



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 24, 2007

Joint Committee on Finance

Paper #181

UW System: Major Academic Facilities (Building Program)

Base Agency

[LFB 2007-09 Budget Summary: Page 625, #1, Page 629, #2, and Page 630, #3]

CURRENT LAW

Building program projects with costs exceeding \$500,000 are required to be enumerated in the authorized state building program. To enumerate a project, the Legislature lists the project title and budget in a non-statutory provision enacted as part of the biennial budget bill. In addition, the Legislature must authorize any new bonding needed to fund the project.

BUILDING COMMISSION

Enumerate five large projects relating to academic facilities at UW System campuses, including: (a) UW-La Crosse academic building--\$44,000,000; (b) UW-Madison human ecology addition and renovation--\$47,950,000; (c) UW-Oshkosh academic building--\$54,296,000; (d) UW-Parkside communication arts remodeling and addition--\$34,176,000; and (e) UW-Superior academic building--\$32,343,000. These projects have a total budget of \$212.8 million, including \$161.6 million of general fund supported bonding, \$4.0 million of program revenue supported bonding, \$1.6 million of building trust funds, and \$45.6 million of gift funds.

Of the general fund supported bonding that would be authorized for the UW-La Crosse, Oshkosh, Parkside, and Superior projects, specify that \$69,139,000 could not be issued until July 1, 2009. This would represent approximately 50% of the general fund supported bonding for these projects. According to Building Commission staff, the actual projects affected by the delay in the authorized bonding would depend on which projects move forward through the design and bidding process first.

Provide that the general fund bonding authorized for the UW-Madison project could not be issued until July 1, 2011.

Information relating to each of these projects is presented in the following sections of this paper.

DISCUSSION POINTS

A. UW-La Crosse Academic Building

1. This project would provide for a new academic facility with 156,500 gross square feet (GSF) and 104,000 assignable square feet (ASF). Of the assignable square feet, approximately 64,000 ASF would be used for classroom space; 25,000 for office space; 7,300 for student study, resource, and advising space; and 2,800 for two computer labs. The classroom space would be general access classroom space in a range of sizes and would be equipped with the latest technology. This space would replace existing substandard classrooms on campus.

2. To clear the proposed site of the new academic building, three buildings would be demolished. Two are residence halls with a total of 400 beds that were built in the 1960s. The third building is a 55-year-old administrative building that was originally built as a residence hall. These buildings total 117,000 GSF. A current project, which is in the final phase of construction, will replace another 200-bed residence hall with a suite-style 380-bed residence hall. This would provide additional capacity and replace a portion of the beds in the two residence halls proposed for demolition.

3. Recent campus development plans identified a shortfall of adequate general access classroom space and a lack of space for academic and advising departments. Based on an assessment of the available classrooms on campus, the project request indicates that many classrooms are too small for the group discussion approach often used in current teaching methods. Approximately 60% of the ASF in the building would be allocated to classroom space.

4. The office space in the project would provide space for the International Studies, Communications Studies, and Military Science programs. UW-La Crosse indicates that there has been significant growth in enrollment in each of these programs and that the International Studies program has space in various areas on campus. The proposed new academic facility would accommodate the growth in these programs and allow more efficient operations by faculty and staff.

5. The project would be enumerated with a total budget of \$44,000,000. Of this amount, \$36,950,000 would be general fund supported bonding, \$700,000 would be program revenue supported bonding, \$350,000 would be from building trust funds, and \$6,000,000 would be gift funded. Once fully issued, debt service on the GPR supported bonding would total an estimated \$2.9 million annually. Over the twenty-year life of the bonds, principal and interest on this borrowing would total an estimated \$58 million.

B. UW-Madison Human Ecology Addition and Renovation

6. This project would construct an 80,000 GSF addition to the School of Human Ecology Building as well as renovate the existing facility. Two smaller structures with a total of 12,300 GSF would be demolished to free up the site of the proposed addition, which would be linked to the existing building. Once construction of this proposed addition is complete, the existing building would be vacated to allow for a full renovation of the existing building, which has 74,000 GSF.

7. The addition to the facility would be largely gift funded. The proposed enumeration would allow this portion of the project to go forward in the 2007-09 biennium. The renovation of the existing space would be funded by the general fund supported bonding and is intended to replace the air handling, electrical, and plumbing systems, as well as install new windows. This portion of the project would occur after the completion of the addition and the related general fund supported bonding that is proposed could not be issued until July 1, 2011, under the Building Commission's recommendation. The Commission proposed this advance commitment of bonding in order to assist with fundraising for the gift funded addition, as donors would be assured that the total project had received legislative approval.

8. The goal of the project is to house all functions of the School within a single facility, while providing additional space for projects, office space, teaching facilities and storage. In addition, undergraduate enrollment in the School increased from 735 in 1998 to 914 in 2004. Additional space is required to accommodate this increase in enrollment. This project would also address other program needs such as providing space to display and store the Helen Louise Allen Textile Collection which is currently housed in the School.

9. The project would be enumerated with a total budget of \$47,950,000. Of this amount, \$22,500,000 would be general fund supported bonding, \$2,950,000 would be program revenue supported bonding, and \$22,500,000 would be gift funded. Once fully issued, debt service on the GPR supported bonding would total an estimated \$1.8 million annually. Over the twenty-year life of the bonds, principal and interest on this borrowing would total an estimated \$36 million.

C. UW-Oshkosh Academic Building

10. This project would construct a new academic building with 203,200 GSF and 130,800 ASF. Of this space, approximately 44,400 ASF would be used for general assignment classrooms, 69,000 ASF would provide space for several academic departments, 5,000 ASF would be used for student support space, and 4,500 ASF would house computer labs.

