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LEGISLATIVE AUDIT CONCLUDES UNIVERSITY BUILDING MAINTENANCE UNDER-FUNDED

State Universities Face Dangerous Maintenance Backlog

(TOPEKA) – Today the Legislative Post Audit Committee received a performance audit entitled *Regents Institutions: Reviewing Proposals for Increased Maintenance Funding at the State's Colleges and Universities* from the Legislative Division of Post Audit (LPA).

The LPA audit, which focuses on the Legislature's 1996 "Crumbling Classrooms" initiative and the 2004 Board of Regents' *Report on State University Deferred Maintenance and Capital Renewal*, concludes that, among other things, the 1996 Crumbling Classrooms initiative, provided a short-term maintenance funding remedy, did not represent new state funding, and reduced regular maintenance funds available to the six state universities in later years. The audit also concludes that the Board's 2004 facilities report, which identified a critical maintenance backlog of \$584 million, likely underestimated the total cost of the deferred maintenance problem.

"This audit echoes what the Board and many state legislators have said for years, that a dangerous maintenance backlog exists on our state university campuses," said Reginald L. Robinson, President and CEO of the Kansas Board of Regents. "Duct tape can no longer fix this growing problem."

In 1996, the Board of Regents requested \$288.3 million for capital improvement projects at the six state universities. The Legislature, through the "Crumbling Classrooms" initiative, authorized \$163.6 million. As the LPA audit points out, this initiative did not represent new state funding. Instead, the initiative allowed the Board of Regents to borrow money from an existing statewide property tax levy, the Educational Building Fund (EBF). While the initiative provided an important short-term funding solution, borrowing from the EBF, which will continue through fiscal year 2012, has significantly reduced the amount available for ongoing building maintenance.

In 2004, the Board of Regents submitted a *Report on State University Deferred Maintenance and Capital Renewal* to the Legislature. This report, which was the product of a comprehensive facilities audit performed by Board staff and a private facilities management consultant, outlined important maintenance needs on the six state university campuses that have been deferred due to a lack of state funding. The report identified a maintenance backlog of \$584 million that continues to grow. However, the LPA audit notes that this estimate could be

conservative. In addition to the backlog, the report also indicated that \$74 million per year is required, without factoring inflation, to adequately maintain the university campuses. Only \$7 million was available in fiscal year 2005. If the problem is not addressed, the \$584 million backlog will grow to nearly \$800 million by fiscal year 2014. The report notes that the primary factors leading to the current state of deferred maintenance is a lack of funding coupled with the age of the buildings. Eighty percent of the total building inventory is at least 20 years old.

“Heating, ventilation, electrical and plumbing systems, if they have not already been replaced, are either worn out or are about to wear out,” said Robinson. “This isn’t because they haven’t been maintained; it is simply because the systems have reached the end of their useful life. The average lifecycle of the components that make up buildings is 23 years – an issue that any homeowner can identify with.”

Two out of every three buildings that the State of Kansas owns can be found on the six state university campuses. The 537 educational and general buildings studied in the Board’s 2004 report exclude auxiliary facilities such as residence halls, student unions and parking garages. These 537 buildings represent 20 million square feet that are sited on 2,250 maintained acres. To put this amount of space into perspective, 20 million square feet is the equivalent of 350 football fields. The replacement value of these buildings, including utilities and infrastructure, is \$3.9 billion.

“The valuable infrastructure we are fortunate to have in place must be properly maintained. Any homeowner knows that routine maintenance and repairs only get more expensive the longer they are put off,” Robinson added. “An investment in Kansas campuses and students yields a Kansas workforce prepared to compete in the global 21st Century economy. We owe it to Kansas taxpayers to preserve and protect their important investment.”

This deferred maintenance problem is not unique to Kansas. Nationwide deferred maintenance backlog estimates vary from \$26 billion, which is acknowledged to be conservative, to over \$50 billion.

The maintenance backlog on the six state university campuses is as follows:

Kansas State University	\$209.4 million
The University of Kansas	\$168.5 million
The University of Kansas Medical Center	\$68.8 million
Pittsburg State University	\$39.8 million
Fort Hays State University	\$35.2 million
Wichita State University	\$33.9 million
Emporia State University	\$28.9 million

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