



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

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by

Brian K. Minaai

Associate Vice President for Capital Improvements, University of Hawai'i

INFORMATIONAL BRIEFING ON REPAIRS AND MAINTENANCE BACKLOG AND PLAN TO ADDRESS THE BACKLOG

Chair Ige, Vice Chair Kidani, and Members of the Senate Committee on Ways and Means:

Thank you for the opportunity to brief you on the University of Hawai'i Repairs and Maintenance (R&M) Program, our maintenance backlog, and the University's plan to eliminate the maintenance backlog.

Facilities Renewal and Reinvestment Study

Starting in 2008, the University has conducted an annual Systemwide facilities renewal and reinvestment study. The study, which was prepared by the Pacific Partners Consulting Group (PPCG), was last updated in 2010 and is available on-line at:

http://www.hawaii.edu/oci/forms/BOR_FacilityRenewalReinvestmentStudy_2010-06-30.pdf

The PPCG Report documents the University's maintenance backlog and capital renewal requirements over a ten year period. The 2010 PPCG Report has identified a maintenance backlog of \$334.086 million.

The \$334.086 million reflects the total maintenance backlog in Fiscal Year 2009-2010, inclusive of University funded units such as student housing, faculty housing, parking, and other University Projects pursuant to §304A-2681, Hawai'i Revised Statutes. Of the \$334.086 million maintenance backlog, we estimate the maintenance backlog of University funded programs at \$26.478 million, and the maintenance backlog for facilities dependent on the general fund at \$307.608 million.

Capital Renewal

All buildings are comprised of different sub-systems that have predictable lifetimes. The PPCG Report encompasses roofs, building exteriors, elevators and conveying systems, air conditioning, lighting, electrical equipment, plumbing, fire protection and detection systems, built-in specialties and equipment, and interior finishes. The capital renewal requirement for Fiscal Biennium 2011-2013 intends to replace sub-systems that are at the end of its useful life. For example, a tar and gravel roof is expected to have an average lifetime of fifteen years. Assuming that the roof was last replaced in 1997, it will require capital renewal in 2012. It should be noted that the failure to implement capital renewal projects results in a commensurate increase to the maintenance backlog.

Reduction of Backlog

As noted previously, the University's maintenance backlog for facilities dependent on the general fund is estimated at \$307.608 million. A goal of the University of Hawai'i CIP Budget for Fiscal Biennium 2011-2013 is to initiate a plan to eliminate the maintenance backlog in six years. Therefore, in addition to fully financing the capital renewal requirement, the University will require approximately \$64 million a year for the next six years (adjusted by five percent per annum) to eliminate our maintenance backlog by June 30, 2017.

Capital Renewal and Deferred Maintenance

Starting in 1997, the Legislature has made appropriations in the capital improvements program (CIP) budget to finance the University's R&M Program. Appropriations have been made to UOH 900 – System Wide Support, for Capital Renewal and Deferred Maintenance (CRDM).

We would like to thank the Legislature for its support of the CRDM project. Due to appropriations from the 2009 and 2010 Legislatures, we were able to reduce our general funded maintenance backlog by approximately \$30 million.

University of Hawai'i Maintenance Backlog

Source of Maintenance	Fiscal Year	
	2009	2010
General Funded	337,883	307,608
Special Funded	30,490	26,478
Total Backlog	368,373	334,086

University of Hawai'i CRDM Request for Fiscal Biennium 2011-2013

The University of Hawai'i CIP Budget for Fiscal Biennium 2011-2013 includes a total of \$257.120 million for its Capital Renewal and Deferred Maintenance project. Of this amount, \$141.441 million is required for capital renewal, and \$115.679 million initiates the University's six-year plan to eliminate its maintenance backlog. The following table provides a breakdown of the University's CRDM request and projected six year needs.

University of Hawai'i
Capital Improvements Program
Fiscal Biennium 2011-2013
(Amounts in Thousands of Dollars)
Systemwide Capital Renewal and Deferred Maintenance
General Funded Facilities

Campus	Budget Period		Future Years			
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
University of Hawai'i at Mānoa	98,759	86,072	68,024	96,069	62,791	94,516
Capital Renewal	59,013	44,339	24,204	50,059	14,479	43,789
Reduction of Backlog	39,746	41,733	43,820	46,011	48,311	50,727
University of Hawai'i at Hilo	7,076	6,696	7,128	10,868	7,173	8,836
Capital Renewal	3,132	2,555	2,780	6,302	2,378	3,802
Reduction of Backlog	3,944	4,141	4,349	4,566	4,794	5,034
University of Hawai'i–West O'ahu	418	16	17	17	18	507
Capital Renewal	418	15	16	17	17	506
Reduction of Backlog	1	1	1	1	1	1
University of Hawai'i–Community Colleges	35,277	22,805	27,856	29,117	40,435	32,036
Capital Renewal	22,539	9,430	13,812	14,371	24,952	15,779
Reduction of Backlog	12,738	13,375	14,044	14,746	15,483	16,257
University of Hawai'i–Systemwide Totals	141,531	115,589	103,025	136,072	110,416	135,895
Capital Renewal	85,102	56,339	40,812	70,748	41,827	63,876
Reduction of Backlog	56,429	59,250	62,213	65,324	68,590	72,019

Sources:

- Facility Renewal Reinvestment Study, 2010 Update (Pacific Partners Consulting Group)
- Capital Renewal and Deferred Maintenance Allotment Request dated July 6, 2010 (Office of Capital Improvements)

In closing, we note that facilities provide the centerpiece around which all other educational activities exist at the University of Hawai'i, whether it is a classroom, laboratory, office, sporting event, student housing, or library. The total replacement value of all University of Hawai'i facilities is estimated at over \$4 billion. Therefore, it is imperative to reinvest in the University's physical plant to ensure that the physical infrastructure facilitates the mission of our institution.

Thank you for this opportunity to brief you on the University of Hawai'i's R&M Program. We have representatives for the University of Hawai'i at Mānoa, University of Hawai'i at Hilo, University of Hawai'i–West O'ahu, and the University of Hawai'i–Community Colleges here to answer any specific questions you may have regarding our R&M program.