sewer, and stormwater systems; primary electrical distribution; central heating and cooling plants; and communication/data backbone systems. This is distinct from "building systems," which are the internal systems and components serving a specific facility, such as HVAC, plumbing, electrical, fire protection, and building automation systems. While the terms are sometimes used interchangeably, distinguishing between them helps clarify the scope and scale of work intended under URF.

reappropriation.

- Funding may not be used for:
 - Projects that are a phase of a larger project, and that if combined over a continuous period, would exceed \$4 million.
 - Studies, planning, or design, except for technical or engineering reviews or designs that lead directly to and support a minor works project.
 - Movable, temporary, and traditionally funded operating equipment not in compliance with the equipment criteria established by the Office of Financial Management, including rolling stock and computers.
 - Software not dedicated to control of a specialized system.
 - Moving expenses.
 - Land or facility acquisitions.
 - Funding for projects with funding shortfalls unless expressly authorized by the Office of Financial Management.
 - Program improvements, except physical improvements necessary to comply with the Americans with Disabilities Act (ADA).
- Additional limitations as described in the Office of Financial Management capital budget instructions.

The 2025-27 capital budget now requires reporting of completed and in progress minor works projects and expenditures in December of each even year (e.g., 2026), including projects funded using URF allocations.

State Board approval and project required

College URF funds are placed in reserve status at the start of the biennium. When a college determines an appropriate use, they must request a project/fund change through the minor works change tool. When approved, the State Board will assign a State Board project number, update CapTrack, and notify the college Business Office of project funding.

Allowable URF Expenditures

The following categories and definitions are established to help colleges plan for and use this funding. Any questions regarding the appropriate use of these funds should be brought to the attention of the Director of Capital at the State Board for Community and Technical Colleges. As a best practice, colleges should try to reserve at least 30 percent of their URF allocation for the second year of the biennium.

1. Emergency project matching funds
2. Code/regulatory compliance
3. Emergent/deferred capital repairs
4. Supplemental funding for capital repair

1. Emergency Reserve Matching Funds

Colleges can request to use a portion of the “SBCTC emergency project fund” identified above. When colleges qualify to use these emergency funds, they are required to commit funds on a cost-share basis. Colleges may use URF as described in the [Emergency funding policy](#), found on the State Board website.

2. Code/Regulatory Compliance

URF may be used for permanent facility improvements to comply with building codes and regulations. These improvements include seismic, fire, health, life safety, ADA, and hazardous material removal (e.g., lead, PCBs, and asbestos). Other funding sources such as the “Hazardous Materials Fund” should be exhausted before using URF funds to address the need.

3. Emergent/Deferred Capital Repairs

URF can be used, and is intended, to fund critical capital repairs that have emerged since the last facilities condition survey. These funds should be applied to projects that preserve and maintain existing assets. They are not intended for program improvements. Under current law, if a minor works appropriation does not explicitly specify that it must be used solely for preservation or program improvements, up to 25 percent of the appropriation may be used for program improvements.

Accessibility improvements that bring facilities into compliance with ADA are specifically recognized as preservation improvements under the law, and therefore do not count toward the 25 percent program improvement cap.

4. Supplemental Funding for Capital Repair

URF may be used to supplement minor projects from the same appropriation. URF may also be used to supplement other capital projects with funding shortfalls, if expressly authorized by OFM. Please contact the Director of Capital at the State Board for Community and Technical Colleges to pursue this option.

Unallowable URF Expenditures

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| 1. Maintenance and Operations | 6. Leased Facilities |
| 2. Enterprise Operations | 7. Parking |
| 3. Salaries and Benefits | 8. Student Government |
| 4. Instructional Equipment | 9. Energy Conservation |
| 5. Equipment and Furnishings | 10. Telecommunications and Information Technology |

1. Maintenance and Operations

URF funds may not be used for routine maintenance or day-to-day operational activities, including groundskeeping, security, and custodial services. These standard functions must be paid for through regular operating funds. Additionally, URF funds cannot be used to pay for Local Improvement District (LID) assessments or to cover charges in lieu of assessments from local fire, water, sewer, or other municipal service districts.

2. Enterprise Operations

URF funds may not be used to support self-sustaining enterprise operations, including bookstores, food services, dormitory operations, or parking. Similarly, capital funds may not be used for the repair, remodeling, renovation, or construction of facilities or areas dedicated to these enterprise functions.

3. Salaries and Benefits

URF funds may not be used to cover salaries, benefits, or other personnel-related expenses, except in cases where direct labor costs are associated with a capital project. For example, if a college hires a temporary employee or utilizes existing classified staff to complete an in-house capital project funded by URF, those direct labor costs may be charged to the project.

4. Instructional Equipment

URF funds may not be used to purchase or repair instructional equipment². The use of capital funds for instructional equipment is permitted only as part of a major capital construction project—such as a new building, major renovation, or facility replacement—that includes the construction of new space. Once the capital project is complete, instructional equipment is considered portable and would typically be removed if the space were vacated.

5. Equipment and Furnishings

URF funds may not be used to purchase or repair equipment or furnishings, including mobile equipment, tools, furniture, site furnishings, office machines, or window coverings. The use of capital funds for these items is permitted only as part of a large capital project or grant programs that involves furnishing newly constructed space for the first time.

6. Leased Facilities

URF funds may not be used for projects within facilities that are not owned by the state. An exception may be granted if the lease arrangement is part of an existing Certificate of Participation (COP) or lease-purchase agreement that will result in eventual state ownership of the property.

7. Parking

URF funds may not be used to construct, maintain, or repair parking facilities, including parking lots, parking structures, and related elements such as curbs, access roads, and signage. Funding for the maintenance and repair of parking facilities should come from parking fee revenues. However, URF funds may be used to repair site lighting and pedestrian access paths within parking areas when such improvements are necessary to ensure accessibility and safety.

8. Student Government

URF funds may not be used to construct, remodel, or renovate facilities or spaces used exclusively for student governance, recreation, leisure activities, or student club spaces. Capital improvements to facilities or spaces primarily serving these purposes must be funded through student fees. Colleges are encouraged to explore alternative funding sources, such as Certificates of Participation (COP), to support these types of capital projects.

9. Energy Conservation

URF funds may not be used to pay debt service on energy conservation projects. Colleges are expected to use operating funds—primarily derived from utility cost savings—to finance such projects. The Department of Enterprise Services (DES) Energy Office partners with state agencies and colleges to support the evaluation and development of effective energy conservation initiatives. Colleges may utilize utility assistance programs and the Guaranteed Energy Savings Program, in combination with

² Equipment used primarily for instructional purposes, such as laboratory apparatus, classroom technology (e.g., smart boards, projectors), and discipline-specific tools or machinery. It is generally movable and not permanently affixed to a facility.

utility savings, to finance Energy Service Company (ESCO) projects. Well-structured projects typically achieve payback periods of less than eight years.

10. Telecommunications and Information

URF funds may not be used to purchase or repair telecommunications, computing, or information technology equipment, or to purchase software. However, URF may be used to extend communication and data infrastructure, such as conduit and wiring, if the 25% improvement limitation outlined in the capital budget bill is met. All other improvements to telecommunications, computing, and technology hardware or software must be funded through operating budgets and/or student fees.