

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on January 24, 2007, in Room 123-S of the Capitol.

All members were present except:

Senator Carolyn McGinn- excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Reginald Robinson, President and CEO, Kansas Board of Regents
Dr. Ed Berger, President, Hutchinson Community College
Jerry Farley, President, Washburn University

Others attending:

See attached list.

Chairman Umbarger welcomed Reginald "Reggie" Robinson, President and CEO, Kansas Board of Regents, who provided an update on the deferred and on-going building maintenance at the state's universities (Attachment 1). Mr. Robinson explained that the bottom line is that the state universities are struggling with a two-pronged maintenance. First, they have a \$727 million backlog of deferred maintenance on their campuses. Second, they are also experiencing a severe shortfall in the level of support sufficient to appropriately address on-going maintenance needs on an annual basis.

Mr. Robinson provided an update of the steps the Board of Regents has taken. The Board has "pared down" the list of maintenance deficiencies that will be the focus of the deferred maintenance funding initiative. They have directed the university campuses to develop specific project lists. Mr. Robinson noted that the Board has decided to compile a project list that will address \$200 million of their backlog which is an amount equal to the down payment they have been seeking. He explained that the Board has applied a multi-variable formula to allocate a portion of that \$200 million to each of the state universities and have each been directed to prepare a list of proposed projects within their allocation. The Board has adopted important parameters for the state universities to use as they develop their project lists. These proposals are due to the Board of Regents by Friday, January 26, 2007.

The following information was also distributed to the Committee:

- Deferred Maintenance Overview, Reginald Robinson, President & CEO, Kansas Board of Regents, copy of a power point presentation (Attachment 2).
- Deferred Maintenance Overview, Reginald Robinson, President & CEO, Kansas Board of Regents (Attachment 3).

Committee questions and discussion followed.

The Chairman welcomed Dr. Ed Berger, President, Hutchinson Community College, who presented background information regarding the community college deferred maintenance needs (Attachment 4). Dr. Berger mentioned that deferred maintenance is an issue for community colleges as well as the universities. He explained that this past fall the Kansas Association of Community Colleges Trustees asked the ISES Corporation, which was the same corporation that did the evaluations for the universities, to take a similar look at their institutions. They looked at the areas of exterior building components, engineering systems, interior building components and regulatory kinds of elements. The study was completed in December 2006

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on January 24, 2007, in Room 123-S of the Capitol.

and the total dollar figure was about \$149 million for total renewal costs and \$792,925,128.00 for total facility replacement cost for community colleges. Dr. Berger noted that all the colleges have maintenance budgets and needs. In closing, Dr. Berger mentioned that they would like consideration for the community colleges needs. Committee questions and discussion followed.

Chairman Umbarger welcomed Jerry Farley, President, Washburn University, who discussed the University's deferred maintenance needs (Attachment 5). Dr. Farley mentioned that Washburn's deferred maintenance needs were estimated by the ISES Corporation at \$21.6 million. He explained that the amount of Washburn's deferred maintenance needs are one half the amount at similarly sized state educational institution and listed the various factors in his written testimony. Dr. Farley explained that over 50 percent of the University's square footage was built in the ten years immediately following the tornado in 1966 and the buildings are approaching 40 years of age and are becoming more maintenance intensive. He urged support of the deferred maintenance initiative for all of public higher education. Committee questions and discussion followed.

Chairman Umbarger thanked all of the conferees and noted that the deferred maintenance is a growing problem.

Bill Introduction

A motion was made by Senator Barone, with a second by Senator Emler, to introduce a bill concerning hospitals and ambulatory surgical centers, price lists, civil penalty (7rs0385). Motion carried on a voice vote.

The meeting adjourned at 11:45 a.m. The next meeting is scheduled for January 25, 2007.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

Date January 24, 2007

Name	Representing
ERIC KING	KS. BO. REGENTS
Steve Weatherford	KDFA
Katie Gubaugh	Kearney & Associates
John D. Pinegar	KU
Jim Modig	KU
David J. Monical	Washburn University
Theresa Gurdzica	KU
Jerry Farley	Washburn University
James Roy	KACCT
Tom Burke	KCK Comm College
DAVID REIST	Highland Comm. College
JOHN DOUGHERTY	ESU
Cody Danton	DoB
BRAD HARRELSON	KFB
Donald J. Beggs	WSU
MICHAEL R. LAWE	ESU
Albera Peickauf	FHSU
Howard Smith	PITTSBURG STATE UNIVERSITY
Brad Hudson	PSU
PAUL STEWART	PSU
John D. Pinegar	Washburn University
Kevin Barone	Low Kingdon / Law Co.



KANSAS BOARD OF REGENTS

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Senate Ways and Means Committee
January 24, 2007

Deferred and On-Going Building Maintenance Update

Reginald L. Robinson
President and CEO

Good morning Chairman Umbarger and Members of the Committee. Thank you for the opportunity you have given me to generally inform the Committee regarding some of the recent steps the Kansas Board of Regents has taken as it continues to seek support to address the deferred and on-going maintenance challenges that confront our state university campuses.

As you know, I have previously provided this Committee with a general overview regarding the state university deferred maintenance issue. Much of this overview material is contained in the attached PowerPoint presentation. The bottom line is that the state universities are struggling with a two-pronged maintenance problem. First, they have a \$727 million backlog of deferred maintenance on their campuses. Second, they are also experiencing a severe shortfall in the level of support sufficient to appropriately address on-going maintenance needs on an annual basis.

I just want to provide a brief update regarding the important steps the Board has taken since I last had the opportunity to meet with you.

Modified Deficiencies List

First, the Board has “pared down” the list of maintenance deficiencies that will be the focus of this deferred maintenance funding initiative. As a result of this “paring,” our efforts are now focused on obtaining resources to address a \$663 million backlog that affects our most mission critical buildings. We continue to be focused, of course, on obtaining an increase in the annual funding available for maintenance as well. But regarding the backlog, we have eliminated some of the buildings from this effort.

I want to be clear, Mr. Chairman. This Committee should understand that there was nothing “illegitimate” or “inappropriate” about having initially included the buildings that we have now removed. Those buildings are state buildings. They do have maintenance deficiencies, and there has been an important long-standing state commitment to provide the resources necessary to address those deficiencies. In short, we still have a \$727 million maintenance backlog. However, we have simply made a decision to focus our current effort on buildings/deficiencies that are more likely to generate consensus support among policy makers.

Senate Ways and Means
1-24-07
Attachment 1

Development of Project List

Second, the Board has directed the campuses to develop specific project lists. This effort involves moving from a list of deficiencies (the current list that has been compiled) to a practical list of projects that will address those deficiencies. In recent months, the Board has stressed the importance of making a \$200 million “down payment” on the deferred maintenance problem. Thus, in keeping with that thinking, the Board has decided to compile a project list that will address \$200 million of our backlog – an amount equal to the “down payment” we have been seeking.

The Board has applied a multi-variable formula to allocate a portion of that \$200 million to each of the state universities. They have each been directed to prepare a list of proposed projects within their allocation. The Board has also adopted important parameters for the state universities to use as they develop their project lists. Those project proposals are due to the Board office this Friday, January 26th.

Board Adopts Important Accountability Principles

Finally, the Board has adopted a set of important accountability principles related to this important maintenance initiative. The document reflecting those principles is attached. This document expresses some critically important principles that will be transformed, as appropriate, into Board of Regents policy.

Conclusion

Again, Mr. Chairman, thank you for this opportunity to keep this Committee informed as our work on this important initiative continues.

During its January 2007 meeting, the Kansas Board of Regents unanimously adopted the principles reflected in the text provided below:

Deferred and Annual Maintenance Initiative

Background – Higher Education Capital Expenditures

Today, the only dedicated state revenue stream for capital improvements for higher education is the Education Building Fund (EBF). The EBF is dedicated to the State Universities and is supported by a one-mill statewide property tax levy which currently raises \$30.0 million, of which \$15.0 million is used for debt service for the “crumbing classrooms” program and \$15.0 million is used to chip away at a **deferred maintenance backlog that totals \$727.0 million**. The state universities comprise approximately 2/3 of the State of Kansas’ building inventory. The 567 Education and General Use Buildings assessed in the most recent study represent 20.5 million square feet, sited on 2,250 maintained acres. The replacement value of these buildings and utilities & infrastructure total \$4.5 billion. **It is estimated that \$84.0 million is needed on an annual basis to keep up with annual maintenance.** State funding for new construction in higher education has been non-existent in recent years. The state has agreed to limited revenue bond approaches for research buildings and energy conservation improvements. The state provides no assistance to community colleges, technical institutions and colleges, and Washburn University for either new construction or deferred maintenance.

