

**KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
FINANCE COMMITTEE**



September 11, 2023 – 1:00 p.m. ET
Virtual Meeting via ZOOM - <https://us02web.zoom.us/j/89129396618>

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MEETING MINUTES

Draft for Approval by the Finance Committee, September 11, 2023

Who: Kentucky Council on Postsecondary Education
Meeting Type: Finance Committee
Date: June 6, 2023
Time: 1:00 p.m. ET
Location: Virtual Meeting via ZOOM Webinar

CALL TO ORDER

The Finance Committee met Tuesday, June 6, 2023, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Eric Farris presided.

ATTENDANCE

Committee member attendance

- All members attended: Jacob Brown, Kellie Ellis, Eric Farris, Garrison Reed, Madison Silvert (joined at 2pm) and Elaine Walker.

Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

APPROVAL OF THE MINUTES

The minutes of the March 21, 2023, Finance Committee meeting were approved as amended to reflect the addition of the vote results for the interim capital project request.

CAMPUS TUITION AND FEE PROPOSALS FOR ACADEMIC YEAR 2023-24

Mr. Shaun McKiernan, Executive Director of Finance and Budget, presented the 2023-24 Tuition and Mandatory Fee proposals for Eastern Kentucky University, Murray State University and Western Kentucky University. Each institution implemented the max allowable increase for its undergraduate residents, which falls within the parameters that Council approved in March. Additionally, staff stated the rates set for nonresidents, graduate and online students also adhere to Council parameters.

- Eastern Kentucky University - annual base-rate charge for resident undergraduate students by \$286.00, or 3.0 percent.
- Murray State University - annual base-rate charge for resident undergraduate students by \$276.00, or 2.9 percent.

- Western Kentucky University - annual base-rate charge for resident undergraduate students by \$324.00, or 3.0 percent.

MOTION: Mr. Reed moved the Finance Committee approve the tuition and fee proposals from Eastern Kentucky University, Murray State University, and Western Kentucky University and recommend final approval by the Council at its June 9, 2023, meeting. Ms. Walker seconded the motion.

VOTE: The motion passed.

The tuition and fee proposal from Kentucky State University was originally on the agenda but pulled an hour before the meeting began. No action was taken on that proposal.

DELEGATION OF AUTHORITY TO APPROVE TUITION PROPOSALS

Dr. Bill Payne, Vice President of Finance and Administration, presented the staff's recommendation that the Finance Committee to request authority from the full Council at its June 9, 2023, meeting to review and approve tuition and fee proposals of the following institutions due to the timing of their board meetings: University of Kentucky, University of Louisville, Morehead State University, Northern Kentucky University, and Kentucky Community and Technical College System. Due to the last-minute pull of Kentucky State University's proposal, it was recommended that proposal also request the same delegation. To accommodate this request, staff recommended a special-called meeting of the Finance Committee be scheduled in late June to facilitate this action.

MOTION: Dr. Ellis moved the Finance Committee request the authority to approve the proposals on behalf of the full Council. Mr. Reed seconded the motion.

VOTE: The motion passed.

INTERIM CAPITAL PROJECT – UL ELKSTROM LIBRARY EXPANSION

Mr. McKiernan presented the request from the University of Louisville for an \$8,000,000 privately funded interim project to expand the Ekstrom Library. The project will add 1,800 square feet to each of the three floors (basement, first and second) on the south side of the building, and will provide additional space for study and collaboration, offices, and university archives. It will also allow existing space to be repurposed to better meet the needs of the university.

Rick Graycerek, UL's Vice President of Finance and Budget, and Meg Campbell, Assistant Vice President of Planning, Design, and Construction, attended the meeting to answer questions regarding the project.

MOTION: Ms. Walker moved the Finance Committee approve the proposed interim capital project request from the University of Louisville and recommend final approval by the Council at its June 9, 2023, meeting. Mr. Brown seconded the motion.

VOTE: The motion passed.

DELEGATION OF AUTHORITY TO APPROVE INSURANCE CLAIMS

Mr. McKiernan presented the staff's recommendation that the Finance Committee approve a new policy that will allow the Council president to approve insurance claim projects on behalf of the full Council. Over the past year, campus officials brought two capital project requests to the Council that came about as the result of damage caused by emergency weather conditions. Both projects were KCTCS facilities in Eastern Kentucky that had sustained significant flood damage, and both projects resulted in insurance claims that financed 100% of the project costs. In order to quickly facilitate the emergency nature of these requests, it was recommended that capital projects that will be financed completely with funds derived from insurance claims be delegated authority for approval by the Council president.

MOTION: Ms. Walker moved the Finance Committee approve a new policy that allows the Council president to approve insurance claim projects on the Council's behalf and recommended final approval by the Council at its June 9, 2023, meeting. Mr. Brown seconded the motion.

VOTE: The motion passed.

INTERSTATE TUITION RECIPROCITY AGREEMENTS

Mr. Ryan Kaffenberger, CPE's senior associate of Finance and Budget, presented tuition reciprocity renewal agreements with the states of Ohio and West Virginia. Both state's agreements were set to expire on June 30, 2023. Staff worked with officials from those states and participating Kentucky institutions to renegotiate the agreements in compliance with policies adopted by the Council. The proposed renewals had only minimal changes from the agreements currently in place.

Kentucky/West Virginia New Term: July 1, 2023 – June 30, 2025

Kentucky/Ohio New Term: July 1, 2023 – June 30, 2025
(3 separate agreements)

Committee members engaged in a discussion regarding the number of students taking advantage of these agreements and as well as the number of students returning back to Kentucky after graduation. They requested staff conduct further research on the types

of programs the students are enrolling in at the institutions in reciprocal states and the return rate and report back at a future meeting.

MOTION: Mr. Reed moved to approve the tuition reciprocity agreements between Kentucky and Ohio. Ms. Walker seconded the motion.

VOTE: The motion passed.

MOTION: Mr. Brown moved to approve the tuition reciprocity agreement between Kentucky and West Virginia. Mr. Reed seconded the motion.

VOTE: The motion passed.

PERFORMANCE FUNDING MODEL REVIEW UPDATE

Dr. Payne provided an update on the 2023 Performance Funding Model Review process. The working group held its third meeting on April 19 to continue comprehensive reviews of Kentucky's public university and KCTCS performance funding models (KRS 164.092). The meeting was conducted in three parts so that CPE staff and KCTCS officials could share information and facilitate discussion relevant to the university and two-year models, respectively. The committee meets again in July.

