



# USHE OPERATIONS AND MAINTENANCE

## NEW FACILITIES

HIGHER EDUCATION  
STAFF: SEÁN FAHERTY

ISSUE BRIEF

### **SUMMARY**

The Analyst recommends that the subcommittee approve one-time reductions totaling \$3,438,200 in FY 2021 for certain institution Operations and Maintenance (O&M) funding that is currently in the Base Bill in front of the Committee.

These reductions reflect the expected timing of the completion of the buildings approved and funded by the Legislature as shown in the table below.

### **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.

The Legislature also provides O&M funding upfront for non-state-funded buildings.

All of the higher education buildings approved during the 2016 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 2017 and 2018 General Sessions are expected to be completed sometime during FY 2019 or FY 2020 except for the Medical Education and Discovery Building on the University of Utah campus.

During the 2017 General Session, the Legislature approved three buildings: Weber State University, Dixie State University and the University of Utah. The Weber State Building is a renovation project and was completed in July of 2019. The Human Performance Center at Dixie State University was completed in November 2019. The remaining University of Utah Medical Education and Discovery Building will not be completed until FY 2023 or later, so the full O&M amount is projected to be reduced for FY 2020 and FY 2021.

During the 2018 General Session, the Legislature approved 2 new buildings, one at Weber State University and one at Utah State University. Both of these buildings will not open until FY 2021, so the Committee needs to vote to partially back out their full O&M value in FY 2021 as shown in the attached chart.

During the 2019 General Session, the Legislature approved three buildings, one at the Weber State University, one at Dixie State University and one at Utah Valley University as detailed below. With the exception of the Dixie State Building, these must all be fully offset in FY 2021.

**USHE New Facilities Operations and Maintenance  
FY 2020 and FY 2021 One-time Adjustments**

<b>USHE</b>	<u>Expected Completion Date*</u>	<u>O &amp; M Base Budget FY 2019</u>	<u>Original FY 2020 Reduction</u>	<u>LFA Add'l FY 2020 Recomm.</u>	<u>LFA FY 2021 Priority List Recomm.</u>
<u>2017 General Session:</u>					
University of Utah					
Medical Education and Discovery	1-Dec-23	473,400	(473,400)		(473,400)
<u>2018 General Session:</u>					
Weber State University					
Computer and Automotive Engineering Building (Davis Campus) **	1-Aug-20	397,800	(397,800)		(33,200)
Utah State University					
Biological and Natural Sciences Building Renov.	30-Sep-20	211,700	(211,700)		(52,900)
<u>2019 General Session:</u>					
Weber State University					
Noorda Building for Engineering, Applied Science & Technology	1-Jun-22	659,200	(659,200)		(659,200)
Dixie State University					
Science Building	31-May-21	821,300	(821,300)		(752,600)
Utah Valley University					
Business Building	30-Jun-21	1,466,900	(1,466,900)		(1,466,900)
<b>Total</b>		<b>4,030,300</b>	<b>(4,030,300)</b>	<b>0</b>	<b>(3,438,200)</b>

\* Completion dates provided by DFCM.

\*\* Non state-funded buildings.