Commitment to Accountability

The Kansas Board of Regents takes seriously its fiduciary responsibilities and is actively engaged in providing effective oversight in the use of capital funds. The Board is aided by an experienced architect who maintains an up-to-date inventory of space, collects space utilization data, uses modern space planning guidelines, and directs the capital planning and Board approval process for all capital projects as well as justified changes to projects. In addition, all of the state universities have campus master plans, architects and professional facility managers to ensure that projects are planned and executed in accordance with the highest of professional standards.

While the Board of Regents office and campuses have the staff and tools in place to effectively manage and oversee deferred maintenance projects, the Board and state universities are committed to continuously improving policies, procedures and practices and therefore will pursue the following:

1. Oversight of New State Funding for Deferred Maintenance Projects- From Formulas that Describe Need to Project Formulation

This deferred maintenance initiative has identified deficiencies to current conditions. If funding is approved, the next step will be to formulate specific projects/estimates for each campus capturing the most critical priorities as guided by the assessment that was submitted to the Governor and Legislature.

Projects that exceed the strict scope of this initiative due to program changes, additional space requirements, and expectations for exceptional levels of finish, equipment, etc. will require other funding sources above and beyond the Deferred Maintenance pool of funding.

The Board of Regents will formally approve the list of projects at each campus, and the Joint Committee on State Building Construction will be advised and consulted in their oversight role.

Once approved, the universities will provide quarterly status and expenditure reports to the Board. The reports may also be shared with the Joint Committee on State Building Construction. The original estimates will remain a constant; however actual expenditures will also be shown. Deviations to the original estimate will be allowed up to a predetermined amount. Deviations exceeding that amount will require justification and Board approval. Changes to the original list of projects will require ample justification and Board approval. A final report accounting for the expenditure of appropriations approved by the 2007 Legislature will be made to the Governor and Legislature when the 2007 program is completed.

2. Improve the current method of allocating state funds for deferred and ongoing maintenance.

Improve the current method of allocating state funds based solely on the gross square footage (minus auxiliary facilities) and add factors related to age, condition, and complexity of the physical plant at each state university. Multipliers will be utilized to produce "adjusted square footages".

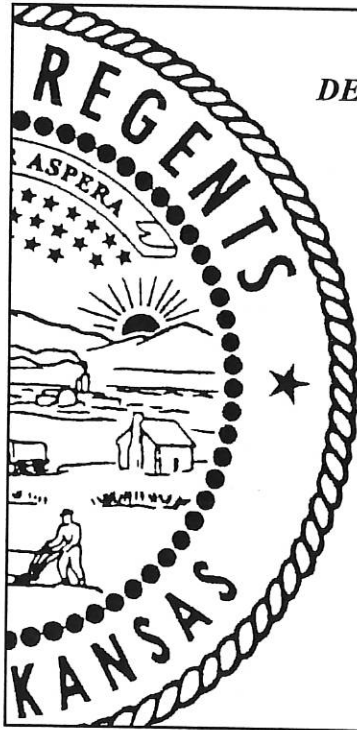
3. Annual Maintenance and Operation Costs for New Privately Financed Buildings from Private/University Funds Not State Funds

The state universities will fund annual maintenance and operation costs for future new privately funded building projects from either gifts or existing university resources. There will be no request to the State for operating and maintenance funds. Recognizing the authority given to the university CEOs, and further understanding that differences exist between state universities - rather than imposing a "one size fits all" approach, the universities will be given the flexibility to formulate plans to cover annual maintenance/operation cost of new privately funded buildings specific to each campus. Plans will accompany initial requests for new buildings and will require Board of Regents approval.

4. Improve Management of Facilities -- Justification for New Space/Disposition of Vacated Space; Space Standards and Utilization

While architectural program statements for new buildings or additions normally define the need for new technology or changes in academic programs, they seldom address the impact the additional space will have on overall campus space. Future architectural program statements will include such a discussion. Renovation or adaptive reuse of existing space will be considered when possible, however, when it is not possible and new space must be constructed, a full discussion related to space that will be vacated will be expected. Allowing departments or units to "sprawl" is not acceptable.

Furthermore, the Board expects state universities to adopt state of the industry practices related to space standards and utilization in the management of facilities. In an effort to maximize the use of space on our university campuses, the Board of Regents will adopt benchmarks for each campus and will establish goals for each to actively work toward.



DEFERRED MAINTENANCE OVERVIEW

Reginald L. Robinson, President & CEO

Kansas Board of Regents

Senate Ways & Means Committee

Wednesday, January 24, 2007

Deferred Maintenance...



Not An Actual University Building. For Dramatic Purposes Only.

Senate Ways and means
1-24-07
Attachment 2

What is Deferred Maintenance?

- ❑ Definitions:
 - **Deferred:** To put off to a future time.
 - **Maintenance:** Care or upkeep.

- ❑ The 6 state universities are in a serious state of disrepair because important maintenance needs have simply been deferred due to a lack of state funding.

- ❑ The state universities face a daunting and increasingly dangerous maintenance backlog of \$727 million – a figure that continues to grow.



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Deferred Maintenance Includes:

- Unreliable Electrical Components
- Falling Stones From Buildings
- Collapsing Utility Tunnels
- Shifting Building Foundations
- Stone Masonry Deterioration
- Sewer Line Replacements
- Dangerous High Voltage Switches
- Leaking Steam Lines
- Uneven Floors
- Leaking Roofs
- Deteriorated Windows
- Old Water Lines
- Obsolete Heating & Air Conditioning Systems
- Unstable Soil Conditions



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Statewide Deferred Maintenance:

Kansas State University	\$254.1 million
The University of Kansas	\$209.1 million
The University of Kansas Medical Center	\$75.6 million
Pittsburg State University	\$58.6 million
Emporia State University	\$44.7 million
Wichita State University	\$44.1 million
Fort Hays State University	\$40.9 million

TOTAL: \$727 million



Why Should University Building Maintenance Be Addressed?

- Our state universities continue to experience record enrollments, serving almost 90,000 students annually.
- Campus facilities frequently do not meet student needs. Students are preparing for an increasingly challenging and competitive job market in buildings that are vastly out-dated.
- The state's commitment to higher education is an important factor when businesses consider moving to Kansas, or when Kansas businesses consider expanding. Investment in our university infrastructure is vital if we are to meet the education needs of the new global economy.



Students Consider Buildings When Choosing A University:

In a recent nationwide study, 73% of students said facilities related to their major were "extremely" or "very important" in deciding where they would attend college.

The State of Kansas must commit to providing a high quality university learning environment if we intend to keep the best and brightest students in Kansas.



These Are State-Owned Buildings & Taxpayer Assets:

2 out of every 3 buildings that the State of Kansas owns can be found on the 6 state university campuses.

These 567 state university buildings represent 20.5 million sq. ft. that are sited on 2,250 maintained acres. To put this amount of space into perspective, 20.5 million sq. ft. is the equivalent of about 356 football fields.

The replacement value of these buildings, including utilities and infrastructure, is \$4.5 billion. The State of Kansas has a responsibility to protect and properly maintain this valuable taxpayer asset.

80% of the total state university building inventory is at least 20 years old, and the primary factors leading to the current state of deferred maintenance are a lack of funding coupled with the age of the buildings.



State University Building Facts:

	Oldest Building On Campus	Average Building Age
Emporia State University	1900	40 years
Fort Hays State University	1904	48 years
Kansas State University	1874	57 years
Pittsburg State University	1908	42 years
The University of Kansas	1863	47 years
The University of Kansas Medical Center	1924	37 years
Wichita State University	1904	37 years
State University Average:		47 years



Recent History:

- A 2004 study indicated that the state universities faced a deferred maintenance backlog of \$584 million.
- By 2006, this backlog increased to \$727 million due to a significant increase in construction inflation, increased age of the buildings, and more importantly, because of the continued under-funding of building maintenance by the State of Kansas.
- A 2005 study by the State Legislature's Division of Post Audit confirmed this under-funding, and noted that the 1996 "Crumbling Classrooms" initiative, which provided an important short-term funding solution, did not represent new state funding.



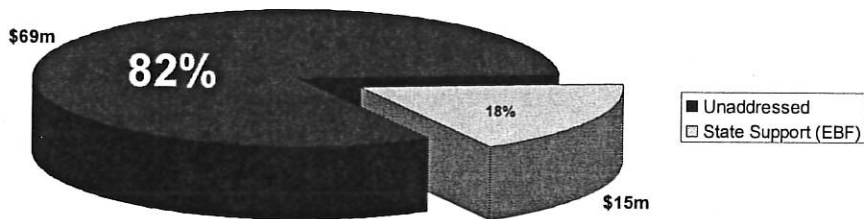
How Much Funding Is Needed Each Year?