BIENNIAL BUDGET DEVELOPMENT UPDATE

Dr. Payne provided an update on the 2024-2026 biennial budget development process. The Council is directed in statute to make a biennial budget request for postsecondary education (HB 1, 97 RS). Major components of the request typically include: (1) operating funds; (2) capital investment; (3) trust funds; and (4) agency operations. Developing a unified budget request is a collaborative process, involving Council members, campus presidents, chief budget officers, and CPE staff. For the upcoming 2024-2026 biennium, the deadline for submitting the postsecondary education budget request to the Office of State Budget Director has been moved up from November 15, 2023 to on or before October 1, 2023 (HB 360, 23 RS).

ADJOURNMENT

The Finance Committee adjourned at 3:05 p.m., ET.

MEETING MINUTES

Draft for Approval by the Finance Committee, September 11, 2023

Who: Kentucky Council on Postsecondary Education
Meeting Type: Finance Committee
Date: June 28, 2023
Time: 11:30 a.m. ET
Location: Virtual Meeting via ZOOM Webinar

CALL TO ORDER

The Finance Committee met Wednesday, June 28, 2023, at 11:30 a.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Eric Farris presided.

ATTENDANCE

Committee member attendance:

- Attended: Jacob Brown, Kellie Ellis, Eric Farris, and Madison Silvert.
- Did not attend: Garrison Reed and Elaine Walker.

Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

CAMPUS TUITION AND FEE PROPOSALS FOR ACADEMIC YEAR 2023-24

Mr. Shaun McKiernan, Executive Director of Finance and Budget, reminded the committee of the parameters the Council approved at its March 31, 2023, meeting in which tuition and mandatory fees could receive a:

- Maximum base rate increase of no more than 5.0 percent over two years, and no more than 3.0 percent in any one year, for public universities.
- Maximum base rate increase of no more than \$7.00 per credit hour over two years, and no more than \$4.00 per credit hour in any one year, for KCTCS.
- Nonresident undergraduate rates that comply with the Council's 2023-24 Tuition and Mandatory Fee Policy, or adhere to provisions of an existing Memorandum of Understanding between the Council and an institution.
- Market competitive tuition and fee rates for graduate and online courses.

At its June 9, 2023, the Council approve a delegation of authority to the Finance Committee to review and approve the tuition and fee proposals for the University of Kentucky, University of Louisville, Kentucky State University, Morehead State University, Northern

Kentucky University, and the Kentucky Community and Technical College System if the proposals fall within the previously approved parameters.

Mr. McKiernan presented the proposed tuition and fee proposals for resident undergraduate students for each of the four-year institutions, which were as follows:

- University of Kentucky – increase annual base-rate charge by \$353.00, or 2.7 percent.
- University of Louisville – increase annual base-rate charge by \$308.00, or 2.5 percent.
- Kentucky State University – increase annual base-rate charge by \$260.00, or 3.0 percent.
- Morehead State University – increase annual base-rate charge by \$278.00, or 3.0 percent.
- Northern Kentucky University – increase annual base-rate charge by \$304.00, or 3.0 percent.

Mr. McKiernan also presented Kentucky Community and Technical College System’s proposal to increase its annual base-rate charge for resident students by \$4.00 per credit hour, or 2.2 percent.

Each campus submitted proposals that complied with the parameters approved for non-residents, graduate, and online courses. Specific rates for each category of student and type of study (if applicable) were provided in the board materials.

MOTION: Mr. Brown moved the Finance Committee approve, on behalf of the full Council, the proposed tuition and fee rates for academic year 2023-24 for the University of Kentucky, University of Louisville, Kentucky State University, Morehead State University, Northern Kentucky University, and the Kentucky Community and Technical College System. CPE Chair Silvert seconded the motion.

VOTE: The motion passed.

ADJOURNMENT

The Finance Committee adjourned at 11:50 a.m., ET.

2024-2026 Postsecondary Education Budget Recommendation Operating Funds Request

The primary way that Kentucky finances its public postsecondary system and supports the teaching, research, and public service missions of individual colleges and universities is by providing state General Fund appropriations for campus operations. These funds, along with tuition and fee revenue, support Education and General (E&G) expenditures on campus, including faculty and staff salaries, fringe benefits, student financial aid, utilities, building maintenance, libraries, student support services, and numerous other operating expenses. When available, these funds also finance strategic initiatives that support attainment of the state’s student success goals and objectives of the Council’s *2022-2030 Strategic Agenda for Postsecondary Education*.

- *Council staff recommends total General Fund appropriations of \$1,109,285,500 in fiscal year 2024-25 and \$1,134,385,900 in fiscal year 2025-26 to support public postsecondary institution operations.*

As can be seen in Table 1 below, the recommended total General Fund appropriations represent increases of \$101,701,400 in 2024-25 and \$126,801,800 in 2025-26 or 10.1% and 12.6% increases, respectively, compared to the 2023-24 net General Fund base.

Table 1: Components of 2024-2026 Operating Funds Request

Funding Category	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26
2023-24 Net General Fund ¹	\$1,007,584,100	\$1,007,584,100	\$1,007,584,100
Base Adjustments:			
KERS Subsidy Reductions		(\$4,415,700)	(\$6,623,500)
Adjusted Net General Fund	\$1,007,584,100	\$1,003,168,400	\$1,000,960,600
Additional Budget Requests:			
Inflation Adjustment		81,925,100	109,233,300
Performance Funding		22,692,900	22,692,900
KSU Land Grant Match	2,107,500	1,499,100	1,499,100
Total Operating Request	\$1,009,691,600	\$1,109,285,500	\$1,134,385,900
Dollar Change	\$2,107,500	\$101,701,400	\$126,801,800
Percent Change	0.2%	10.1%	12.6%

¹ Each institution's enacted General Fund appropriation minus debt service (HB 1, 22 RS), and minus \$1,799,700 at KCTCS to reflect a reorganization of the Kentucky Board of Emergency Medical Services (KBEMS). Includes \$97,307,100 in the Performance Fund.

See Attachment A for a breakdown of the operating funds request by institution. Major components of the request include beginning base, base adjustments, and additional

budget requests for an inflation adjustment, performance funding, and KSU’s land-grant program. Each of these components is described in detail below.

Beginning Base

In most budget years, a postsecondary institution’s beginning base is simply the enacted General Fund appropriation in the second year of the biennium, minus debt service. Beginning with the 2018- 2020 biennium, the approach for determining the beginning base changed, due to the advent of performance funding and subsequent distribution among institutions of funds that had been appropriated to the Postsecondary Education Performance Fund. For two biennia, 2018-2020 and 2020-2022, the beginning base was calculated by adding each institution’s regular appropriation to its distribution from the Performance Fund and subtracting debt service.

