

Docket Item:

Proposed EOU (E-Board) Funding Request: Information Technology Facility

Summary:

In preparation for the September convening of the Legislative Emergency Board, agencies may advance proposed Emergency Board agenda items to the Legislative Fiscal Office (LFO) and the Department of Administrative Services (DAS). Per LFO and DAS Emergency Board request guidance¹, such requests should represent specific circumstances appropriate for Emergency Board action. Advancing a request for agenda consideration represents an agency's request for Emergency Board funding or action.

Eastern Oregon University (EOU) is seeking HECC consideration of a potential Emergency Board funding request to replace existing campus Information Technology (IT) facilities and infrastructure to mitigate failing systems and service interruption risks. EOU provided HECC staff with information on the condition and circumstance of the existing facilities, allowing HECC staff to evaluate the request against LFO/DAS Emergency Board request guidance and past HECC criteria regarding emergency capital funding.

Docket Material:

EOU's campus data centers suffer from an obsolete layout, an aging electrical system, outdated HVAC systems, and basement locations that have experienced at least four flooding and water events. These challenges jeopardize the reliable operation of EOU's data and telephone networks.

EOU has requested state-paid debt to build a dedicated information technology equipment facility in past biennia, and is again seeking state-paid debt for the \$1.2 million project as part of the 2017-19 HECC capital construction budget process. Parallel to that funding request, EOU expressed interest in the HECC advancing the project for consideration of a state general fund appropriation through the September Emergency Board.

Per Legislative Fiscal Office and Department of Administrative Services guidance on the submission of Emergency Board requests, agenda requests must meet certain criteria, including:

1. Items needing legislative approval that should not wait until the 2017 session to achieve savings in agency budgets.
2. Items needing action to continue or eliminate an approved program (e.g., funds to maintain required caseload and/or workload levels, authority to end a program).

¹ [Process Memo for State Agency Directors: 2015-17 Emergency Board and Interim Joint Committee on Ways and Means \(Members, Schedule, Updated Electronic Request Process, and Guidelines\)](#)

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month, date, year

3. Items specifically deferred to the Emergency Board by the Legislature and newly legislated assignments where fiscal impact was shown or the impact is greater than projected and provided for under legislation.
4. Statutory items requiring review and/or approval by the Emergency Board (e.g., agency budget rebalancing actions, limitation for fee increases and grants, or fund shifts) and other reports required by the Legislature.
5. Certain items needing approval to proceed (e.g., major construction projects, repair projects addressing health and safety issues, grant applications).
6. Current or impending shortfalls in agency budgets requiring additional expenditure limitation or Emergency Fund allocations due to circumstances beyond an agency's control. Otherwise, the expectation is to manage within the agency's legislatively adopted budget.
7. Requests to expend Federal Funds, including federal grants.
8. Requests that respond to new federal mandates.
9. Reports or action needed to satisfy a budget note.

Staff identified criteria 5. "*Certain items needing approval to proceed (e.g., major construction projects, repair projects addressing health and safety issues, grant applications)*" as potentially qualifying the request for Emergency Board agenda consideration.

Through an information request completed by EOU and subsequent communications with EOU officials, staff identified the following elements and circumstances of the potential Emergency Board request:

- The last disruptive water event in current IT facilities was Spring 2015 and additional measures have been taken since that event to help secure it against future water-caused disruptions.
- The existing facility is not regularly staffed or accessed by students, so there is not a consistent or immediate health or safety emergency.
- While risk of service and system interruption or failure exists and is not expected to improve without additional investment in the facilities, the risk is operational in nature.
- The emergency nature of the request is derivative of the delayed timing and uncertain availability of non-Emergency Board funds for the project. Lack of September Emergency Board funding and lack of campus resources for the project delays the next potentially available funding until the Spring 2019, should state-backed debt for the project be included in the 2017-19 Legislatively Adopted Budget.

Given these elements, staff does not find the Emergency Board request consistent with LFO and DAS criteria for agenda consideration.

The HECC has considered emergency university capital requests in the past, most recently developing its capital request for the 2016 Legislative Session. That process invited only university project submissions reflecting technical adjustments to previously-approved funding (no new state funding being sought) and emergency capital projects, defined as imminent life or safety needs or arising from a catastrophic incident. Staff does not find the EOU IT facility request to be consistent with past HECC definitions of "emergency" as it relates to capital funding requests.

Staff Recommendation:

No action. Staff does not recommend advancement of the EOU Information Technology Facility capital construction funding request to LFO and DAS for Emergency Board agenda consideration.