11. Materials prepared by the UW System indicate that no significant academic space has been constructed at UW-Oshkosh since 1970. An assessment of existing classrooms on campus indicates that 40% of these rooms do not accommodate current learning methods and technology. Current teaching emphasizes collaborative learning which requires tables and chairs that facilitate student interaction, rather than fixed seating or individual desks. The campus has too many

classrooms with capacities under 30, and not enough space for sections with 45 or more students.

12. The College of Business Administration would be housed in the new facility. Business courses are often taught in 40- to 45- student classrooms with tiers of semi-circle seating, which allows for student interaction. This type of arrangement would be accommodated by the proposed facility, where new construction would be designed for this type of classroom.

13. The project would be enumerated with a total budget of \$54,296,000. Of this amount, \$45,946,000 would be general fund supported bonding, \$350,000 would be program revenue supported bonding, and \$8,000,000 would be gift funded. Once fully issued, debt service on the GPR supported bonding would total an estimated \$3.7 million annually. Over the twenty-year life of the bonds, principal and interest on this borrowing would total an estimated \$74 million.

D. UW-Parkside Communication Arts Remodeling and Addition

14. This project would remodel 79,600 GSF in the Communication Arts building, Molinaro Hall, and Wyllie Hall. In addition, the project would construct a 48,000 GSF addition to the Communication Arts building. The project would provide space for the art, music, and theatre departments; administrative offices for the College of Arts and Sciences; and classrooms.

15. The new construction would provide additional classroom space that would partially address existing needs. This project would eliminate some of the surplus of small classrooms, which would be converted into fine arts instructional laboratories, and would provide additional medium-size classrooms, which are in demand.

16. Renovation work would include repair or replacement of mechanical, electrical, and plumbing systems, as well as renewing equipment and furnishings. Existing drainage problems would be addressed by this project.

17. The project would be enumerated with a total budget of \$34,176,000. Of this amount, \$32,100,000 would be general fund supported bonding and \$2,076,000 would be gift funded. Once fully issued, debt service on the GPR supported bonding would total an estimated \$2.6 million annually. Over the twenty-year life of the bonds, principal and interest on this borrowing would total an estimated \$52 million.

E. UW-Superior Academic Facility

18. This project would construct an academic facility with 145,000 GSF, an instructional greenhouse addition with 3,000 GSF, and would demolish two buildings totaling 87,300 GSF. The new building would have approximately 94,700 ASF which would be used as follows: 28,700 ASF for general assignment classrooms, 2,400 ASF for computer classrooms, 19,700 ASF for specialized teaching labs, 17,800 ASF for faculty and academic departmental offices, and 14,000 ASF for information technology support.

19. The buildings that would be demolished are Sundquist and McCaskill Halls.

Sundquist Hall was built as a two-story residential structure in 1950, added onto in 1956, and converted into faculty offices in 1970. The majority of the faculty are housed in this facility. Sundquist Hall also houses student health services and a day care center. McCaskill Hall was built in 1959 as an elementary school demonstration facility, but was converted for use as classroom, laboratory, and support space.

20. Of the proposed new space, 20,600 ASF would replace space in Sundquist Hall and 38,400 ASF would replace space in McCaskill Hall. Approximately 22,000 ASF would replace substandard classroom space on the campus, primarily in McCaskill and Old Main. Similar to other campuses, UW-Superior reports a surplus of classrooms with capacities of 30 students and too few classrooms for with capacities of 45 or more. In addition, there is no space available on campus to create technology labs, which would be housed in the new facility.

21. The project would be enumerated with a total budget of \$32,343,000. Of this amount, \$24,143,000 would be general fund supported bonding, \$1,200,000 would be from building trust funds, and \$7,000,000 would be gift funded. Once fully issued, debt service on the GPR supported bonding would total an estimated \$1.9 million annually. Over the twenty-year life of the bonds, principal and interest on this borrowing would total an estimated \$38 million.

ALTERNATIVES TO BASE

A. UW-La Crosse --Academic Building

A1. Enumerate the UW-La Crosse academic building project with \$36,950,000 of GPR supported bonding, \$700,000 of PR supported bonding, \$350,000 of building trust funds, and \$6,000,000 of gifts funding.

ALT A1	Change to Bill Funding	Change to Base Funding
BR	\$37,650,000	\$37,650,000

A2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

B. UW-Madison--School of Human Ecology Addition

B1. Enumerate the UW-Madison School of Human Ecology addition project with \$22,500,000 of GPR supported bonding, \$2,950,000 of PR supported bonding, and \$22,500,000 of gifts funding.

ALT B1	Change to Bill Funding	Change to Base Funding
BR	\$25,450,000	\$25,450,000

B2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

C. UW-Oshkosh--Academic Building

C1. Enumerate the UW-Oshkosh academic building project with \$45,946,000 of GPR supported bonding, \$350,000 of PR supported bonding, and \$8,000,000 of gifts funding.

ALT C1	Change to Bill Funding	Change to Base Funding
BR	\$46,296,000	\$46,296,000

C2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

D. UW-Parkside--Communications Arts Center

D1. Enumerate the UW-Parkside communications arts center project with \$32,100,000 of GPR supported bonding and \$2,076,000 of gifts funding.

ALT D1	Change to Bill Funding	Change to Base Funding
BR	\$32,100,000	\$32,100,000

D2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

E. UW-Superior--Academic Building

E1. Enumerate the UW-Superior academic building project with \$24,143,000 of GPR supported bonding, \$1,200,000 of building trust funds, and \$7,000,000 of gifts funding.

ALT E1	Change to Bill Funding	Change to Base Funding
BR	\$24,143,000	\$24,143,000

E2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

Prepared by: Dave Loppnow and Emily Pope