Beginning with the 2022-24 biennium, the approach for calculating the beginning base changed again, back to the method used prior to 2018. This more recent change was prompted by a change in performance funding statute (KRS 164.092), which stipulated:

1. The certified amounts distributed from the performance fund to the institutions are nonrecurring funds that shall not be included in the institutions' base budget amounts submitted in their biennial budget requests.
2. The certified amounts distributed from the performance fund in the previous fiscal year shall be included in the performance fund's base budget amount submitted by the council in the biennial budget request.

Given this direction from the General Assembly, the method used by CPE staff for calculating the beginning base for the 2024-2026 biennium is each institution’s enacted General Fund appropriation in 2023-24, minus debt service for that same year.

Table 2: Calculated Beginning Base by Institution

	A	B	C	(A - B - C)
Institution	2023-24 Enacted Appropriation	Debt Service Adjustments	Other Adjustments	2023-24 Net General Fund
UK	\$303,669,300	(\$17,338,500)	\$0	\$286,330,800
UofL	134,223,800	(6,767,000)	0	127,456,800
EKU	81,901,300	(8,464,000)	0	73,437,300
KSU	28,690,800	(870,000)	0	27,820,800
MoSU	49,762,400	(5,434,000)	0	44,328,400
MuSU	51,707,100	(4,189,500)	0	47,517,600
NKU	57,655,000	(5,407,500)	0	52,247,500
WKU	83,951,300	(6,360,000)	0	77,591,300
KCTCS	187,833,700	(12,487,500)	(1,799,700)	173,546,500
Perf. Fund	97,307,100	0	0	97,307,100
Total	\$1,076,701,800	(\$67,318,000)	(\$1,799,700)	\$1,007,584,100

As can be seen in Table 2, in 2023-24, the net General Fund base is calculated by subtracting debt service and other adjustments from each institution's 2023-24 enacted General Fund appropriation. Figures shown in the Enacted Appropriation column in Table 2 were obtained from the *2022-2024 Budget of the Commonwealth* (HB 1, 22 RS). Figures shown in the Debt Service Adjustments column were obtained from that same source. The General Fund baseline calculated by CPE staff has been validated using numbers generated by Office of State Budget Director (OSBD) staff for the upcoming biennium.

Base Adjustments

Base adjustments are technical in nature and typically relate to changes in existing state obligations for postsecondary education, such as increases or decreases over time in General Fund bond supported debt service that is located at the institutions. For the upcoming 2024-2026 biennium, CPE staff and Office of State Budget Director officials agree that appropriations for postsecondary institution debt service, an adjustment reflecting a Kentucky Board of Emergency Medical Services (KBEMS) reorganization (HB 777), and scheduled Kentucky Employees Retirement System (KERS) subsidy reductions (HB 8) represent necessary and appropriate base adjustments.

Debt Service

Prior to 1998, when General Fund supported bonds were issued to finance the construction of public postsecondary facilities, the resulting liability was accounted for at the institutional level and the General Assembly provided funding for debt service, which was included in campus base budgets and line-itemed in appropriations bills. Over time, as new debt was issued and mature debt retired, changes in debt service obligations occurred making periodic adjustments to the base necessary to reflect these changes.

Following passage of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1), debt service for newer postsecondary projects (i.e., those constructed after 1997) has typically been located in the Finance and Administration Cabinet's budget.

In the enacted *2022-2024 Budget of the Commonwealth* (HB 1, 22 RS), the postsecondary institutions received \$811.9 million in bond funds to support new and expanded space projects and \$683.5 million in bond funds for asset preservation projects, and KCTCS received \$16.5 million for a renovation project. As shown in Table 2 above, debt service on these bonds totaled \$67.3 million in fiscal year 2023-24 and was included in the enacted appropriation of applicable institutions.

- *It is anticipated that \$67,318,000 included in enacted appropriations of Kentucky public postsecondary institutions in fiscal year 2023-24 to support bonds for new capital construction and asset preservation projects authorized for the current biennium will be transferred to the Finance and Administration Cabinet to begin the new biennium in accordance with common practice.*

KBEMS Reorganization

On April 8, 2022, the Governor signed HB 777 (Acts Chapter 126), which made the Kentucky Board of Emergency Medical Services (KBEMS) an independent agency of state government and changed membership of the board. In addition, the bill required

KCTCS to transfer all existing state general fund moneys appropriated to the board, all federal funds, all moneys collected by the board, all equipment owned by the board, and instructional supplies, equipment, funds, and records associated with KBEMS to the newly created board.

In the 2022-2024 enacted budget, KCTCS received General Fund appropriations of \$1,799,700 each year to support KBEMS operations, which were line-itemed as a mandated program. Due to passage of HB 777, KCTCS was required to transfer these funds each year to the newly constituted KBEMS. The transfer in 2023-24 has been reflected as a base adjustment (see Column C, Other Adjustments in Table 2).

KERS Subsidy Reductions (HB 8)

Another category of base adjustments that is scheduled to occur during the 2024-2026 biennium stems from statutorily required KERS subsidy reductions. In 2021-22, Kentucky comprehensive universities (except for NKU) and KCTCS transitioned to a fixed-dollar allocation method of determining employer pension contributions. Based on actuarial calculations, the General Assembly appropriated \$22,099,200 to participating institutions in the 2021-22 budget bill (HB 192), which was intended to cover 100% of the costs associated with that transition. That same year, the legislature enacted HB 8, which called for 10% reductions in the subsidies each year of the 2022-2024 biennium.

Beginning in 2022-23, Section 7(6)(b) of HB 8 called for a reduction of 10% per year over five years of the pension subsidies provided in 2021-22. The planned reductions were delayed by one year, so they began in 2023-24. The statute still calls for the subsidy to be reduced to 70% in 2024-25, a reduction of \$4.4 million, and to 60% in 2025-26, a reduction of \$6.6 million compared to the current year subsidy. As can be seen in Table 3 below, the \$19.9 million KERS pension subsidy provided in 2023-24 is slated to be reduced to \$15.4 million in 2024-25 and to \$13.2 million in 2025-26. The planned decrease in KERS pension subsidies will reduce the net General Fund base of impacted institutions each year of the upcoming biennium as shown in Table 3.

