

November 6, 2013

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Utah State University – Non-state Funded Science and Technology Classroom Building (Tooele Campus)

Issue

Utah State University (USU) has requested Board approval for a change in scope for its previously approved non-state funded Tooele Campus Science and Technology Classroom Building.

Background

On September 14, 2012, the Regents approved this non-state funded project that consisted of 28,000 square feet of space at an estimated cost of \$8 million. The project also included authorization to be able to request an estimated amount of \$238,000 for ongoing O&M. The revised scope increases the space to 33,000 square feet and the cost to \$9.8 million; more details are available in the accompanying letter from Utah State University.

A key element of this request is authorizing USU to be able to again ask the Legislature for ongoing O&M support for a facility that clearly qualifies under Regents policy, but did not receive Legislative support from the 2013 Legislature. Up until the 2010 session, the Legislature routinely authorized requests for state-appropriated O&M support for non-state funded USHE projects that qualified for such support under Regents policy. The specific authorizing language stated that an institution *“may request state funds for operation and maintenance costs and capital improvements to the extent that the university is able to demonstrate to the Board of Regents that the facility meets approved academic and training purposes under Board of Regents policy R710.”*

In 2010, during the funding challenges of the recession, the Legislature chose to suspend such consideration and, for that and the following year, prohibited institutions from asking for state-appropriated O&M by inserting the language stating that institutions *“may not request state funds for operation and maintenance or capital improvements.”* In 2010, three USHE projects (one each for UU, USU, and SUU) were impacted by this prohibition. In 2011 this language impacted two more USU projects.

Beginning in 2012, the Legislature changed O&M language yet again, by stating that institutions *“may use previously authorized state funds”* or simply *“may use state funds”* for the O&M of the projects authorized for construction. This change impacted this USU project and a project at the UofU. This language

represents a “middle ground” that neither authorizes nor prohibits a future request for state-appropriated support for O&M costs, while also seeming to imply that institutions should use existing budgets for this purpose. It does, however, leave room for institutions to seek authorization again for the O&M support.

A copy of the letter from USU requesting this change in scope and authorization to seek O&M support again is attached for your information. Representatives from the institution will be present to respond to Board questions.

Commissioner’s Recommendation

The Commissioner recommends approval of the scope change requested for this project and further recommends that authorization to seek state-funded O&M support be granted to USU.

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David L. Buhler  
Commissioner of Higher Education

DLB/GLS/WRH  
Attachment



October 24, 2013

Commissioner David L. Buhler  
Utah State Board of Regents  
Board of Regents Building The Gateway  
60 South 400 West  
Salt Lake City, Utah 84101-1284

Dear Commissioner Buhler:

Utah State University requests approval of the revised Science and Technology Classroom building, a non-state funded project, located at the Tooele Regional Campus.

On September 14, 2012, the Board of Regents approved the \$8 million proposed building. The project was subsequently presented and approved by the State Building Board and the Legislature.

After further evaluating the needs of the Tooele Regional Campus, the classroom project has been revised to increase the number of laboratory spaces and reduce the number of classrooms. The overall new space of the project has increased slightly from 28,000 square feet to 33,000 square feet. Typically funding for laboratories is greater than funding for classrooms. Therefore, the revised project is proposed at a cost of approximately \$9.8 million. The project will be funded by Regional Campuses and Distance Education departmental funds and private donations. Operation and maintenance funding will be requested as allowed by Board of Regents Policy R710, Capital Facilities.

We appreciate your support in this endeavor and ask that you present this item for Regents approval.

Sincerely,

David T. Cowley  
Vice President for  
Business and Finance

C: Greg Stauffer, Associate Commissioner for Planning, Finance & Facilities  
Stan Albrecht, President  
Charles Darnell, Associate Vice President for Facilities