Utah State Building Board & Utah State Board of Regents Joint Meeting

MEETING

September 16, 2005

MINUTES

Utah State Building Board Members in attendance:
Kerry Casaday, Vice-Chair
Steven Bankhead
Katherina Holzhauser
Manuel Torres
Richard Ellis, Ex-Officio

Board of Regents in attendance:
Nolan E. Karras, Chair
Jed H. Pitcher, Vice Chair
Jerry C. Atkin
Bonnie Jean Beesley
Darryl C. Barrett
Janet A. Cannon
Rosanita Cespedes
Katharine B. Garff
David J. Grant
Meghan Holbrook
James S. Jardine
Michael R. Jensen
David J. Jordan
Gaby Bradford Kingery
Josh M. Reid

DFCM, USHE Presidents, Office of the Commissioner Staff and Guests in attendance:

F. Keith Stepan	Division of Facilities Construction & Management
Kenneth Nye	Division of Facilities Construction & Management
Kent D. Beers	Division of Facilities Construction & Management

Shannon Lofgreen	Division of Facilities Construction & Management
Dana Edwards	Division of Facilities Construction & Management
D'Arcy Dixon Pignanelli	Department of Administrative Services
Randa Bezzant	Governor's Office of Planning and Budget
Steve Allred	Legislative Fiscal Analyst's Office
Representative D. Gregg Buxton	Legislature
Richard E. Kendall	Office of the Commissioner of Higher Education
David L. Buhler	Office of the Commissioner of Higher Education
Joyce Cottrell	Office of the Commissioner of Higher Education
Amanda Covington	Office of the Commissioner of Higher Education
David S. Doty	Office of the Commissioner of Higher Education
Lucille T. Stoddard	Office of the Commissioner of Higher Education
Mark H. Spencer	Office of the Commissioner of Higher Education
Kevin Walthers	Office of the Commissioner of Higher Education
Brian Foisy	Office of the Commissioner of Higher Education
Kimberly Henrie	Office of the Commissioner of Higher Education
Lynne Ward	Office of the Commissioner of Higher Education
Gary Wixon	Office of the Commissioner of Higher Education
Ryan L. Thomas	College of Eastern Utah
Lee G. Caldwell	Dixie State College
Donna Dillingham-Evans	Dixie State College
Frank B. Lojko	Dixie State College
Cynthia A. Bioteu	Salt Lake Community College
Richard Bouillon	Salt Lake Community College
Julie Ann Curtis	Salt Lake Community College
Don Porter	Salt Lake Community College
David Richardson	Salt Lake Community College
J. Gordon Storrs	Salt Lake Community College
Michael T. Benson	Snow College
Steven D. Bennion	Southern Utah University
Abe Harraf	Southern Utah University
Dorian Page	Southern Utah University
Gregory L. Stauffer	Southern Utah University
A. Lorris Betz	University of Utah
Paul T. Brinkman	University of Utah
Arnold B. Combe	University of Utah
Michael Perez	University of Utah
Raymond F. Gesteland	University of Utah
Laura Snow	University of Utah
Charles A. Wight	University of Utah
Kimberly Wirthlin	University of Utah
Stan L. Albrecht	Utah State University
Noelle Cockett	Utah State University
David Cowley	Utah State University
Glenn Ford	Utah State University
Juan Franco	Utah State University
Darrell Hart	Utah State University
Richard W. Jacobs	Utah State University
Stanley Kane	Utah State University

Clinton G. Moffitt	Utah State University
Sydney Peterson	Utah State University
Cody Bingham	Utah State University
Quinn Millett	Utah State University
Spencer Watts	Utah State University
Val Peterson	Utah Valley State College
Linda Makin	Utah Valley State College
James L. Michaelis	Utah Valley State College
J. Karl Worthington	Utah Valley State College
F. Ann Millner	Weber State University
Kevin P. Hansen	Weber State University
Brad Mortensen	Weber State University
Norm Tarbox	Weber State University
Thomas Jensen	Architectural Nexus
Rick Stock	Architectural Nexus
Kim Hood	Governor's Office of Planning and Budget
Barbara Bruno	Herman Miller, Inc.
Denise Albiston	Herald Journal
Julee Attig	Jacobsen Construction
Steve Speckman	Deseret Morning News
Spencer Pratt	Legislative Fiscal Analysts Office
Shinika Sykes	Salt Lake Tribune
Jackie McGill	Spectrum Engineers
Carrie Flamm	Utah Student Association

Board of Regents Chair Nolan Karras called the meeting to order at 10:45am and asked for introductions. He recognized Representative D. Gregg Buxton, co-chair of the Capital Facilities Appropriations Subcommittee, and welcomed him to the meeting.

Regent Chair Karras introduced the USHE capital development projects and explained the prioritization process. Dr. Mark Spencer, Office of the Commissioner of Higher Education, distributed two handouts outlining the Q&P process and USHE enrollment projections. The enrollment projection summary identified the lowest projection over the next few years of a 1.5 increase.

Regent Chair Karras stated the Q&P process aids in measuring space standards to ensure the most important needs are addressed, focuses on maintaining buildings and preserving structures, and provides a level playing field to balance requests. He also explained the Legislature previously determined UCAT should be provided a separate committee and alternative budget route than the Regents. The USHE staff is attempting to incorporate UCAT into the Q&P process.