Table 3: Planned Reduction in KERS Pension Subsidies (HB 8)

Campus	Fiscal Year 2023-24	Fiscal Year 2024-25	Subsidy Reduction	Fiscal Year 2025-26	Subsidy Reduction
EKU	\$8,023,100	\$6,240,200	(1,782,900)	\$5,348,700	(2,674,400)
KSU	503,400	391,500	(111,900)	335,600	(167,800)
MoSU	4,411,800	3,431,400	(980,400)	2,941,200	(1,470,600)
MuSU	2,929,600	2,278,500	(651,100)	1,953,000	(976,600)
WKU	3,237,200	2,517,900	(719,300)	2,158,200	(1,079,000)
KCTCS	765,200	595,100	(170,100)	510,100	(255,100)
Totals	\$19,870,300	\$15,454,600	(\$4,415,700)	\$13,246,800	(\$6,623,500)
Subsidy	90%	70%		60%	

- *It is anticipated that the net General Fund base of five comprehensive universities (excludes NKU) and KCTCS will be reduced in total by \$4,415,700 in 2024-25 and \$6,623,500 in 2025-26 in accordance with HB 8 statutory requirements.*

These subsidy reductions would normally be the equivalent of a budget cut for participating institutions. However, CPE staff learned in early September that there will be cost savings associated with campus pension payments in 2024-2026 that for most institutions will completely offset the reduced appropriations called for by HB 8.

Additional Budget Requests

Over the past five months, CPE staff has engaged in discussions with multiple stakeholders to identify funding components to include in the Council’s *2024-2026 Postsecondary Education Budget Recommendation* that address the most pressing resource needs of Kentucky’s public postsecondary system and provide the highest return on state investment. Using a collaborative process involving CPE staff and campus leaders, a consensus was reached that the highest priorities for institutional operating funds in the upcoming biennium are additional appropriations for an inflation adjustment, performance funding, and KSU’s land-grant program (see Table 4).

The request for inflation adjustment funds will help institutions offset some of the largest increases in higher education costs in 20 years and allow the Council and campus officials to maintain affordability and access for Kentucky citizens. The performance funding request is well aligned with the state’s 60x30 college attainment goal and objectives of the Council’s *2022-2030 Strategic Agenda*. The requested funds for KSU’s land-grant program are necessary to meet a federal matching requirement.

Table 4: Additional Budget Requests

Funding Component	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26
Additional Budget Requests:			
Inflation Adjustment		\$81,925,100	\$109,233,300
Performance Funding		22,692,900	22,692,900
KSU Land-Grant Program	2,107,500	1,499,100	1,499,100
Total Additional Requests	\$2,107,500	\$106,117,100	\$133,425,300

Each of these funding components is described in more detail below.

Inflation Adjustment

According to the *Commonfund Institute*, the cost of running a college, measured using the Higher Education Price Index, grew by 5.2% in fiscal year 2021-22, representing the largest one-year increase since 2000-01. Colleges experienced higher costs across all factors of production, with utilities up 43.1% (compared to a five-year average annual increase of 9%) and supplies and materials costs increasing by 21.5% (compared to 6% five-year average annual increase). Among the factors that comprise the HEPI, faculty salaries rose the least, by 2.1%.

In mid-August, the *Commonfund Institute* reported that the HEPI is expected to grow by 4.4% in fiscal year 2022-23. When combined with the 5.2% increase the year before,

this represents 9.6% growth in college costs over two years, or 4.8% per year on average. That is double the average annual rate of growth over the previous nine years, when the HEPI grew by 2.4% per year. Furthermore, according to a recent analysis conducted by Moody's, high inflation will continue to challenge colleges through at least the end of fiscal year 2024 (Moody's Investors Service). Analysts are predicting that rising costs of labor, food, utilities and construction will require higher education leaders to reprioritize how campus resources are allocated and force difficult choices.

Kentucky postsecondary institutions are facing some of the largest increases in higher education inflation in two decades. The HEPI has grown by a combined 9.6% over the past two years. Moody's is projecting that higher education institutions will continue to face high inflation through fiscal year 2023-24. To provide some sense of scale, a 9.6% inflation factor applied to a system total \$2.0 billion Education and Related expenditure base is \$192.0 million. Substantial investment in higher education is needed to offset rising costs and help the Council and campus officials maintain affordability and access for Kentucky citizens

Another cost factor, which may be unique to Kentucky, but certainly is one that will exacerbate the impact of inflation, is expected increases in state run fire and tornado insurance premiums. In mid-August, CPE staff was notified by Office of State Budget Director (OSBD) staff that state Fire and Tornado Insurance premiums are set to increase by 151% next year.

As can be seen in Table 5 below, between this year and next, state fire and tornado insurance premiums are set to increase by \$31.3 million in total or 151%. A mandated cost increase without concomitant funding is the equivalent of a budget cut. The budgetary impact of this cost increase is largest at MuSU (-4.4%) and smallest at KCTCS (-2.7%). The system average impact is the same as a 3.4% budget cut on a \$910.3 million net General Fund base.

Table 5: Change in State Fire and Tornado Insurance Premiums

Institution	2023-24 Net General Fund	State Fire and Tornado Insurance Premiums				Budget Impact
		2023-24 Premium	2024-25 Premium	Dollar Change	Percent Change	
UK	\$286,330,800	\$6,606,000	\$16,550,600	\$9,944,600	151%	-3.5%
UofL	127,456,800	3,206,200	8,032,800	4,826,600	151%	-3.8%
EKU	73,437,300	2,076,300	5,201,800	3,125,500	151%	-4.3%
KSU	27,820,800	546,100	1,368,100	822,000	151%	-3.0%
MoSU	44,328,400	1,179,000	2,954,000	1,775,000	151%	-4.0%
MuSU	47,517,600	1,374,800	3,444,400	2,069,600	151%	-4.4%
NKU	52,247,500	1,263,500	3,165,500	1,902,000	151%	-3.6%
WKU	77,591,300	1,448,700	3,629,500	2,180,800	151%	-2.8%
KCTCS	173,546,500	3,080,500	7,718,000	4,637,500	151%	-2.7%
Total	\$910,277,000	\$20,781,100	\$52,064,700	\$31,283,600	151%	-3.4%

In light of recent budgetary challenges and those still to come, CPE staff and campus leaders ask that the Council include in its 2024-2026 budget recommendation a request for additional operating funds of \$81.9 million in fiscal year 2024-25 and \$109.2 million

in 2025-26 to help institutions offset some of the largest increases in higher education inflation since 2001. The request represents an across-the-board 9.0% increase in the first year of the biennium and a 12.0% increase in the second year on each institution's 2023-24 net General Fund base. If authorized, these funds will help Council and campus officials maintain affordability and access for Kentucky citizens.