- ❑ To prevent the \$727 million maintenance backlog from growing, \$84 million per year is required to adequately maintain the state university campuses. Unfortunately, the State of Kansas only provided \$15 million this year.
- ❑ It is important to note that the Educational Building Fund (a statewide property tax), the primary revenue source for state university maintenance, was first levied in 1941 at a level of 0.25 mills. It was raised to its current level of 1.0 mill in 1955 (during the Eisenhower Administration) – over 50 years ago.



ANNUAL SUPPORT FOR STATE UNIVERSITY BUILDINGS

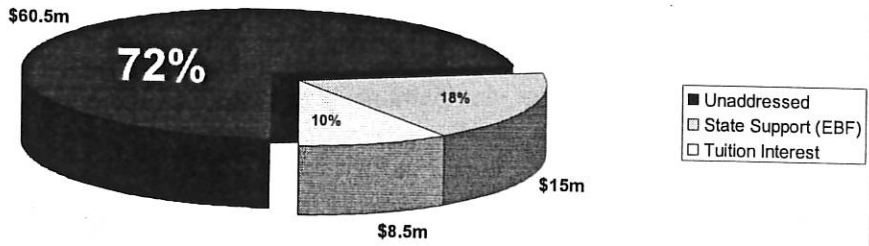
Today (FY '07), 82% of Required Annual Maintenance Cannot Be Performed*



*Annual Requirement = \$84 million

ANNUAL SUPPORT FOR STATE UNIVERSITY BUILDINGS

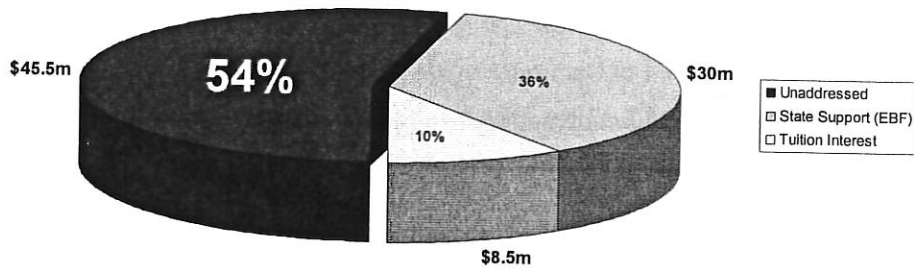
Next Year (FY '08), 72% of Required Annual Maintenance Will Go Unaddressed*



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ANNUAL SUPPORT FOR STATE UNIVERSITY BUILDINGS (FY'08)

Senate Bill 30 (Final Action Consideration by House Today)



*Annual Requirement = \$84 million

FY 2008 Budget Request:

- The Board requested that Governor Sebelius include a 25% down payment (\$175-\$200 million) in her FY 2008 budget recommendations to address this growing problem.

- While the Governor did not include a down payment in her budget recommendations, she did commit to developing and submitting a multi-year, comprehensive deferred maintenance plan by the end of the month.



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New Board of Regents Policy:

Last week the Board of Regents formally addressed the following important issues:

- Modified "Deficiencies" List (\$663 million).
- Development of Campus Project List (first \$200 million).
- New Building Accountability Principles:
 - Project Oversight.
 - Fund Allocation.
 - Future Maintenance Needs of New Buildings.
 - Space Utilization.



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Coordinated Institutions:

This past Fall, 18 of the state's 19 Community Colleges and Washburn University hired a private facilities consultant to provide facility condition assessments for the buildings on those campuses. The report identified the following:

- A \$149.5 million deferred maintenance backlog exists on the campuses of 18 of the state's 19 Community Colleges (*note: this figure includes Southwest Kansas Technical School*).

- A \$22.9 million deferred maintenance backlog exists on the campus of Washburn University.



This Problem Is Not Unique To Kansas:

Nationwide deferred maintenance backlog estimates vary from \$26 to \$50 billion. However, other states have recently taken proactive steps towards addressing this issue:

Capital Improvements In Other States (Since 2000):

Alaska:	\$236.8 million (2002)
Arkansas:	\$250 million (2006)
California:	\$17.4 billion (2006 & 2002)
Missouri:	\$350 million (proposed 2007)
New Mexico:	\$308 million (2006, 2004, & 2002)
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Rhode Island:	\$166 million (2004 & 2000)
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In Conclusion:

- The state university campuses are in a serious state of disrepair, and duct tape can no longer fix this growing problem.

- Every homeowner knows that routine maintenance and repair only becomes more expensive and more dangerous the longer it is ignored. This problem only gets more expensive the longer it goes unaddressed.

- The State of Kansas, which owns the buildings on the state university campuses, must fulfill its responsibility as a landlord and preserve these valuable state assets.



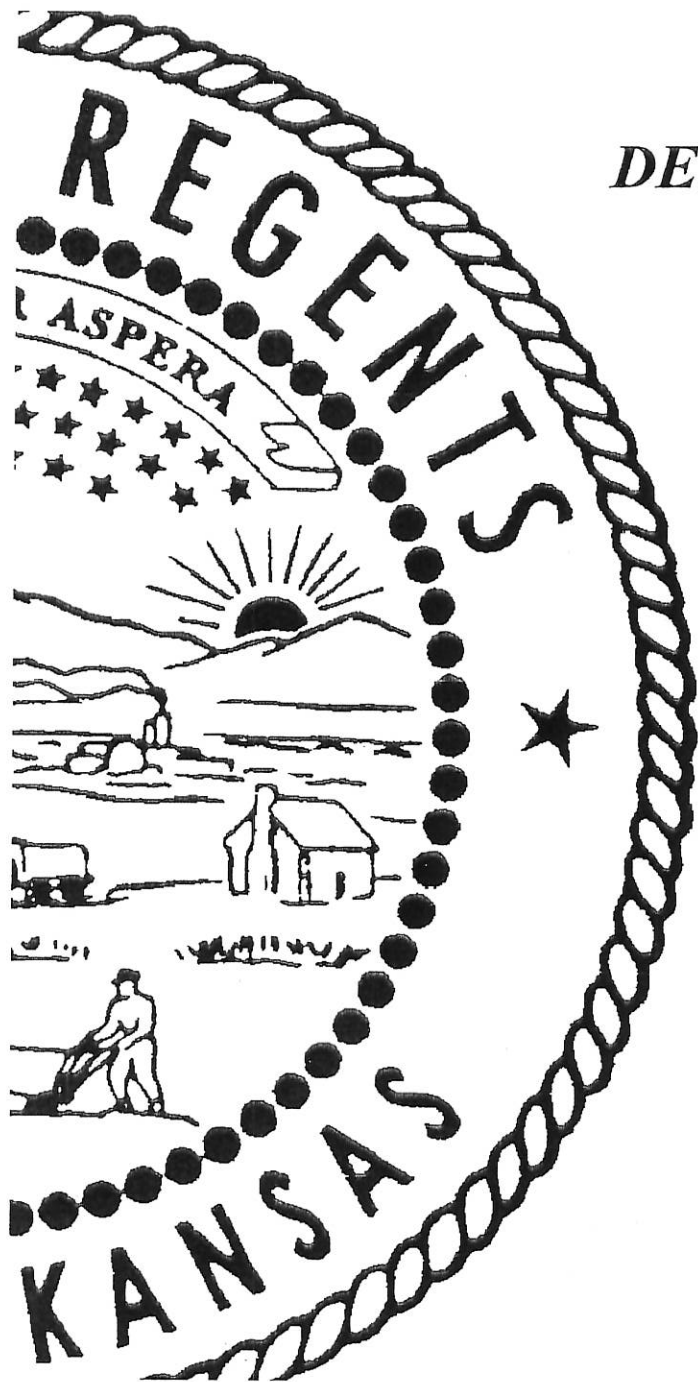
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For More Information Please Visit:

www.kansasregents.org/maintenance.html

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DEFERRED MAINTENANCE OVERVIEW

Reginald L. Robinson, President & CEO

Kansas Board of Regents

Senate Ways & Means Committee

Wednesday, January 24, 2007

Senate Ways and Means
1-24-07
Attachment 3

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Deferred Maintenance Includes:

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- ❑ A 2005 study by the State Legislature's Division of Post Audit confirmed this under-funding, and noted that the 1996 "Crumbling Classrooms" initiative, which provided an important short-term funding solution, did not represent new state funding.



How Much Funding Is Needed Each Year?

