

# Utah State Building Board

## Phased Funding Discussion



October 8, 2013

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### **MINUTES**

#### **Utah State Building Board Members in Attendance:**

Ned Carnahan  
David Fitzsimmons  
Chip Nelson  
Bob Fitch  
David Tanner  
Gordon Snow

#### **Legislative Members in Attendance:**

Senator Wayne Harper  
Representative Gage Froerer

#### **Guests in Attendance:**

Matt Lund	Governor's Office of Management and Budget
Rich Amon	Department of Administrative Services
Jeff Reddoor	Utah State Building Board
Cee Cee Niederhauser	Division of Facilities Construction & Management
Joshua Haines	Division of Facilities Construction & Management
Ralph Hardy	USHE
Alyn Lunceford	Utah Courts
Ben Berrett	Utah State University
Mark Bleazard	Legislative Fiscal Analyst
Michael Raddon	Spectrum Engineers

On Tuesday, October 8, 2013 the Utah State Building Board held a Phased Funding Discussion with members of the Utah State Legislature in Room 4112 State Office Building, Salt Lake City, Utah. The meeting was called to order at 2:00 pm. Chair Ned Carnahan welcomed members of the general public as well as Board members to the meeting and announced that this was a discussion period and no action would be taken by the Board during this meeting.

Senator Wayne Harper and Representative Gage Froerer expressed appreciation to Rich Amon, Jeff Reddoor and the Building Board for their improvements to the Capital Development process. This will give more credibility to the Board as they push their priorities forward. They would like to see the Capital Development Prioritization be less political and solely based on need of the agency or institution. Representative Gage Froerer mentioned the frustration of the IGG Committee last year when members of the Legislature did not follow the recommendations of the Board. The Committee does not want to see this happen again. Representative Froerer would like to study this process, listen and look back at the history of projects that were previously phased funded to determine if there was a net gain or loss to the state.

Ned Carnahan talked about the parameters within programming, design and construction which can move a project along the Capital Development process. This is a necessary process to come up with a baseline budget – the Architect designs to a budget and moves it forward. This is necessary before talks even begin about design and construction because it established the scope of the work. In addition it moves a project down the pipeline. He would like to see projects that have been programmed receive funding for their project.

There was discussion about whether institutions and agencies should fund their own programming. DFCM has some funds for programming also. Dave Tanner said he feels that programming should be part of the risk that every agency and institution needs to take but that they should pay for it themselves. He opposes the idea that if a project has been programmed then it automatically should move along the pipeline to be funded in the future. Board members recognized that sometimes an institution will program in order to get funded. This should not happen. Other members of the Board agreed that programming should be self-funded by the agency and institution. Jeff Reddoor explained that DFCM has some early planning funds. Future reports will show the amounts available for allocation. These funds are approved by the Board but are under the direction of the DFCM Director. Once a project receives funding, then the money is repaid back to the fund.

There was discussion about which types of projects are funded by the General Building Fund and which are funded by the Education Fund. Dave Tanner said that the Board should scrutinize projects to make sure an agency or institution is only programming a project that is their number one priority. There should be a separation of the feasibility and planning process from the design process. True programming takes from six to eight months and consists of design that has been put in place without the drawings. Senator Wayne Harper encouraged further discussion and consideration on this issue in order to validate the Board's processes and make sure they are moving forward in the best interest of the state.

While discussing the Capital Development Prioritization, Representative Gage Froerer encouraged the Board to look at the critical needs of the state in determining rankings. Chair Carnahan reminded the Board that they should look at each request individually. Several Board members suggested that the "pipeline mentality" for projects should be taken away and should not be considered when doing the prioritization.

The general feeling of the Board was that previous programming should not determine whether a project receives funding. Members of the Legislature recommended that Alan Bachman write an Administrative Rule for the Board which clarifies the processes involving programming and future funding. Chair Carnahan encouraged future discussion on this issue at the Board's Business Meeting.

There was some discussion concerning the phased funding of the U of U Infrastructure project and the revenue bonds that are being proposed. It was suggested that the University's Capital Improvement money be used over the next couple of years until this infrastructure project is complete.

The Board agreed that additional discussion and comments on phased funding should continue at future Building Board Business Meetings.

**ADJOURNMENT**

The meeting adjourned at 3:33 pm