- *Staff recommends appropriations of \$81,925,100 in 2024-25 and \$109,233,300 in 2025-26 to help offset some of the largest increases in higher education inflation in decades.*

If authorized, the requested inflation adjustment funds will help the Council and campus officials maintain affordability and access for Kentucky students and families. Between 2008 and 2022, reductions in state support and mandated increases in employer-paid pension contributions strained campus budgets and placed upward pressure on tuition and fees. Although Council adopted tuition and fee ceilings resulted in relatively low year-over-year increases, resident undergraduate sticker prices increased steadily during this period and were sizable in aggregate. Additional base funding supporting campus operations will help institutions offset the effects of inflation, relieve strain on operating budgets, and help the Council and institutions continue to minimize tuition increases and maintain affordability and access in the upcoming biennium.

Performance Funding

On March 21, 2017, Kentucky's Performance Funding Bill (SB 153), which passed the House and Senate with no changes, was signed into law by the Governor. The newly created statute (KRS 164.092) represented the culmination of a six-month effort by a working group of campus presidents, the Council president, and the Governor and legislative leaders (or their representatives), to develop a rational model for distributing state General Fund appropriations among public universities and KCTCS institutions.

Now in their seventh year of operation, university and KCTCS funding models have been used to distribute \$42.9 million in fiscal year 2017-18, \$31.0 million in 2018-19, \$38.7 million in 2019-20, \$15.0 million in 2020-21, \$17.3 million in 2021-22, \$97.3 million in 2022-23, and \$97.3 million in 2023-24 among the institutions, using rational criteria imbedded in the funding formulas. In terms of process, the General Assembly appropriated funds to the Postsecondary Education Performance Fund (PEPF) in each of those years, CPE and KCTCS staffs ran their respective funding models and certified the resulting distribution of funds to the Office of the State Budget Director, and distributions to institutions were completed through the quarterly allotment process.

Since the adoption of performance funding, the number of degrees and credentials produced by Kentucky postsecondary institutions has grown at an average annual rate of nearly 3.0 percent, which exceeds the growth rate needed (i.e., 1.7% per year) for the state to achieve its goal of increasing educational attainment of working age adults to 60% by the year 2030. In addition, numbers of underrepresented minority degrees and credentials and completions in STEM+H fields are growing at unprecedented rates.

- *Council staff recommends appropriations of \$22,692,900 in 2024-25 and \$22,692,900 in 2025-26 for performance funding to provide incentives for*

institutions to increase student success and course completion outcomes and continue making progress toward the state's 60X30 attainment goal.

If the requested appropriations are authorized, it is anticipated that the funds will be placed in the Postsecondary Education Performance Fund, pending application of the funding models by CPE and KCTCS staffs and distribution of funds among institutions in accordance with statutorily prescribed formulas. Given that the General Assembly appropriated \$97,307,100 to the PEPF in 2023-24 and given that KRS 164.092 requires those funds to be recurring to the Performance Fund and not campus base budgets, if the requested funds are authorized by the General Assembly, the new balance in the fund will be \$120,000,000 in 2024-25.

KSU Land Grant Match

Kentucky State University (KSU) is an 1890 land-grant institution. As such, it is eligible to receive federal grant funds appropriated by Congress each year to support land-grant research and cooperative extension activities subject to provisions of the grants. These funds must be matched by the state on a dollar-for-dollar basis to ensure that KSU will continue to receive its full allotment of federal funds. The matching requirement is an obligation of the state, not Kentucky State University. Other sources of federal funds and tuition and fee revenue cannot be used to meet the match.

In 2023-24, KSU is eligible to receive \$10,381,000 in United States Department of Agriculture (USDA) administered grants to support its land-grant program. Currently, KSU has \$8,881,900 in General Fund appropriations in its base to meet the matching requirement, resulting in a funding gap of \$1,499,100 in 2023-24. The university also had a funding gap of \$608,400 in 2022-23, which was not requested by KSU or matched by the Commonwealth. For the upcoming budget session, CPE staff and campus officials ask that the Council include in its 2024-2026 recommendation a request for \$2,107,500 in 2023-24 (i.e., a current year appropriation) and \$1,499,100 in fiscal years 2024-25 and 2025-26 to fully meet federal matching requirements.

- *CPE staff recommends appropriations of \$1,499,100 in fiscal year 2024-25 and \$1,499,100 in 2025-26 to provide a sufficient amount of recurring state General Fund to meet the federal matching requirement for Kentucky State University's land-grant program.*
- *In addition, because KSU's land-grant program is under matched in the current year and was under matched last year, staff recommends an appropriation of \$2,107,500 in fiscal year 2023-24 (i.e., a current-year appropriation) to complete the state's matching obligation for fiscal years 2022-23 and 2023-24.*

If the requested funds are authorized, it is recommended that they be appropriated directly to Kentucky State University. Since KSU's land-grant program has been designated as a mandated program by the Kentucky General Assembly and the Council on Postsecondary Education, it is anticipated that the total amount of state funds provided to the program in the upcoming biennium will be line-itemed in the 2024-2026 budget bill and excluded from the institution's allocable resources in future iterations of the performance funding model. Finally, these funds will reinforce the effectiveness and impact of outreach, service, and applied research of KSU's land-grant program.

TITLE: 2024-2026 Postsecondary Education Budget Recommendation
Postsecondary Institution Capital Investment Request

DESCRIPTION: Staff recommends that the Finance Committee endorse for full Council approval the proposed 2024-2026 Postsecondary Institution Capital Investment Request.

PRESENTERS: Shaun McKiernan, Executive Director for Finance and Budget, CPE
Bill Payne, Vice President for Finance and Administration, CPE

SUPPORTING INFORMATION

This agenda item contains CPE staff's recommendation regarding the level of state investment required to address public postsecondary institution new construction, asset preservation, and information technology and equipment project needs for the upcoming 2024-2026 biennium. It identifies the most pressing campus needs to offset construction cost increases for new and expanded space projects authorized in 2022-2024, renovate and renew existing facilities, and finance information technology and equipment projects (using institutional resources).

