SUMMARY

The Analyst recommends that the subcommittee approve a one-time reduction of $332,100 in FY 2016 for the USU Business Building, partially offset by two one-time increases totaling $97,000, for the USU Brigham City building, and the University of Utah William Browning addition. In addition, the Analyst recommends one-time reductions totaling $4,188,700 in FY 2017 for O & M funding that is currently in ongoing base budgets at the University of Utah, Utah State University, and Snow College. This reduction reflects the expected timing of the completion of four buildings on the University of Utah campus, two buildings on Utah State University's campus, and the Science Building at Snow College as shown in the attached table.

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

Several 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.

Last year, the legislature also began providing the O & M upfront for non state-funded buildings.

With the exception of the USU Business Building, all of the higher education buildings approved up to and including the 2014 General Session have been completed and are currently in operation, with O & M funding in the institutions’ base budgets. The Business Building at Utah State University was originally scheduled for completion on June 1, 2014, but has run into several delays. Last year, based on a projected completion date of August 1, 2014, approved a one-time reduction of $63,300 for the one month of FY 2015 before it would be occupied. The revised completion date for the building now is March 31, 2016, so the Analyst recommends a further one-time reduction for FY 2016 (supplemental) in the amount of $332,100.

No new buildings were approved for USHE during the 2012 General Session. During the 2013 General Session, a new classroom building was approved for Utah Valley University. The full ongoing O & M for that building was appropriated to UVU, then backed-out one-time in FY 2014, based on the projected completion date. The building was completed one year ago on December 5, 2014.

During the 2014 General Session, two Utah State University and one Weber State University buildings were approved. The two USU buildings include the Brigham City Academic Building and the Central Instruction Building in Price; the Weber State University building is a new Science Building. The Brigham City building was completed in October 2015, about 1 ½ months early, so the Analyst recommends restoring $47,100 of O & M funding for FY
2016. The Price building was completed on schedule on July 31, 2015. The Weber State Science building’s completion date has been moved back about two weeks to May 16, 2016.

In the 2015 General Session, approved, state-funded buildings included two at the University of Utah, one at Utah State University, and one at Snow College. In addition, the legislature approved non state-funded buildings – two at the University of Utah and one at Utah State University.

The State-funded buildings include the Crocker Science building (former location of the Natural History Museum), and the Huntsman Cancer Center at the University of Utah; the Clinical Services building at Utah State University; and a new Science building at Snow College.

The non State-funded buildings include the William C. Browning building and Orson Spencer Hall at the University of Utah and the Fine Arts Complex at Utah State University. Projected completion dates and O & M funding levels are shown in the following table.

Based on the projected completion dates, the Analyst recommends the one-time reduction of $4,188,700 ($3,121,000 at the University of Utah, $745,700 at Utah State University, and $322,000 at Snow College) to reflect the O & M allocations that are in these institutions’ ongoing budgets, but which will not be needed until the buildings are finished.
# USHE New Facilities Operations and Maintenance

## FY 2016 and FY 2017 One-time Reductions

<table>
<thead>
<tr>
<th>Expected Completion Date*</th>
<th>O &amp; M Base Budget FY 2016</th>
<th>Original FY 2016 Reduction</th>
<th>LFA Add'l FY 2016 Recomm.</th>
<th>LFA FY 2017 Recomm.</th>
</tr>
</thead>
</table>

### 2011 General Session:

- **Utah State University**
  - Business Building
    - 31-Mar-16: 797,000 (265,700) (332,100)
    - (revised from 11/2/15)

### 2014 General Session:

- **Utah State University**
  - Brigham City
    - 16-Oct-15: 365,400 (154,200) 47,100
    - (revised from 12/2/15)

### 2015 General Session:

- **University of Utah**
  - Huntsman Cancer Center
    - 31-Mar-17: 1,850,000 (1,850,000) (1,388,800)
  - Crocker Science
    - 20-Aug-17: 682,700 (682,700) (682,700)
  - William C. Browning Addition**
    - 31-Mar-16: 199,700 (199,700) 49,900
    - (revised from 6/30/16)
  - Orson Spencer Hall**
    - 1-Aug-18: 1,049,500 (1,049,500) (1,049,500)

- **Utah State University**
  - Clinical Services Building
    - 26-Oct-17: 630,500 (630,500) (630,500)
  - Fine Arts Complex**
    - 24-Feb-17: 175,900 (175,900) (115,200)

- **Snow College**
  - Science Building
    - 30-Jul-17: 322,000 (322,000) (322,000)

### Total

| | 6,072,700 | (5,330,200) | (235,100) | (4,188,700) |

* Completion dates provided by DFCM.

** Non state-funded buildings.