



Issue Brief: USHE New Facilities O & M

HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE

SUMMARY

The Analyst recommends Subcommittee consideration of \$2,003,500 for the FY 2010 operations and maintenance of 14 new facilities on four campuses. The 14 facilities are non-state funded buildings, so have not previously received any funding for operations and maintenance. In addition, the Analyst also recommends the placement of one-time FY 2010 reductions on the priority list for the delayed O & M for five of these facilities in the amount of \$478,600. Seven of the facilities also have costs incurred in the current fiscal year and so are in need of a total of \$609,700.

The Analyst also recommends one-time reductions in FY 2010 for delayed O & M for two state-funded facilities that total \$1,426,500.

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

Two 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.

There are four building projects at the University of Utah, four at Utah State University, one at Weber State University, and five at Utah Valley University. These projects are described below:

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 projected completion date is February 28, 2009, so there are four months of FY 2009 O & M (\$160,200) as well as the FY 2010 O & M of \$480,600.

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, 10.5 months of FY 2009 O & M are needed at a cost of \$51,300.

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

The ***Moran Eye Center I*** includes 34,993 square feet of academic and research space and was scheduled to be completed on September 30, 2008. With nine months of FY 2009 needing O & M funding, the amount is recommended at \$176,300. For FY 2010, the annual O & M amount is \$235,000.

Utah State University

The University has identified four 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. With a completion date of September 1, 2008, the University is also requesting FY 2009 supplemental O & M funding in the amount of \$88,500. The FY 2009 and FY 2010 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 University's **Tooele Regional Campus** is currently designing a new wing addition to the existing building. The project is scheduled for completion on July 1, 2009 and has an estimated O & M in FY 2010 of \$95,100.

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 annual O & M cost of \$101,800. With the projected completion date of January 1, 2009, the FY 2009 O & M costs are expected at \$50,900.

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 \$460,400, but with service for just one month of FY 2010, there would be a one-time offset of \$422,500.

Weber State University

The University's **Hurst Lifelong Learning Center** will house University relations and the Continuing Education College. Completion is scheduled for April 2009, so the O & M for the three months of FY 2009 is \$52,600 with the full FY 2010 cost 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 2009 is being requested in the amount of \$118,400.

The **Noorda Youth Theater** adds 10,000 square feet for academic and training at UVU. FY 2010 O & M costs are estimated at \$56,200, but can be offset with a \$4,800 one-time reduction for one month of FY 2010.

UVU is requesting Legislative approval of an **Economic Development Building**, funded through a federal grant, CEDO, and institutional funds. Several UVU departments will be housed in this building. The estimated O & M for the 12,000 square feet is \$67,400. The FY 2010 appropriation could be offset with a one-time reduction of \$34,000.

The Athletic Track and Intramural Fields are being planned to provide resources for UVU students. Grounds support is required for a total of \$101,900 in FY 2010, with a one-time offset of \$17,300.

USHE New Facilities Operations and Maintenance

Non-State Funded Projects

FY 2009 and FY 2010

Project	Legislative <u>Approval</u>	FY 2009 <u>Supp.</u>	<u>FY 2010</u>	<u>FY 2010 One-time</u>
University of Utah				
Sutton Geology	3/1/2004	\$160,200	\$480,600	
LasSonde Entrepreneurial Center	*	51,300	58,600	
Red Butte Arboretum Visitors Center	3/1/2008		6,800	
Moran Eye Center I	*	176,300	235,000	
Utah State University				
Tooele Addition			95,100	
Brigham City Lab Addition		50,900	101,800	
Early Childhood Building			460,400	(422,500)
Weber State University				
Hurst Lifelong Learning Center	3/12/2007	52,600	210,500	
Utah Valley University				
Murdock Property		118,400	129,200	
Noorda Youth Theatre			56,200	(4,800)
Economic Development Bldg.			67,400	(34,000)
Athletic Track			50,000	(8,500)
Intramural Fields			51,900	(8,800)
Total		\$609,700	\$2,003,500	(\$478,600)

* Legislative approval not required; no new space involved - remodel only.

Two 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 and last year approved the Utah Museum of Natural History building at the University of Utah.

The **Snow College Library** has a projected completion date of March 1, 2010, so four months of O & M funding will be needed during FY 2010. The Analyst recommends placing the one-time FY 2010 O & M reduction of \$301,500, as outlined in the following table, on the priority list. The **Utah Museum of Natural History** is scheduled for completion in December of 2010, so will not need any of the O & M funding in its base during FY 2010. The Analyst recommends placing the one-time FY 2010 O & M reduction of \$1,125,000 on the priority list

In the event that either of these buildings is completed earlier than projected, the Legislature could provide one-time funding during the 2010 General Session for the portion of FY 2010 when the funding would be needed.

USHE New Facilities Operations and Maintenance FY 2010 One-time Reductions				
	Expected Completion Date	O & M Base Budget FY 2009	One-time FY 2009 Reduction	LFA FY 2010 Priority List Recommendatio
<u>Previously-Approved Projects:</u>				
<u>2007 General Session:</u>				
Snow College Library	1-Mar-10	\$452,200	(\$452,200)	(\$301,500)
<u>2008 General Session:</u>				
University of Utah Utah Museum of Natural History	1-Dec-10	1,125,000	(1,125,000)	(1,125,000)
Total FY 2009 USHE One-time Reductions		\$1,577,200	(\$1,577,200)	(\$1,426,500)