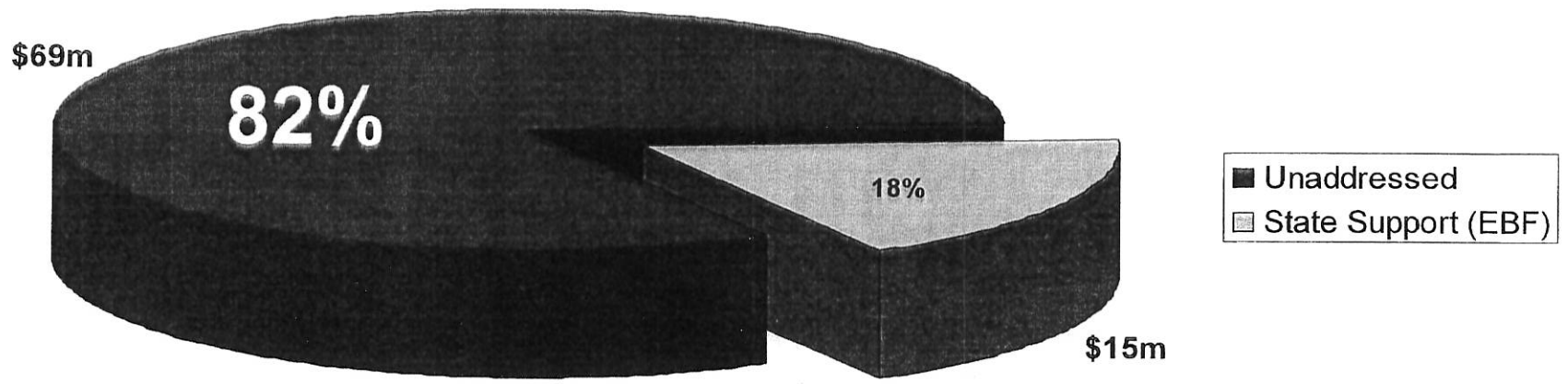
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ANNUAL SUPPORT FOR STATE UNIVERSITY BUILDINGS

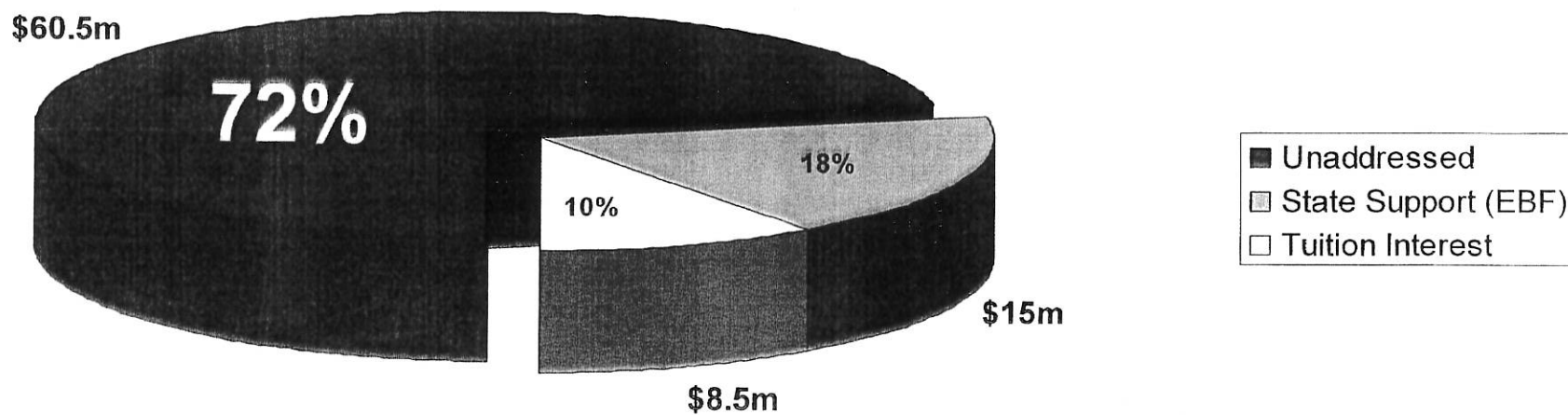
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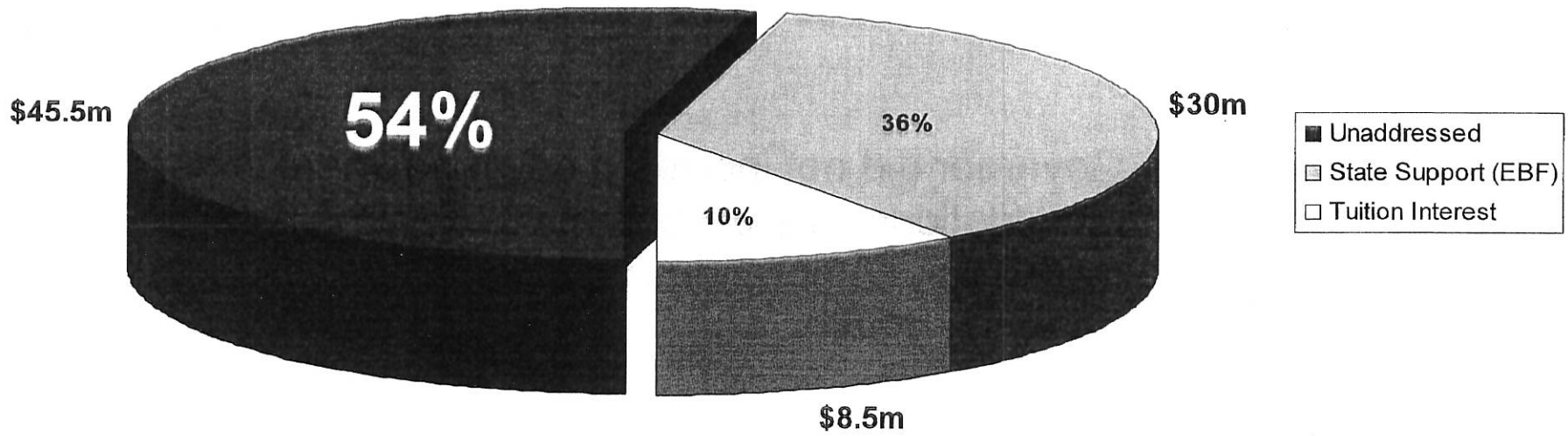
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For More Information Please Visit:

www.kansasregents.org/maintenance.html



KANSAS ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

700 SW Jackson, Suite 1000 • Topeka, KS 66603-3757 • Phone: 785-357-5156 • Fax: 785-357-5157
Sheila Frahm, Executive Director • E-mail: frahm@kacct.org • Website: www.kacct.org

MEMO

TO: Senate Ways & Means Committee

Senator Dwayne Umbarger, Chairman

From: Sheila Frahm, Executive Director

Date: January 24, 2006

RE: Community College Deferred Maintenance Presentation

Mr. Chairman and Members of the Senate Ways and Means Committee,

Please find attached a copy of the Power Point Presentation which provides background information regarding the community college deferred maintenance needs.

Presenting this information is Dr. Ed Berger, President, Hutchinson Community College.

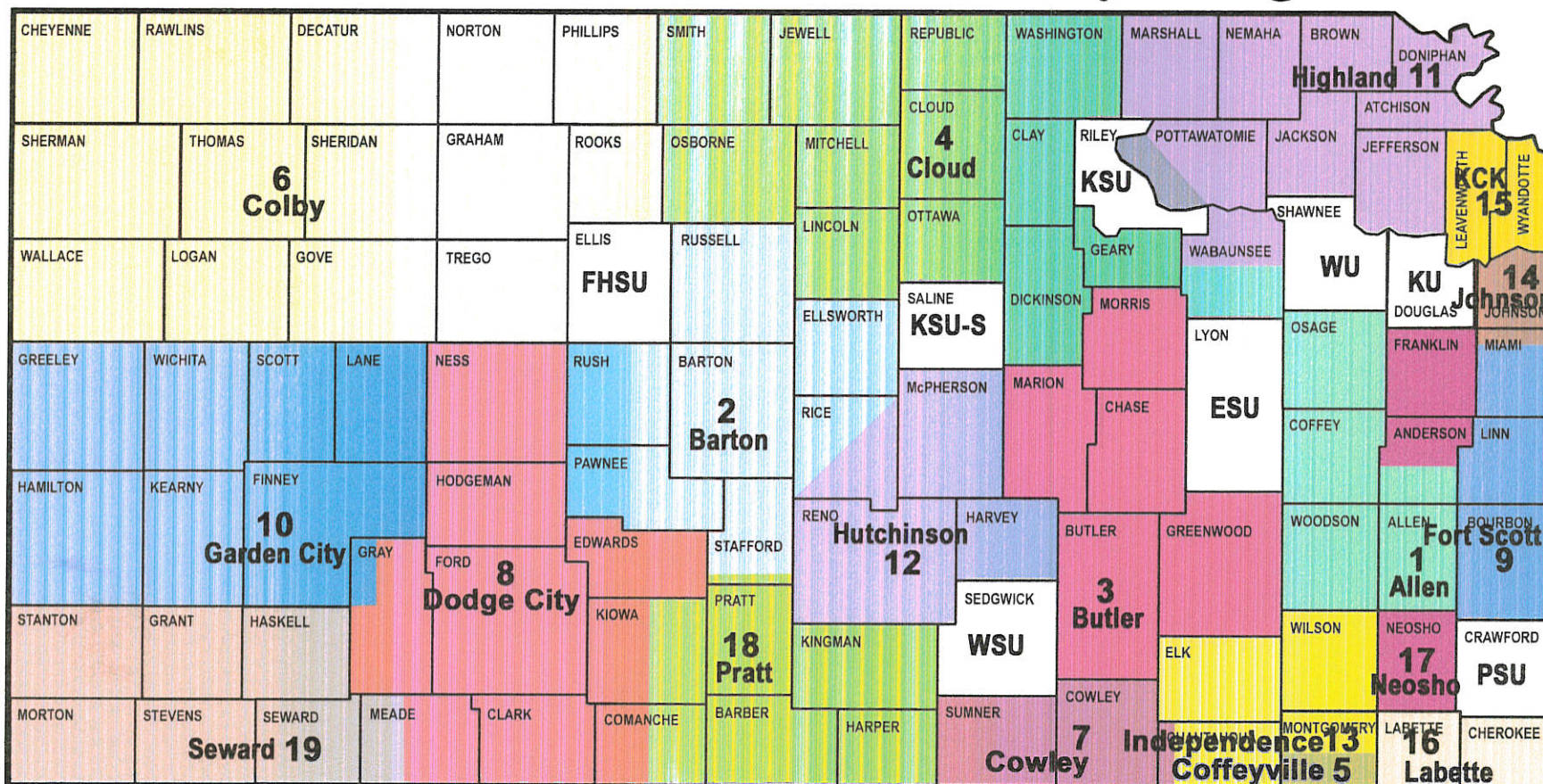
Senate Ways and Means
1-24-07
Attachment 4






















