

News from the System

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A Capital Idea

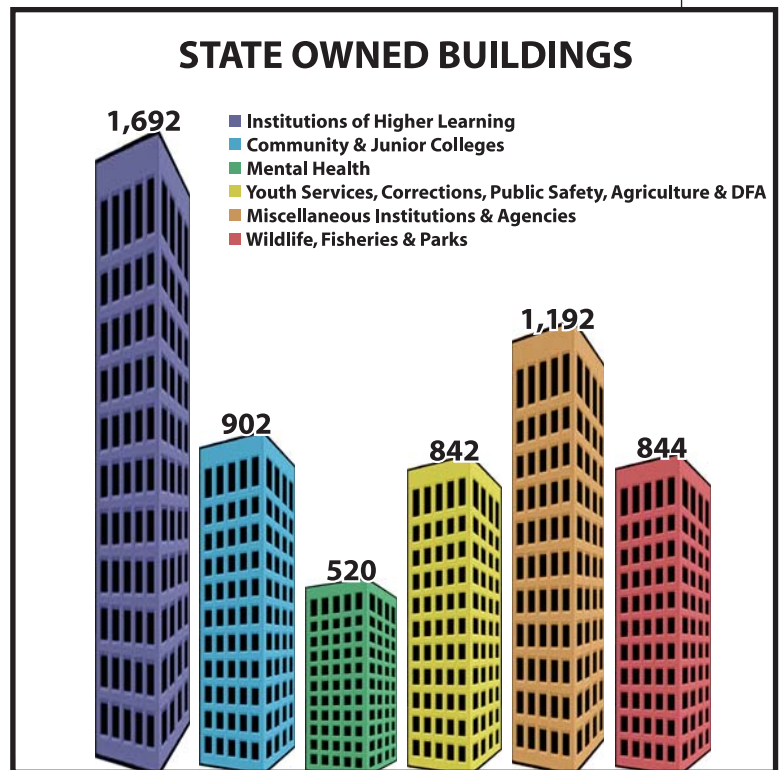
Anyone who has ever owned a home knows the drill: pay now for termite inspections, air conditioner service and a fresh coat of paint, or you will pay big later to repair or renovate your home. That need for preventive care has prompted the Board Office of the Mississippi Institutions of Higher Learning (IHL) to request \$92.4 million in capital renewal as recurring dollars instead of bond dollars for FY 2008.

Physical facilities at Mississippi's public universities are desperately in need of maintenance, and failing to provide funds for maintenance **now** could cost the state a great deal in repairs or replacement of buildings **later**. A capital renewal provision would provide on-going funding for repair and maintenance rather than having the system pull money for maintenance out of the other appropriations.

The need for a capital renewal program is supported by these facts about the physical plants of Mississippi's public universities:

- Every building owned by the universities incurs ongoing costs, such as painting, renovating, repairing, and utilities. **In FY 2006, IHL's utilities increased 39 percent, or \$21 million.**
- Funding for repairs and maintenance in the past has been through the use of one-time bond money. In other words, we are **paying for recurring expenses with one-time funds.**
- Sixty percent of **IHL's buildings are more than 25 years old.**
- The universities own 1,692 buildings, **more buildings than any other state agency.**
- The square footage of the university system's buildings equals 26.6 million square

STATE OWNED BUILDINGS



feet, **more than twice the area maintained by the community and junior college system.**

For the university system to act as good stewards of the state's physical resources, IHL must have the funds to maintain the universities' buildings and other physical facilities.

We can pay now, or we can pay (big) later.

Any questions? Call Commissioner of Higher Education Dr. Thomas Meredith at 601.432.6623 or E-mail: commissioner@ihl.state.ms.us