Background

In 2005, the Council and postsecondary institutions contracted with Vanderweil Facilities Advisors, Inc. (VFA), Paulien & Associates, and NCHEMS to conduct a comprehensive review and assessment of Kentucky's public college and university facilities. Evaluators took more than a year and examined over 700 Education and General (E&G) facilities located on college campuses across the system and, in early 2007, concluded that Kentucky's facilities inventory was in relatively poor condition compared to industry standards.

Most buildings at that time were over 30 years old and their condition and utility was consistent with their age. Additionally, HVAC, plumbing, and electrical systems in many buildings had far exceeded their useful life expectancies and many buildings no longer adequately supported the academic programming for which they were originally intended. Overall, evaluators identified an accumulation of about \$6.1 billion in asset preservation needs for the postsecondary system projected to come due by 2018 (*Facility Condition Assessment & Space Study*, VFA, 2007).

In 2013, VFA evaluators were retained again by the Council and updated their findings from the 2007 study. Based on updated projections, they determined that unless sizable investments in asset preservation were made in coming biennia, the magnitude of renovation and renewal

need would grow to \$7.3 billion by 2021. A combination of factors, including a growing inventory of aging facilities, infrastructure, and building systems in need of renovation and renewal, increasing construction costs, and minimal state investment in asset preservation, contributed to growth in perpetuation need.

2024-2026 Capital Investment Recommendation

The Council’s capital investment request typically includes three components: (a) new construction; (b) asset preservation; and (c) information technology and equipment. In recent biennia, due to sizable, accumulated needs for facilities renovation and renewal on college campuses, CPE staff and campus officials have elected to prioritize asset preservation in the capital request. This focus was operationalized by requesting large additional appropriations for asset preservation, while at the same time requesting no funding for new and expanded space projects or for information technology projects.

Stakeholders propose that a similar approach be used in 2024-2026. As can be seen in Table 1 below, CPE staff and campus officials recommend that the Council include in its budget recommendation requests for \$350 million each year of the upcoming biennium (or \$700 million in total) to finance asset preservation projects at Kentucky colleges and universities, which could be either cash or bond funded. If the General Assembly elects to issue bonds to finance the request, the estimated debt service would be \$14,078,000 in fiscal year 2024-25 and \$42,233,000 in 2025-26 (determined using Finance Cabinet debt service calculator).

Table 1: Components of 2024-2026 Capital Investment Request

Funding Category	Fiscal 2024-25	Fiscal 2025-26	Biennial Total
New Construction	\$0	\$0	\$0
Construction Cost Increases	\$162,370,000	\$0	\$162,370,000
- Debt Service	6,532,000	13,064,000	19,596,000
Asset Preservation	\$350,000,000	\$350,000,000	\$700,000,000
- Debt Service	14,078,000	42,233,000	56,311,000
Information Technology and Equipment	\$0	\$0	\$0

The asset preservation debt service estimates represent a half year of debt service on \$350 million requested in the first year of the biennium (i.e., the 2024-25 debt service figure) and a full year’s debt service on that same \$350 million assessed in the second year, plus a half year’s debt service on the additional \$350 million requested in the second year (i.e., the 2025-26 debt service figure). This method for ascertaining and requesting debt service has been used by CPE staff over many biennia.

In addition to the asset preservation component, CPE staff and campus leaders also propose that the Council include a request for \$164.2 million in the first year of the biennium (i.e., 2024-25) to help offset construction cost increases on individual capital projects that the General Assembly authorized for implementation in the current biennium (i.e., 2022-2024). Like asset preservation, this request also could be cash or bond funded. If bonds are issued to finance the request, the estimated debt service would be \$6,532,000 in fiscal year 2024-25 and \$13,064,000 in 2025-26 (again determined using the Finance Cabinet debt service calculator).

In keeping with the approach used in recent biennia, postsecondary stakeholders propose that the Council's capital investment request include a large ask focused on renovation and renewal of existing facilities, but not include requests for new construction or information technology projects. While investment in such projects is important for many institutions, CPE staff and campus officials recommend that the Council's 2024-2026 capital investment request focus on asset preservation and construction cost increases. These components are described in greater detail below.

New Construction

For the 2024-2026 biennium, CPE staff and campus leaders agree that a request for state bond funds (or cash) supporting new and expanded space should not be included in the Council's capital investment recommendation. However, as was the case in recent biennia, institutions will be free to submit to the Governor and General Assembly their own requests for new construction projects and to advocate for those requests.

Construction Cost Increases

Early in the budget development process for 2024-2026, campus chief budget officers and presidents communicated to CPE staff that funding for individual capital projects authorized in the current biennium would not be sufficient to fully fund the original scopes of the projects due to rapidly rising construction costs. A convergence of factors such as tariffs on imported goods, the impact of COVID-19 on global supply chains, escalating costs of building materials, worker shortages and rising labor costs, and higher interest rates, led to increases in construction costs not seen in 40 years.

CPE staff surveyed campus officials to determine the extent of construction cost inflation on new and expanded space projects at Kentucky colleges and universities between the time when institutions submitted their six-year capital plans (i.e., November 2021) and project funding was authorized (April 2022) and the time when institutions could actually begin spending on the projects (i.e., July 2023). This lag time occurred because the General Assembly authorized all but one of the new and expanded space projects in the second year of the biennium (i.e., fiscal year 2023-24). Institutions responded that construction costs had increased between 20% and 33% during that period and they would not be able to fully fund those projects at their original scopes. Using a CBRE Index developed by Coldwell Banker, CPE staff confirmed that commercial real estate construction costs increased by 31% during this period.

To address escalating construction costs, CPE staff and campus officials recommend that the Council include a request for \$162.4 million in bond funds (or cash) in its capital investment recommendation, which would allow institutions to offset unprecedented inflationary cost increases on individual capital projects authorized in the 2022-2024 biennium. The full amount should be requested in the first year of the biennium (i.e., fiscal year 2024-25) to facilitate completion of projects already underway. Specifically:

- *Staff recommends appropriations of \$6,532,000 in 2024-25 and \$13,064,000 in 2025-26, recurring at the latter amount in subsequent years, to pay annual debt service on \$162,370,000 in state bonds, requested in 2024-25, to help offset construction cost increases on individual new and expanded space projects authorized for postsecondary institutions during the 2022-2024 biennium.*

If authorized, these funds will allow institutions to maintain the original scope of projects approved by the General Assembly in the current biennium (i.e., no scaling back, or phasing of projects). Staff recommends allocation of these funds as shown in Table 2.