Deferred Maintenance Kansas Community Colleges

Fall 2006

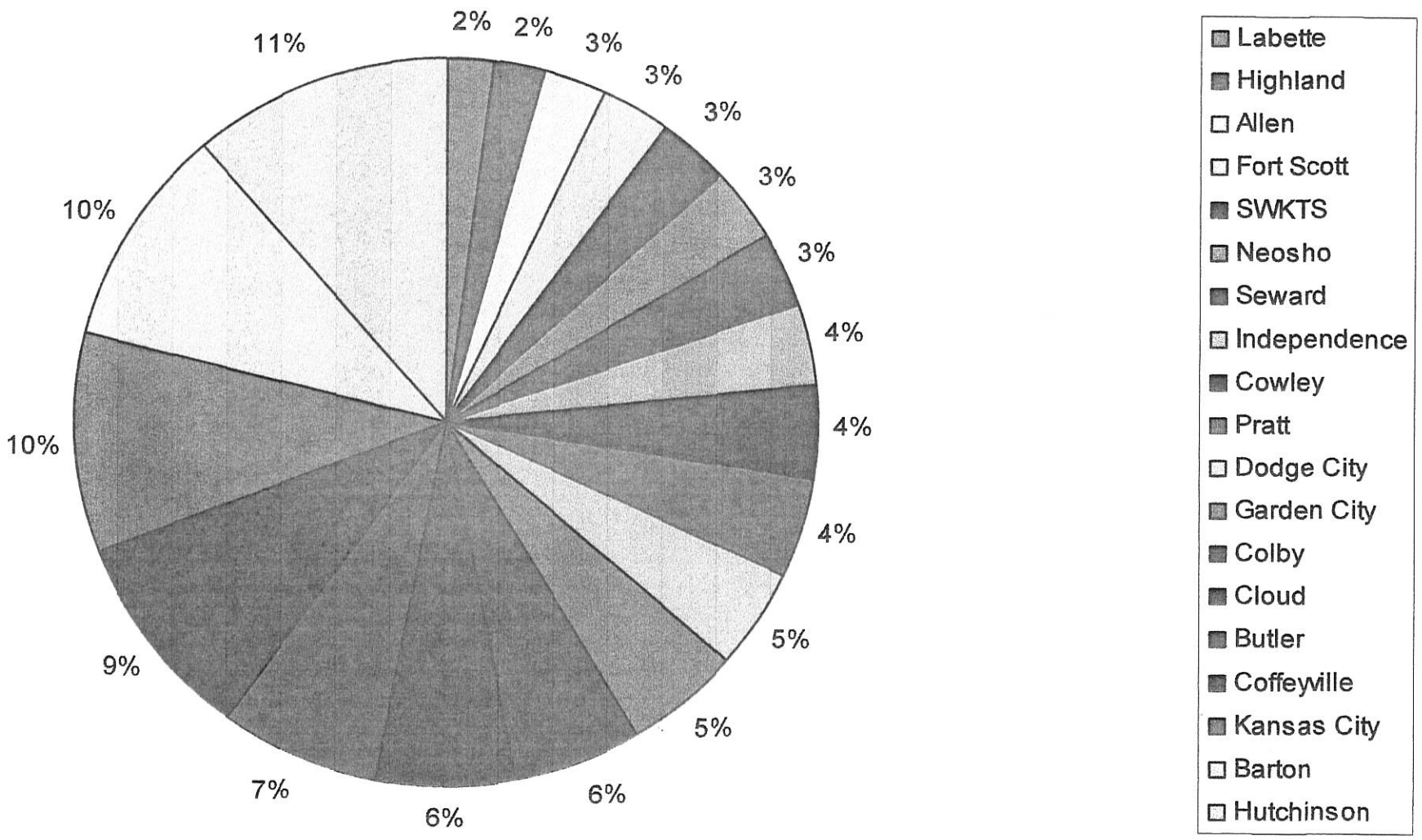
ISES CORPORATON

Kansas Community Colleges and Service Areas for Kansas Community Colleges

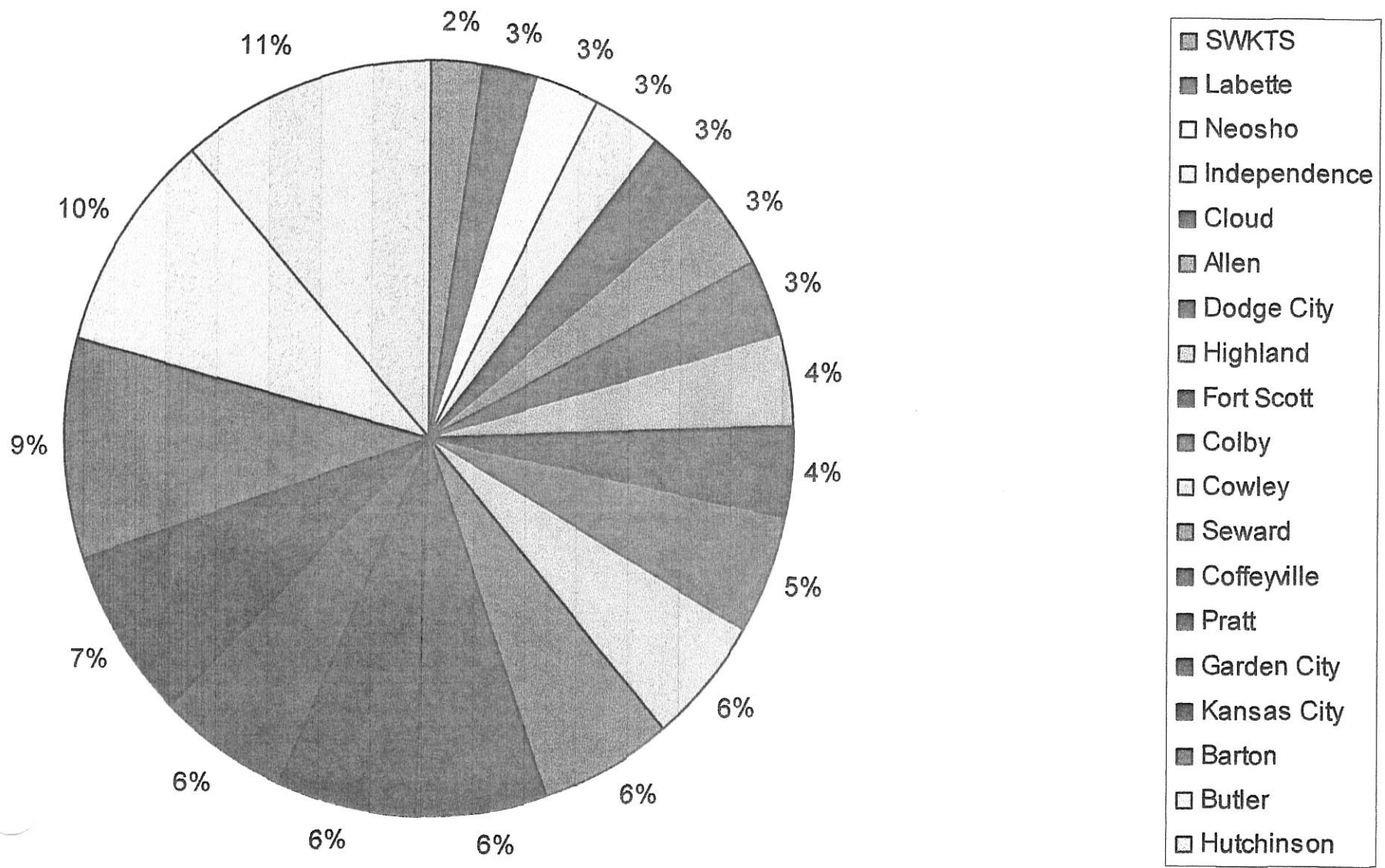


- | | |
|---|---|
|  1. Allen County Community College, Iola |  12. Hutchinson Community College, Hutchinson |
|  2. Barton County Community College, Great Bend |  13. Independence Community College, Independence |
|  3. Butler County Community College, El Dorado |  14. Johnson County Community College Overland Park |
|  4. Cloud County Community College, Concordia |  15. Kansas City Kansas Community College, Kansas City |
|  5. Coffeyville Community College, Coffeyville |  16. Labette Community College, Parsons |
|  6. Colby Community College, Colby |  17. Neosho County Community College, Chanute |
|  7. Cowley County Community College, Arkansas City |  18. Pratt Community College, Pratt |
|  8. Dodge City Community College, Dodge City |  19. Seward County Community College, Liberal |
|  9. Fort Scott Community College, Fort Scott |  State Universities/Washburn |
|  10. Garden City Community College, Garden City |  Unassigned |
|  11. Highland Community College, Highland | |

