



# USHE AND USTC OPERATIONS AND MAINTENANCE

HIGHER EDUCATION  
STAFF: SPENCER PRATT AND JILL CURRY

ISSUE BRIEF

## **SUMMARY**

The Analyst recommends that the subcommittee approve one-time reductions totaling \$277,500 in FY 2018 and \$2,100,500 in FY 2019 for Operations and Maintenance (O & M) funding that is currently in ongoing base budgets at the University of Utah, Utah State University, Weber State University, Southern Utah University, Utah Valley University, Snow College, Dixie State University, Salt Lake Community College, Ogden Weber Technical College, and Uintah Basin Technical College. This reduction reflects the expected timing of the completion of buildings on these campuses, 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.

A couple of years ago, the legislature also began providing the O & M funding upfront for non state-funded buildings.

All of the higher education buildings approved during the 2014 General Session or earlier have been completed and are currently in operation, with O & M funding in the institutions' base budgets. Buildings that were approved in the 2015 and 2016 General Sessions are expected to be completed sometime during FY 2018 or FY 2019. Four buildings were approved in the 2017 General Session, two of which should be completed in FY 2019, one in FY 2020, and one not until FY 2023.

In the 2015 General Session, approved state-funded buildings included one at the University of Utah, one at Utah State University, and one at Snow College. In addition, the legislature approved one non state-funded building at the University of Utah. At the University of Utah, both the state-funded building and the non-state funded building will be completed according to schedule in FY 2018 and FY 2019, and there is a small adjustment in FY 2019. The state-funded building at Utah State University is scheduled for completion in FY 2018, but has been delayed three months, so it appears on the list for a one-time O & M adjustment in FY 2018. The completion of the Science Building at Snow College was delayed by one month, so a small adjustment is on the list.

During the 2016 General Session, four buildings were approved for USHE institutions and two for USTC campuses. These include the Biological Sciences building at Utah State University, the Business building at Southern Utah University, the Performing Arts building at Utah Valley University, the CTE Center at Salt Lake Community College, the Main Campus building at Dixie Technical College and the Business Depot at Ogden Weber Technical College. All four USHE buildings will be completed in FY 2018 or FY 2019, so are included on the one-time O & M adjustment list. The original O & M amount for the Biological Sciences Building at Utah State University was just under \$1.2 million. It was later adjusted down to \$941,700, but last year, the Analyst reduced the O & M based on the larger amount, so to correct that error, recommends that \$257,800 be put back in the O & M budget one-time for FY 2018. The FY

2019 figure is correct. The two USTC buildings will be completed in FY 2018, but the Ogden Weber building is delayed about a month and one-half, so there is an additional amount in FY 2018.

The building approved during the 2017 General Session include the Medical Education and Discovery building at the University of Utah, the Social Sciences Building Renovation at Weber State University, the Human Performance Center at Dixie State University, and the Welding Technology Building at Uintah Basin Technical College. All four had their full amount of O & M reduced for FY 2018; two have the full amount reduced again for FY 2019, as their completion dates are in FY 2020 and FY 2023. The Weber State University building and the Uintah Basin building each have a portion reduced, based on their respective completion dates.

In summary, based on the projected completion dates, the Analyst recommends the one-time FY 2018 reduction of \$277,500 ( (\$93,700) at Utah State University, \$24,700 at Snow College, \$308,000 at Salt Lake Community College, and \$38,500 at Ogden Weber Technical College) and a one-time FY 2019 reduction of \$2,100,500 (\$562,500 at the University of Utah, \$366,400 at Utah State University, \$20,100 at Weber State University, \$16,300 at Southern Utah University, \$486,400 at Utah Valley University, \$595,000 at Dixie State University, and \$53,800 at Uintah Basin Technical 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 2019 One-time Adjustments

	Expected Completion Date*	O & M Base Budget FY 2018	Original FY 2018 Reduction	LFA Add'l FY 2018 Recomm.	LFA FY 2019 Priority List Recomm.
<u>2015 General Session:</u>					
University of Utah					
Crocker Science	30-Oct-17	682,700	(226,300)		
Orson Spencer Hall**	1-Aug-18	1,049,500	(1,049,500)		(89,100)
Utah State University					
Clinical Services Building	6-Mar-18	630,500	(264,300)	(164,100)	
Snow College					
Science Building	27-Aug-17	322,000	(25,600)	(24,700)	
<u>2016 General Session:</u>					
Utah State University					
Biological Sciences Building					
<b>CORRECTED AMOUNT</b>	20-Nov-18	<b>941,700</b>	<b>(1,199,500)</b>	257,800	<b>(366,400)</b>
Southern Utah University					
Business Building	18-Jul-18	349,000	(349,000)		(16,300)
Utah Valley University					
Performing Arts Building	30-Nov-18	1,168,000	(1,168,000)		(486,400)
Salt Lake Community College					
CTE Center (Westpointe)	13-Jun-18	1,080,800	(719,500)	(308,000)	
<u>2017 General Session:</u>					
University of Utah					
Medical Education and Discovery	1-Dec-22	473,400	(473,400)		(473,400)
Weber State University					
Social Sciences Building Renov.	18-Jul-18	432,200	(432,200)		(20,100)
Dixie State University					
Human Performance Center	15-Jul-19	595,000	(595,000)		(595,000)
<b>Total</b>		<b>7,724,800</b>	<b>(6,502,300)</b>	<b>(239,000)</b>	<b>(2,046,700)</b>

\* Completion dates provided by DFCM.

\*\* Non state-funded buildings.

USTC New Facilities Operations and Maintenance

FY 2019 One-time Adjustments

	Expected Completion Date*	O & M Base Budget FY 2018	Original FY 2018 Reduction	LFA Add'l FY 2018 Recomm.	LFA FY 2019 Priority List Recomm.
<u>2016 General Session:</u>					
Dixie Tech					
Main Campus	9-Oct-17	1,366,400	(374,400)		
Ogden Weber Tech					
Business Depot	27-Aug-17	336,200	(14,000)	(38,500)	
<u>2017 General Session:</u>					
Uintah Basin Tech					
Welding Technology Bldg.	19-Jan-19	97,300	(97,300)		(53,800)
<b>Total</b>		<b>1,799,900</b>	<b>(485,700)</b>	<b>(38,500)</b>	<b>(53,800)</b>

\* Completion dates provided by DFCM.

