



## Issue Brief: USHE New Facilities O & M

HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE

### SUMMARY

The Analyst recommends O & M funding for FY 2011 in the amount of \$138,700 for the Nursing Building at the University of Utah. This renovation and addition was approved by the Legislature in the 2007 General Session, but O & M funding was not approved due to the lateness of the facility's approval. During the 2008 and 2009 General Sessions, O & M funding was not considered. This renovation is projected to be completed July 1, 2010, and will require the recommended \$138,700 funding for its O & M.

The Analyst also recommends a one-time FY 2010 reduction in the amount of \$113,100 for the Snow College Library that received O & M funding for part of FY 2010, but will not be in operation until June 1, 2010 and one-time reductions in FY 2011 for delayed O & M for four state-funded facilities that total \$2,177,200.

The Analyst recommends Subcommittee consideration of \$1,460,000 for FY 2010 and \$3,019,500 for FY 2011 for the operations and maintenance of 17 new facilities on five campuses. The 17 facilities are non-state funded buildings, so have not previously received any funding for operations and maintenance. Should this funding be approved by the Subcommittee, the Analyst would also recommend the placement of a one-time FY 2011 reduction of \$46,000 on the priority list for the delayed O & M of one of these facilities.

### OBJECTIVE

Funding of O & M for new and renovated facilities help to maintain the buildings and preserve the State's capital investment on USHE campuses.

### DISCUSSION AND ANALYSIS

Three years ago, the Legislature approved a new policy for state-funded buildings, where the O & M for a new building would be funded at the time the building was approved. The O & M funding is appropriated, but is offset with one-time reductions until the building is completed and ready for occupancy. This policy brings the O & M costs to the attention of the Legislature as a cost of the building, not later as a cost that needs to be prioritized with other requests. This policy seems to be working to the benefit of both the Legislature and the institutions.

This policy only applied to state-funded buildings, so the O & M for non-state funded buildings still needs to go through the appropriations request process.

### State-Funded Projects

#### University of Utah

During the last hours of the 2007 General Session, funding was approved for the renovation and an addition to the Nursing Building of 85,600 square feet. Because the approval came after the regular appropriation acts had been passed, O & M funding was not approved. The additional square footage will be operational on July 1, 2010 and will need the recommended \$138,700 in O & M funding.

**USHE New Facilities Operations and Maintenance  
FY 2011 Recommendation**

| <u>Previously-Approved Projects:</u>               | <u>Expected<br/>Completion<br/>Date</u> | <u>LFA<br/>FY 2011<br/>Recommendation</u> |
|--|---|---|
| <u>2007 General Session:</u>                       |   |   |
| University of Utah                                 |   |   |
| Nursing Building                                   | 1-Jul-10                                | \$138,700                                 |
| <b>Total FY 2011 USHE O &amp; M Recommendation</b> |   | <b><u><u>\$138,700</u></u></b>            |

Five USHE buildings have received approval for construction in previous sessions with an accompanying amount for O & M. During the 2007 General Session, the Legislature approved the Library/Classroom building at Snow College; during the 2008 General Session, it approved the Utah Museum of Natural History building at the University of Utah, and last year, approval was given for the Business School Building to be replaced at the University of Utah, the Gibson Science Center at Southern Utah University, and the Digital Design/Communications Center at Salt Lake Community College.

Last year, the **Snow College Library** had a projected completion date of March 1, 2010, so the Legislature left four months of O & M funding for FY 2010. The revised completion date has changed to June 1, 2010, so three months of O & M funding should be reduced from the FY 2010 Snow College appropriation, as shown on the following chart. The **Utah Museum of Natural History** is scheduled for completion on February 1, 2011, so will need 5 months of O & M in FY 2011, while the remaining 7 months of funding (\$656,300) can be reduced. All of the three buildings approved during the 2009 General Session (**University of Utah Business School Replacement, Southern Utah University Gibson Science Center, and Salt Lake Community College Digital Design/Communications Center**) have completion dates during FY 2012, so all of the ongoing O& M funding in their respective budgets can be reduced one-time in FY 2011. The Analyst recommends placing the one-time FY 2011 O & M reduction of \$2,177,200 and the one-time FY 2010 O & M reduction of \$113,100 on the priority list

In the event that any of these buildings is completed earlier than projected, the Legislature could provide one-time funding during the 2011 General Session for the portion of FY 2011 when the funding would be needed.