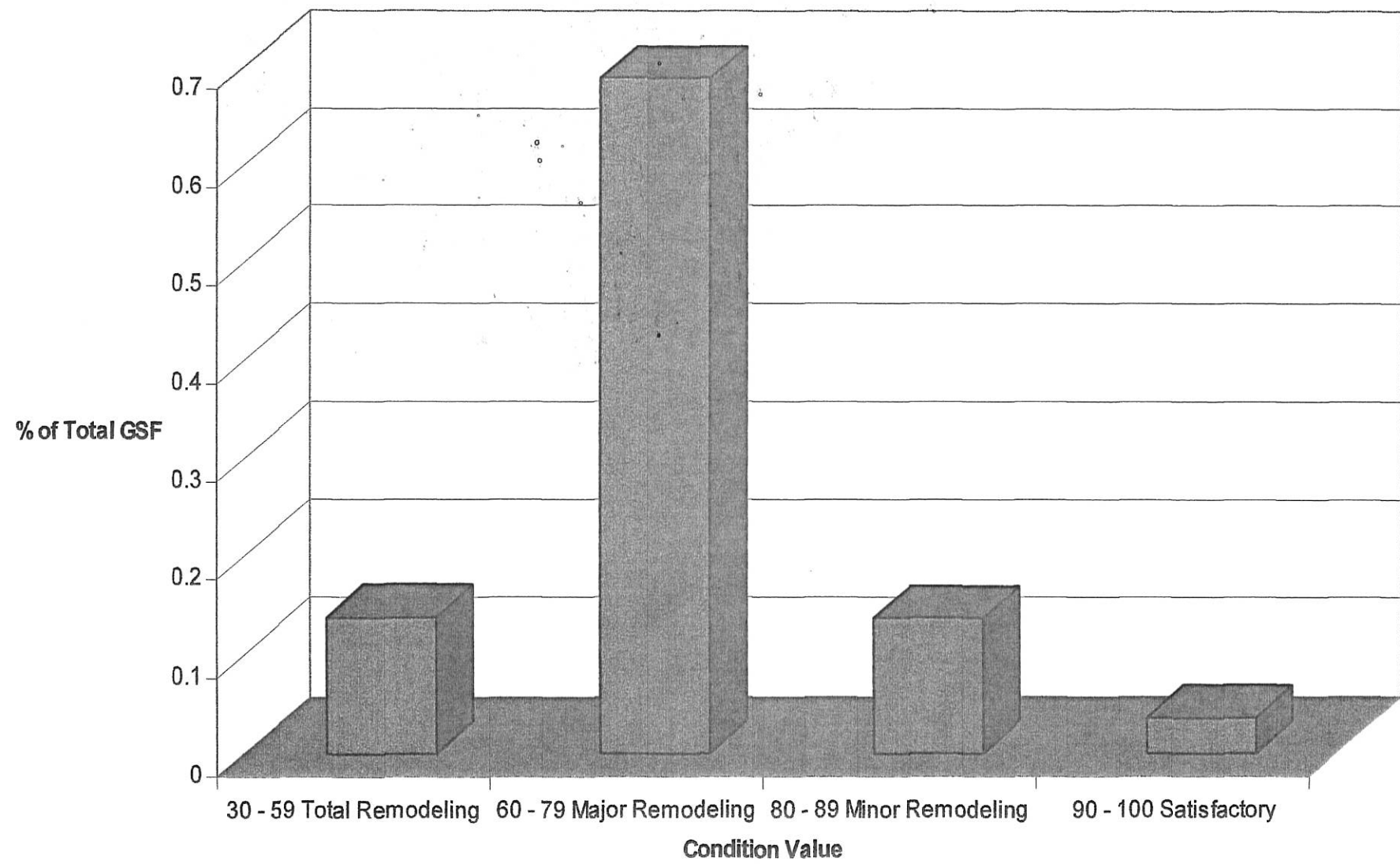
E & G Renewal Cost By Campus



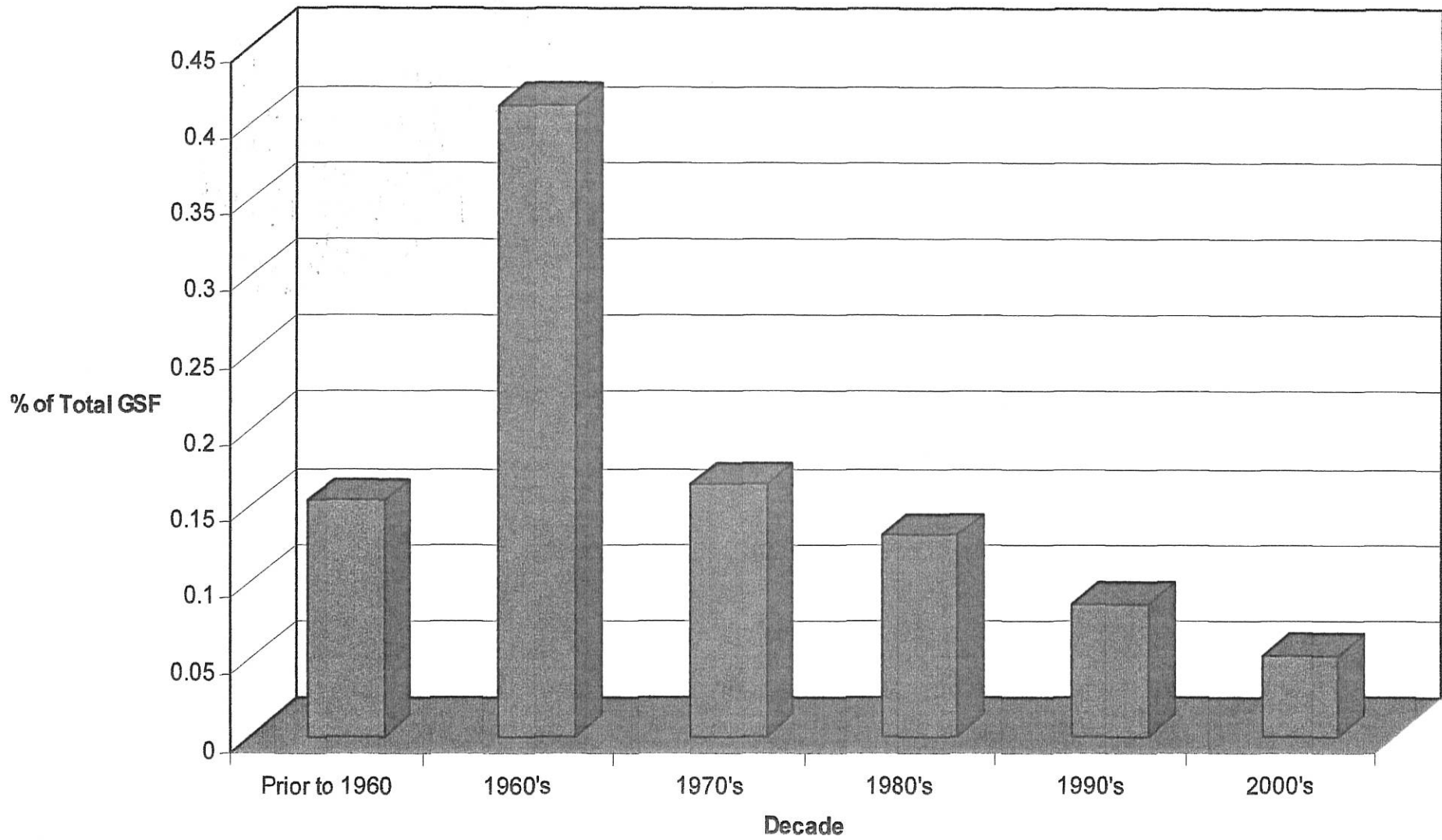
E & G Replacement Cost by Campus



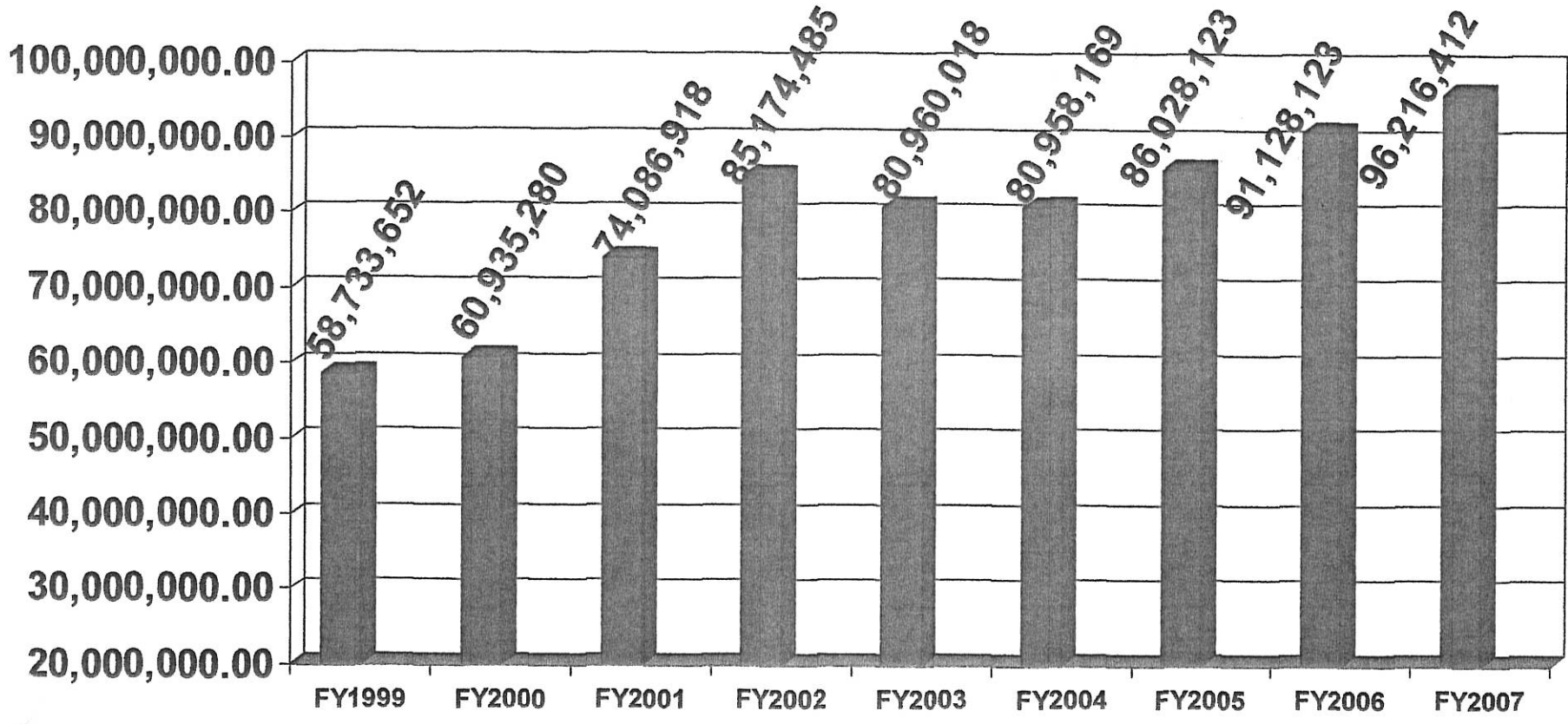
Condition Distribution All Campuses E & G