Table 2: Allocation of Construction Cost Increase Request

Campus	Individual Capital Projects	Bonds Authorized in 2022-2024	Construction Cost Increases @20%
UK	Construct Health Education Building	\$250,000,000	\$50,000,000
UofL	Construct Multidisc Engineering Building	65,000,000	13,000,000
EKU	Construct New Model Lab School	90,000,000	18,000,000
EKU	Renovate Alumni Coliseum	31,350,000	6,270,000
KSU	(No individual projects funded)	0	0
MoSU	Construct Science & Engineering Building	98,000,000	19,600,000
MuSU	Construct Nursing School & Health Building	45,500,000	9,100,000
NKU	Expand Hermann Science Center	79,900,000	15,980,000
WKU	Construct Gordon Ford College of Business	74,400,000	14,880,000
KCTCS	Construct Classroom - BCTC Newtown	52,200,000	10,440,000
KCTCS	Expand Leitchfield Campus - Etown CTC	9,000,000	1,800,000
KCTCS	Renovate Occup Technical Building - ECTC	16,500,000	3,300,000
Total Bond Funds & Cost Increase Request:		\$811,850,000	\$162,370,000

The requested funds represent 20% of \$811.9 million in bond funds authorized for new construction projects in the 2022-2024 biennium. All institutions, with the exception of KSU, received funding for at least one capital project. EKU received funding for two projects (one being a new Model Laboratory School) and KCTCS received funding for three projects. CPE staff and campus officials agreed on a 20% allocation. Specifically:

- *CPE staff recommends a capital appropriation to each institution equal to 20% of the bond funds it received in the 2022-2024 biennium for line-itemed capital projects which*

will allow Kentucky colleges and universities to complete new capital construction projects as originally envisioned.

If additional funds, over and above the 20% allocation requested, are required to fully fund the projects, institutions will have to find other sources of revenue to finance the projects or scale them back in some way. If some portion of the additional appropriation is not required for an institution to complete a project, CPE staff recommends that budget bill language be included to allow the institution to apply unused funds to asset preservation projects. Specifically:

- *CPE staff recommends that budget bill language be included to allow institutions flexibility to apply any unused construction cost increase funds to pressing asset preservation needs.*

Asset Preservation

Asset preservation refers to college and university expenditures that preserve, renovate, and renew Education and General facilities in order to extend their useful life, bring them up to industry standards, and otherwise support the public service, research, and instructional missions of the institutions. The term “facilities” includes buildings, building systems, and campus infrastructure, such as roads, walkways, electrical grids, steam tunnels, and water chiller plants. In the *2022-2024 Budget of the Commonwealth* (HB 1, 22 RS), the definition of asset preservation was expanded to include expenditures for state-owned and operated residential housing facilities.

As indicated in the background section above, VFA Study researchers found that the cumulative cost of bringing Kentucky’s postsecondary education facilities up to industry standards would exceed \$7.3 billion by 2021. Between 2008 and 2022, renovation and renewal needs were not addressed in any substantive way by either the institutions or the state. In the 2022-2024 biennium, the General Assembly appropriated \$700 million (\$350 million each year) to institutions to finance asset preservation projects, the first significant investment in asset preservation in more than a decade. CPE staff, Council members, and campus leaders are all very appreciative of that investment.

CPE staff’s asset preservation recommendation for 2024-2026 is intended to maintain momentum and build upon the success of the prior biennium by requesting a second installment of \$700 million for renovation and renewal. Specifically:

- *Staff recommends an appropriation of \$14,078,000 in 2024-25 and \$42,233,000 in 2025-26, recurring at \$56,312,000 in subsequent years, to pay annual debt service on \$700 million in state bonds (i.e., \$350 million each year) to finance asset preservation and renovation projects at public postsecondary institutions during the upcoming biennium.*

If the asset preservation request is approved by the Council and authorized by the General Assembly, CPE staff recommends that the funds be allocated among institutions using the

same approach used by the General Assembly to allocate funds appropriated in the 2022-2024 biennium, which distributed funds based on each institution's share of system total Category I and II square feet. The recommended allocation of requested asset preservation funds is shown in Table 3 below.

Table 3: Allocation of Asset Preservation Request

Campus	Category I & II Square Feet	Percent of Total	Fiscal Year 2024-25	Fiscal Year 2025-26	Biennial Total
UK	6,839,710	24.10%	\$84,351,000	\$84,351,000	\$168,702,000
UofL	3,412,420	12.02%	42,084,000	42,084,000	84,168,000
EKU	2,322,080	8.18%	28,637,000	28,637,000	57,274,000
KSU	673,771	2.37%	8,310,000	8,310,000	16,620,000
MoSU	1,429,727	5.04%	17,632,000	17,632,000	35,264,000
MuSU	1,998,068	7.04%	24,641,000	24,641,000	49,282,000
NKU	1,964,608	6.92%	24,229,000	24,229,000	48,458,000
WKU	2,659,023	9.37%	32,792,000	32,792,000	65,584,000
KCTCS	7,080,808	24.95%	87,324,000	87,324,000	174,648,000
Total	28,380,215	100.00%	\$350,000,000	\$350,000,000	\$700,000,000

Staff further recommends that any appropriations for asset preservation in the upcoming biennium be allocated to the institutions in funding pools. Each campus has provided a list of high-priority renovation and renewal projects that could be financed using funds from their respective pools. A list of each institution's asset preservation projects can be found in Attachment C-1. In the current biennium, only asset preservation projects that address the needs of Education and General facilities and state-owned and operated residence halls are eligible to be financed using asset preservation pool funds.

Unlike the current biennium (i.e., 2022-2024), when research institutions (UK and UofL) were required to match each state dollar of asset preservation funds with 30 cents of campus funds, and comprehensive universities and KCTCS were required to match each state dollar of asset preservation funds with 15 cents of campus funds, staff is recommending no match for any postsecondary institution of any asset preservation funds provided by the state in the upcoming biennium. Specifically:

- *Staff recommends that no institutional match of any state funds be required of any postsecondary institution to allow project to proceed as quickly as possible and to reduce any further strain on campus operating budgets*

If this recommendation is adopted by the Council and followed by the General Assembly, it will allow institutions to initiate projects more quickly and alleviate strain on campus budgets by allowing projects to proceed without a required match.