**USHE New Facilities Operations and Maintenance**

**FY 2010 One-time Reductions**

| <u>Previously-Approved Projects:</u> | <u>Expected<br/>Completion<br/>Date</u> | <u>O &amp; M<br/>Base Budget<br/>FY 2010</u> | <u>Additional<br/>One-time<br/>FY 2010<br/>Reduction</u> |
|--------------------------------------|---|--|--|
| <u>2007 General Session:</u>         |   |  |  |
| Snow College                         |   |  |  |
| Library                              | 1-Jun-10                                | 452,200                                      | (113,100)  |
| <b>Total</b>                         |   | <b>\$452,200</b>                             | <b>(\$113,100)</b>                                       |

**FY 2011 One-time Reductions**

|                                      | <u>Expected<br/>Completion<br/>Date</u> | <u>O &amp; M<br/>Base Budget<br/>FY 2010</u> | <u>One-time<br/>FY 2010<br/>Reduction</u> | <u>LFA<br/>FY 2011<br/>Priority List<br/>Recommendation</u> |
|--------------------------------------|---|--|---|---|
| <u>2007 General Session:</u>         |   |  |   |   |
| Snow College                         |   |  |   |   |
| Library                              | 1-Jun-10                                | 452,200                                      | (301,100)                                 |   |
| <u>2008 General Session:</u>         |   |  |   |   |
| University of Utah                   |   |  |   |   |
| Utah Museum of Natural History       | 1-Feb-11                                | \$1,125,000                                  | (\$1,125,000)                             | (\$656,300)   |
| <u>2009 General Session:</u>         |   |  |   |   |
| University of Utah                   |   |  |   |   |
| Business School Replacement          | 2-Feb-12                                | 1,055,100                                    | (1,055,100)                               | (1,055,100)   |
| Southern Utah University             |   |  |   |   |
| Gibson Science Center                | 1-Feb-12                                | 324,400                                      | (324,400)                                 | (324,400)   |
| Salt Lake Community College          |   |  |   |   |
| Digital Design/Communications Center | 1-Oct-11                                | 141,400                                      | (141,400)                                 | (141,400)   |
| <b>Total</b>                         |   | <b>\$2,645,900</b>                           | <b>(\$2,645,900)</b>                      | <b>(\$2,177,200)</b>  |

**Non-State-Funded Projects****University of Utah**

The ***Sutton Geology Building*** is an academic building with the O & M costs estimated at \$480,600 for the 90,000 square feet. The completion date was February 28, 2009, so O & M funding is requested for both FY 2010 and FY 2011.

The ***LasSonde Entrepreneurial Center*** is a non-state funded conversion of 8,054 square feet to academic space. The annual O & M costs are estimated at \$58,600. With a completion date of August 15, 2008, O & M Funding for both FY 2010 and FY 2011 is needed at a cost of \$58,600.

The ***Red Butte Arboretum Visitor Center*** is non-state funded academic space. It was completed at the end of FY 2009, so requires the full O & M of \$6,800 for both FY 2010 and FY 2011.

The ***Moran Eye Center I*** includes 34,993 square feet of academic and research space and was completed on September 30, 2008. The annual O & M amount is \$235,000 and would be needed for both FY 2010 and FY 2011.

The ***Meldrum Civil Engineering Building*** is scheduled for completion on July 1, 2010, so would need O & M funding for FY 2011 in the amount of \$76,400. This represents 11,800 square feet of classroom and office space.

**Utah State University**

The University has identified six projects for which it is requesting O & M funding. The ***Athletic Academic Center*** is a 15,175 square foot area of the North End Zone building with academic classrooms and study space. The annual O & M costs for FY 2010 are estimated at \$106,200. The University is requesting FY 2010 supplemental O & M funding as well as FY 2011 funding in the amount of \$88,500. The FY 2010 and FY 2011 amounts are not included in the totals, as legislative intent language does not allow the University to “. . .request state funds for operations and maintenance.” (HB 328, 2004 GS)

The new ***Emma Eccles Jones Early Childhood Education and Research Building*** will house the Early Childhood Education Faculty, the National Center for Hearing Assessment and Management, the Language and Literacy Learning Laboratory, Child Language Disorders Clinic, and the Augmentative and Alternative Communication in its 66,000 square feet. The estimated O & M is \$487,600, for FY 2011.

The ***Equine Education Center*** is on the University's South Farm research site, and will provide space for riding and husbandry skills. With an expected completion date of May 1, 2010, an FY 2010 appropriation of \$64,900 would be needed, based on the full year O & M cost of \$389,400.