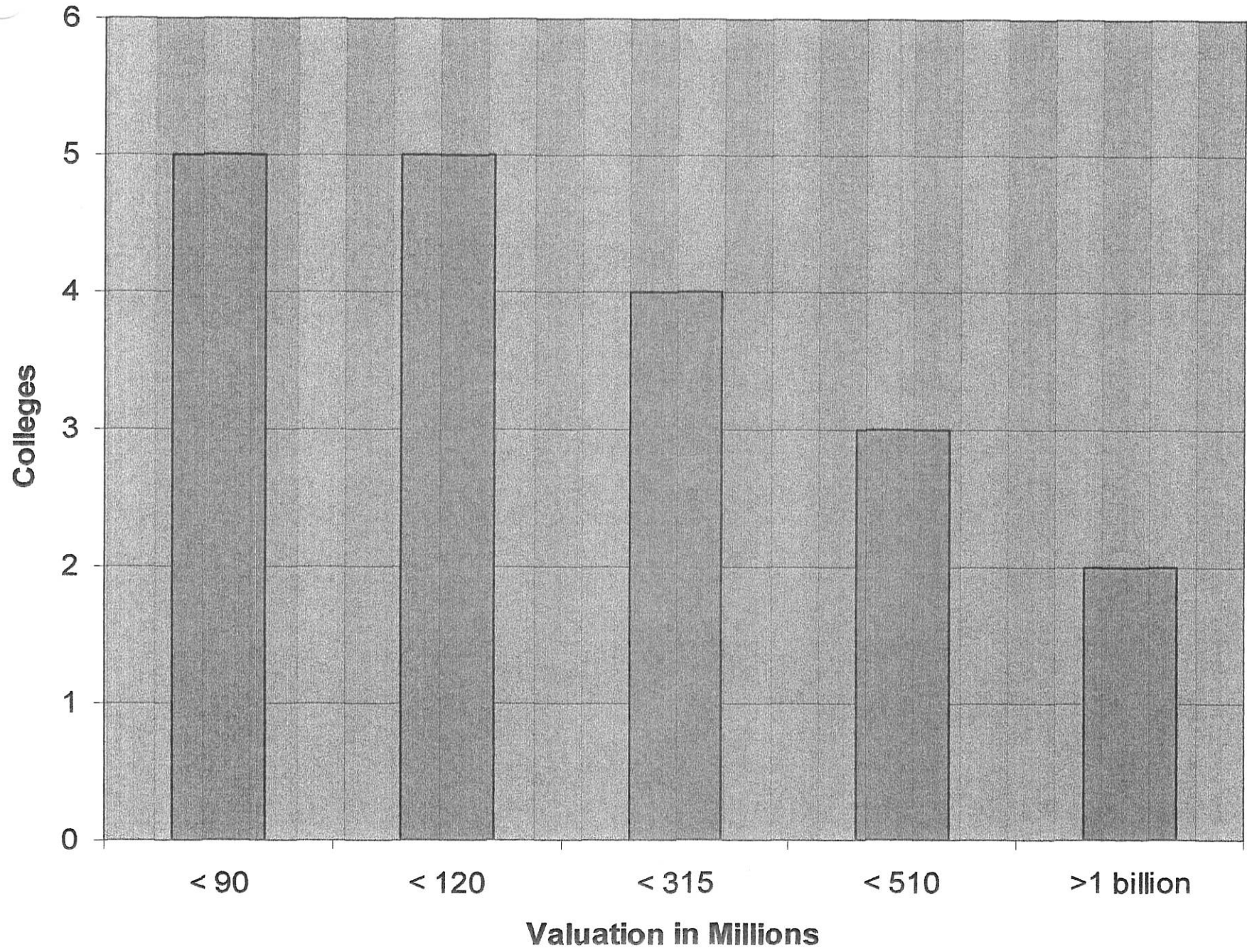


Age Distribution All Campuses E & G

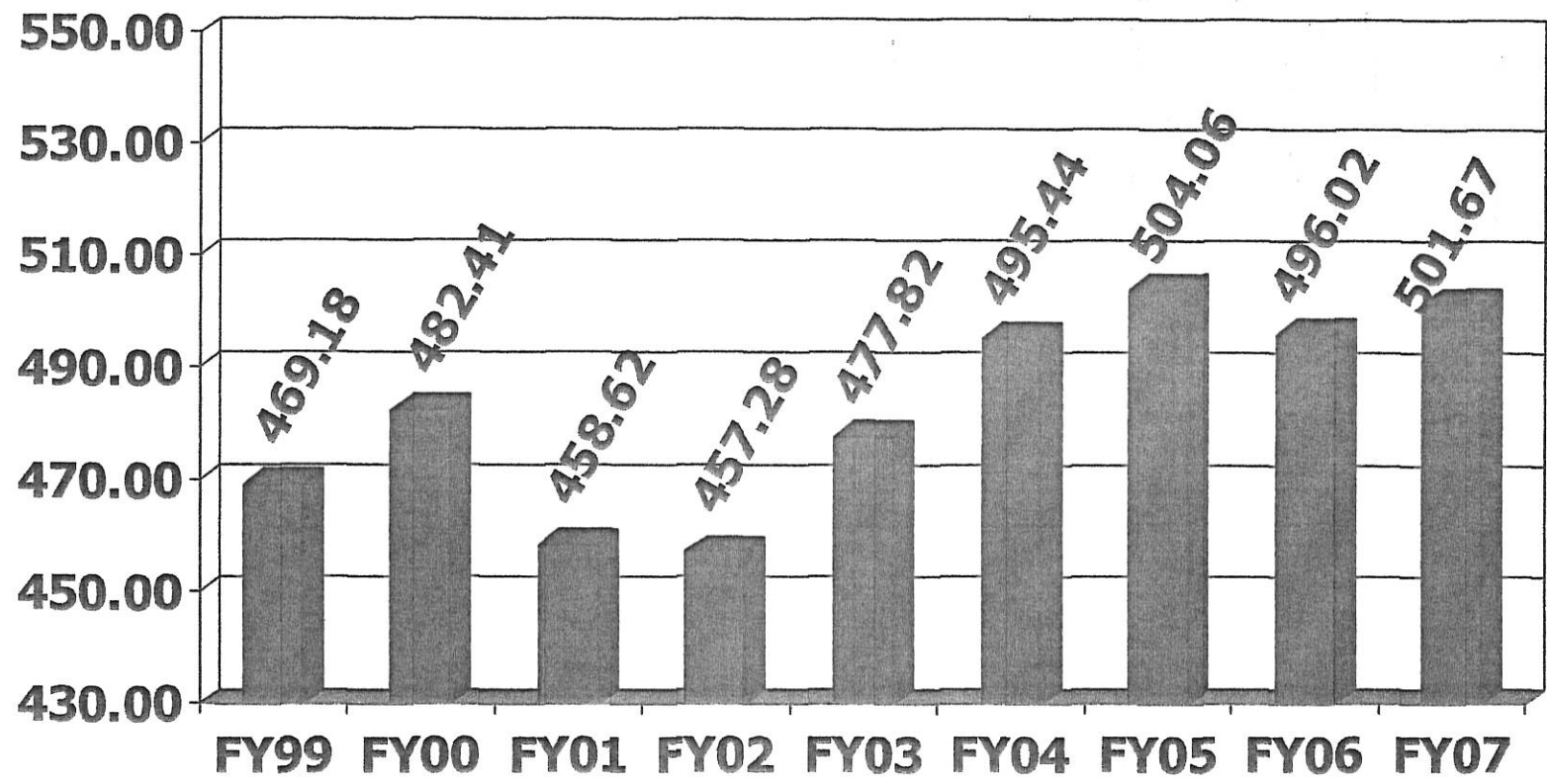


State Grant- All Community Colleges





Kansas Community College Mill Levies



KANSAS ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

2006 Local Mill Levy

Final Valuation/Mill Levy's	Certified							
Kansas Community Colleges								
	2006/2007	2006/2007	Adult	Bond &	Capital	No Funds	Special	
	Assessed	General Mill	Education	Interest	Outlay	Warrants	Assessme	
COLLEGES	Valuation	Levy					nt	
Allen County	84,632,201	13.352			3.334			16.686
Barton County	206,376,190	30.537						30.537
Butler County	471,677,198	17.363						17.363
Cloud County	70,510,266	27.721			3.995			31.716
Coffeyville	109,588,433	36.798			1.942			38.740
Colby	80,743,172	33.400						33.400
Cowley County	210,324,808	18.595						18.595
Dodge City	223,347,352	28.072	0.249		2.00			30.321
Fort Scott	88,754,941	22.342						22.342
Garden City	507,337,233	18.217			0.999			19.216
Highland	66,816,640	14.620						14.620
Hutchinson	477,812,976	21.704			1.993			23.697
Independence	112,315,524	35.651						35.651
Johnson County	7,728,958,492	8.353			0.5		0.019	8.872
Kansas City Kansas	1,169,496,962	18.218			2.026			20.244
Labette	119,132,871	35.093	0.261					35.354
Neosho County	101,614,552	32.233	0.082					32.315
Pratt	110,690,684	39.037			1.951			40.988
Seward County	312,241,381	26.011						26.011
TOTALS	12,252,371,876.00	477.32	0.59	0.00	18.74	0.00	0.02	496.67



**Testimony to the
Senate Ways and Means Committee
by
Jerry B. Farley, President
Washburn University
January 24, 2007**

Mr. Chairman, Members of the Committee:

Thank you for this opportunity to discuss Washburn University's deferred maintenance needs. In doing so, we will be focusing on both the similarities and differences among Washburn and its sister institutions. Washburn occupies 160 acres in central Topeka. We own 34 facilities encompassing more than 1.3 million gross square feet of space with a total replacement value in excess of \$175 million dollars.

- Washburn's deferred maintenance needs are estimated by ISES Corporation at \$21.6 million.
 - This estimate excludes auxiliary enterprises, athletic facilities and Stoffer Hall (see below).
 - ISES is the same consulting firm that reviewed the KBoR needs and estimated those at the community colleges.
 - We hope this provides an "apples to apples" estimate of our respective needs.
- The dollar amount of Washburn's deferred maintenance needs are one half the amount at similarly sized state educational institutions. This is due to several factors:
 - The 1968 tornado effectively eliminated most of the pre-1960 buildings on campus, thereby removing buildings requiring extraordinary maintenance.
 - Washburn has a dedicated, 3 mill levy on property within the City of Topeka, for a Debt Retirement & Construction Fund. The levy has been capped at 3 mills since it was increased in the mid-1980s.