Keith Stepan stated the projection would assist the Building Board in planning future facilities. The Building Board and DFCM staff assisted UCAT with an evaluation of their needs by using the Building Board's process this year. Although some items are weighted different from the Regent's process, similar key criteria elements are utilized. Representative Buxton stated the comparisons are difficult and some question was raised during the tours as to how the facilities were best utilized.

Commissioner Kendall clarified that UCAT has established semesters and the open entry/open exit was utilized, but was not exclusively the method used for programs. Dr. Spencer offered to find

conversion tables and study the methodology and provide the Boards a report in six months. This would help identify UCAT space standards and the utilization of facilities.

Dr. Spencer reviewed capital improvement items and noted the Regent's top three priority projects were replacement facilities. He noted the Regents elected to add additional points to institutions who sought external funding, as well as for life safety issues. Dr. Spencer reviewed the Regents priority list and noted the Park Building would be handled through capital improvement funds. The Brain Institute at the University of Utah is part of the USTAR initiative and will be handled outside of the Q&P process. The Regents determined their priority rankings as follows:

1. WSU Classroom Building Chiller Plant
2. CEU Fine Arts Replacement
3. USU Agriculture/Classroom Replacement Building
4. UVSC Digital Learning Center
5. SLCC Digital Design and Communications Center/South City Campus Student Life Center
6. DSC Science Building Addition
7. SUU Science Center Addition
7. Snow College-County Library and Classroom Building.

Regent Chair Karras noted the Q&P process advanced the CEU project to the number two priority subject to donor funds. Verification of donor funds prior to the deadline will cause the project to revert to its original ranking. Institution representatives provided background on their requested projects. The Building Board will hold hearings of all requested state projects on October 5 and will prioritize all requests on October 20.

Steve Bankhead commented that, historically, schools with older buildings were prioritized higher than those with new growth needs. He referred to the information previously distributed outlining the previous 20 years growth versus the next 20 years projected growth. Over the last two to three years, the schools that have ranked highly in the Q&P process were due to life safety concerns and not projected enrollment growth. He did not feel long term growth was being adequately addressed within higher education.

Dr. Spencer responded it was definitely a balancing act and did not dispute it was beneficial for higher education projects to have dilapidated buildings and a means to obtain donations. He offered to look further into the process.

Commissioner Kendall agreed growth was a very important part of this process which needed to be balanced against the other criteria and related to capacity. He stressed the importance of considering the popular idea of growth versus the reality of growth by looking at FTE count and enrollment projections to create a balance. Steve Bankhead felt it would be beneficial for the Building Board to see the density of students per square foot at the various institutions.

Kevin Walthers stated it was important for the Building Board to remember the Q&P process used raw numbers in projecting growth. He also noted the process heavily weights donated funds.

Regent Jim Jardine noted the Q&P process seemed to be a reasonable effort to rationalize the difficult comparison process, although it may not be perfect. It was helpful to have varying perspectives when developing the process.

Vice Chair Kerry Casaday stressed the Building Board did not view the Q&P process as being flawed and referred to Kenneth Nye to explain the Building Board's process in evaluating capital facilities request. Mr. Nye briefly summarized the process and the evaluation guide adopted by the Board a year ago. He noted the Building Board's process requires more flexibility due to the need to consider requests from both state agencies and institutions. He also acknowledged the 15-20 percent increase in construction costs over the past year. He suggested that higher education consider adjusting the Q&P process regarding space shortage and not use two-point increments.

Katherina Holzhauser felt it was important to have varying processes in order to best evaluate the options. She wished to understand the Regent's ranking process to better consider factors when making decisions. She suggested obtaining Ernie Nelson to see if the processes could be better coordinated. Steve Bankhead felt there needed to be some subjective balancing in the area of donations.

Commissioner Richard Kendall noted that higher education makes a great effort to determine ranking on a mathematical basis. They have reviewed other suggested factors in the past, but offered to review the process next spring. He did not wish to eliminate the Q&P process as it had proved to be thoughtful and robust. Vice Chair Casaday requested the presence of a State Building Board member or DFCM staff member at that meeting. He did not feel the Regents needed to defend their system and evaluation process.

Chair Nolan Karras referred to the five year plans of the institutions which will be presented to the Building Board in the future. He asked if members of the Building Board wished to discuss those plans, but concluded to review them in the discussions in October.

Vice Chair Kerry Casaday asked for further clarification on the USTAR Initiative and how it might affect capital facilities requests. Regent Chair Karras explained the USTAR proposal was backed by the business community who will request legislative funding for the Initiative. Keith Stepan stated some discussion had been held regarding funding the project through revenue bonds. Michael Perez, University of Utah, added that the request pertains more to economic development and they do not wish to compromise the integrity of the academic request.

Keith Stepan addressed the rising costs of construction due to inflation. The cost estimates on the current funding requests will need to be increased up to 25% prior to being presented to the Legislature next spring. DFCM has obtained the assistance of independent consultants to help prepare accurate estimates.

Chair Nolan Karras welcomed the opportunity for the USHE staff and DFCM staff to work together to discuss the two systems. He welcomed the Board's input and open discussion.

The meeting adjourned at 12:20pm.