The University's Uintah Basin Campus will see the completion of the ***Bingham Entrepreneurship and Energy Research Center*** on August 1, 2010. This 69,781 square foot building will provide business and scientific research support, laboratory space and training in biology, chemistry, geology, and natural resources. The FY 2011 O & M is estimated at \$541,400, but would be offset with a one-time reduction of \$46,000.

The USU ***Brigham City Campus*** is undergoing an expansion to build out three specialty classrooms, including fume hoods, laboratory benches, and cadaver tables. Additional office and classroom space is also included in the FY 2010 O & M cost of \$101,800.

The University's ***Tooele Regional Campus*** has added a new wing to the existing building. The project was completed on August 1, 2009 and has an estimated O & M of \$95,100 in FY 2010 and \$137,900 in FY 2011.

**Weber State University**

The University's ***Hurst Lifelong Learning Center*** houses University relations and the Continuing Education College. The facility was completed in April 2009; the O & M for both FY 2010 and FY 2011 is estimated at \$210,500.

Utah Valley University

The University has five projects for which it is requesting O & M funding. The ***Murdock property***, purchased by the UVU Foundation, is used by Institutional Advancement, Marketing, Web Services, and Alumni. The annual O & M cost is estimated at \$129,200. With usage beginning July 31, 2008, supplemental funding for FY 2010 is being requested in the amount of \$129,200 as well as for FY 2011.

The ***Noorda Youth Theater*** adds 10,000 square feet for academic and training at UVU. FY 2010 expenditures are estimated at \$51,500 and \$56,200 in FY 2011.

UVU has funded an ***Economic Development Building*** through a federal grant, CEDO, and institutional funds. Several UVU departments are housed in this building. The estimated O & M for the 12,000 square feet is \$67,400 in FY 2011.

The ***Athletic Track*** and ***Intramural Fields*** are being planned to provide resources for UVU students. Grounds support is required in FY 2010 in the amount of \$26,000 and \$101,900 in FY 2011.

Dixie State College

The ***Weight Training Facility*** is scheduled for completion on June 30, 2010 and will provide weight and strength training for Dixie State College athletes. The estimated O & M cost for the 9,015 square foot facility is estimated at \$40,600 for FY 2011.

## USHE New Facilities Operations and Maintenance

### Non-State Funded Projects FY 2010 and FY 2011

| <u>Project</u>                      | <u>Expected<br/>Completion<br/>Date</u> | <u>FY 2010<br/>Supp.</u> | <u>FY 2011</u>     | <u>FY 2011<br/>One-time</u> |
|-------------------------------------|---|--------------------------|--------------------|-----------------------------|
| <u>University of Utah</u>           |   |                          |                    |                             |
| Sutton Geology                      |   | \$480,600                | \$480,600          |                             |
| LasSonde Entrepreneurial Center     |   | 58,600                   | 58,600             |                             |
| Red Butte Arboretum Visitors Center |   | 6,800                    | 6,800              |                             |
| Moran Eye Center I                  |   | 235,000                  | 235,000            |                             |
| Meldrum Civil Engineering           | 7/1/2010                                |                          | 76,400             |                             |
| <u>Utah State University</u>        |   |                          |                    |                             |
| Early Childhood Educ. & Research    | 7/1/2010                                |                          | 487,600            |                             |
| Coll. Of Ag. - Equine Educ.         | 5/1/2010                                | 64,900                   | 389,400            |                             |
| Uintah Basin: Bingham Entr. Ctr.    | 8/1/2010                                |                          | 541,400            | (46,000)                    |
| Brigham City Labs                   |   | 101,800                  |                    |                             |
| Tooele Addition                     | 8/1/2009                                | 95,100                   | 137,900            |                             |
| <u>Weber State University</u>       |   |                          |                    |                             |
| Hurst Lifelong Learning Center      | 4/1/2009                                | 210,500                  | 210,500            |                             |
| <u>Utah Valley University</u>       |   |                          |                    |                             |
| Murdock Property                    | 6/1/2009                                | 129,200                  | 129,200            |                             |
| Noorda Youth Theatre                | 8/1/2009                                | 51,500                   | 56,200             |                             |
| Economic Development Bldg.          | 7/1/2010                                |                          | 67,400             |                             |
| Athletic Track                      | 7/1/2010                                |                          | 50,000             |                             |
| Intramural Fields                   | 7/1/2010                                | 26,000                   | 51,900             |                             |
| <u>Dixie State College</u>          |   |                          |                    |                             |
| Weight Training Facility            | 6/30/2010                               |                          | 40,600             |                             |
| <b>Total</b>                        |   | <b>\$1,460,000</b>       | <b>\$3,019,500</b> | <b>(\$46,000)</b>           |