 - Residents of Topeka pay this levy in addition to the 1 mill levy for the Educational Building Fund supporting the State Educational Institutions.
 - Washburn has approximately \$2.75 million annually for ALL of its capital needs, including maintenance, renewals, renovations, new construction and equipment. Approximately \$2 million is expended annually on maintenance-type projects.

- Bonded indebtedness requires any remaining capital funding and is approximately the same proportion it was 15 years ago. Debt financing is the primary source, supplemented by private giving, for major academic capital improvements.
- Washburn's dedicated 3 mil local levy is identical in use to the 1 mil state-wide levy of the state educational institutions.
- These allocations for Washburn and the State Educational Institutions are insufficient to address on going maintenance needs.
- Yet, even with these resources, Washburn still has deferred maintenance needs.
 - Over 50% of the University's square footage was built in the years immediately following the tornado and is approaching 40 years of age thereby becoming more maintenance intensive.
 - Increases in assessed valuation within the city of Topeka are not sufficient to meet the University's capital needs, particularly when the institution has increased enrollment by over 25 percent in the past six years.
 - The ongoing maintenance needs of the University, using the conservative formulas employed by the consultants, indicate an ongoing need of over \$3.5 million annually compared to the \$2.0 million currently available (75% above the current allocation). This is independent of any other capital needs the University may have for additional space, remodeled space or other renovations.
- Washburn is a major asset to the state of Kansas, yet the state, even following the tornado has never spent a dollar on the University's physical facilities. While the state operating grant is a key element in our success, the University has always been responsible for its own capital improvements. Currently under construction on our campus is an addition and renovation of Stoffer Science Hall which will result in some of the finest teaching laboratories for undergraduates in the state. The project is funded from reserves and private donations. In addition to space renewal, this project also removes this 47 year old building from the deferred maintenance list as those projects are being funded through the renovation.
- In conclusion, we have similar needs to the other institutions; we are relatively better off because of our dedicated funding, but that has not prevented a backlog of maintenance items from building up. Our resources are insufficient to accommodate all of the capital needs required of us both in terms of this backlog and in the future. We urge you to support this deferred maintenance initiative for all of public higher education. Our residents attend each of our campuses and we are all state assets. Regardless of how the state chooses to govern and fund us, we are all public, tax supported institutions.