Language included in the 2022-2024 enacted budget (HB 1, 22 RS) specified that asset preservation pool funds could be used to renovate and renew state owned and operated residential housing facilities. This represented a new approach on the part of the General Assembly, which previously had limited the use of asset preservation funds to E&G facilities. In light of this new direction, CPE staff and campus officials support continuation of the increased flexibility and ask that the Council recommend inclusion of budget language allowing asset preservation funds to be used for both E&G facilities and state-owned residence hall projects. Specifically:

- *Staff recommends that the Council's capital investment recommendation include a request for budget bill language, similar to the language in HB 1 (2022 RS), that would allow asset preservation pool funds to be used to preserve and maintain state-owned and operated residence facilities.*

As previously mentioned, CPE staff, Council members, and campus leaders are all exceedingly grateful for the state's \$700 million investment in 2022-2024 to preserve existing postsecondary facilities. What is needed at this point is a second installment of that investment. The magnitude of the problem is great, estimated to be in excess of \$7.0 billion, given recent increases in construction costs. Sustained investment over an extended time horizon is needed to address what has become an overwhelming and urgent need to preserve and protect these valuable state-owned assets.

If the recommendations in this section are adopted by the Council and authorized by the General Assembly, there is hope that these funds will mark the beginning of a long-term partnership between the state, postsecondary institutions, and students and families to address the system's substantial asset preservation needs.

Information Technology and Equipment

For the upcoming biennium, CPE staff is not recommending a capital investment request to support information technology or equipment projects. Compared to other funding components, information technology was less of a priority among CPE staff, campus presidents and CBOs, than other funding components. However, institutions will be free to submit to the Governor and General Assembly their own requests for information technology and equipment projects.

Institution Funded Projects

Staff recommends that the Council approve institutionally funded capital projects that further the goals of *The Postsecondary Education Improvement Act of 1997* (HB 1) and objectives of the Council's *2022-30 Strategic Agenda*. While this proposal requests state funds for asset preservation only, the state budget office has allowed the institutions to submit their projects using the fund source that they used in the capital planning system. The state budget office is fully aware of the CPE position.

Council approval of projects listed in the attachments that are not included in the enacted biennial budget may be pursued in the interim using institutional resources as allowed without additional Council approval. Staff recommends that the Council support projects in the following categories:

- *Authorization of \$7,543,180,000 in agency, federal, private, and other fund source authority to address asset preservation projects on postsecondary campuses during the upcoming biennium. This authorization level represents the total of all possible agency, federal, private, and other fund source financed asset preservation projects that might be undertaken by the campuses during the biennium. These projects can be found in Attachment C-1.*
- *Authorization of \$6,858,051,000 in agency, federal, private, and other fund source authority to address new and expanded space on postsecondary campuses during the upcoming biennium. This authorization level represents the total of all possible agency, federal, private, and other fund source financed new and expanded space projects that might be undertaken by the campuses during the biennium. These projects can be found in Attachment C-2.*
- *Authorization of \$714,855,000 in agency, federal, private, and other fund source authority for information technology needs on postsecondary campuses during the upcoming biennium. This authorization level represents the total of all possible agency, federal, private, and other fund source financed projects that might be undertaken by the campuses during the biennium. A list of these projects can be found in Attachment C-3.*
- *Authorization of \$11,430,000,000 in agency, federal, private, and other fund source authority to address non-Information Technology UK Healthcare capital projects. These projects can be found in Attachment C-4.*
- *Authorization of capital leases. Funding for these leases is included in the institutions' operating budgets. These leases can be found in Attachment C-4.*
- *Authorization for guaranteed energy efficiency projects in campus buildings, including energy equipment acquisitions, infrastructure repair, and upgrades. These projects would be funded using third-party financing available through the Finance and Administration Cabinet, private contractors, or other non-state funds.*

Endorsements

Staff recommends that the Council endorse the following language for inclusion in the 2024-26 Budget of the Commonwealth:

Inasmuch as the identification of specific projects in a variety of areas of postsecondary institution operations cannot be ascertained with absolute certainty at this time, amounts

are appropriated and authorized for specific projects which are not individually identified in this act in the following areas: ECU, KCTCS, KSU, MoSU, MuSU, NKU, UK, UofL, and WKU asset preservation, renovations, major maintenance, infrastructure, and HVAC and roofing systems.

Any specific project exceeding \$1,000,000 or any major item of equipment exceeding \$200,000 that is initiated shall be reported by the institution to the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee no later than 30 days after the specific project or equipment item is initiated and funded. The report shall identify the need for, and provide a brief description of, each project or equipment item pursuant to KRS Chapter 45.

Proposed Asset Preservation Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
University of Kentucky							
1 Asset Preservation Pool	200,000,000	200,000,000	-	-	-	-	-
2 Improve Kastle Hall	54,000,000	-	-	54,000,000	-	-	-
3 Improve LTS Facilities	27,000,000	-	-	27,000,000	-	-	-
4 Improve Johnson Center	75,000,000	-	75,000,000	-	-	-	-
5 Improve Campus Infrastructure	10,000,000	-	-	10,000,000	-	-	-
6 Improve Electrical Infrastructure	28,000,000	-	-	28,000,000	-	-	-
7 Improve Mechanical Infrastructure	26,000,000	-	-	26,000,000	-	-	-
8 Improve Academic and Tech Science Building	25,000,000	-	-	25,000,000	-	-	-
9 Improve Patterson Office Tower	12,000,000	-	-	12,000,000	-	-	-
10 Improve Campus Core Quadrangle Facilities	54,000,000	-	-	54,000,000	-	-	-
11 Improve Willard Med Ed/Science Building	40,000,000	-	-	40,000,000	-	-	-
12 Improve Scovell Hall	70,000,000	-	-	70,000,000	-	-	-
13 Construct/Improve Dental Sciences Building	130,000,000	-	-	130,000,000	-	-	-
14 Improve Taylor Education Building	80,000,000	-	-	80,000,000	-	-	-
15 Improve W.T. Young Facility	25,000,000	-	-	25,000,000	-	-	-
16 Improve Pence Hall	32,000,000	-	-	32,000,000	-	-	-
17 Improve Barnhart Building	25,000,000	-	-	25,000,000	-	-	-
18 Improve King Library	80,000,000	-	-	80,000,000	-	-	-
19 Improve Med Center Library	17,000,000	-	-	17,000,000	-	-	-
20 Construct/Improve Recreation Quad 1	35,000,000	-	-	35,000,000	-	-	-
21 Improve Whalen Bldg & Bay Facility (Ky Adv Mfg)	7,000,000	-	-	7,000,000	-	-	-
22 Improve White Hall Classroom Building	83,000,000	-	-	83,000,000	-	-	-
23 Improve Cooper House	6,000,000	-	-	6,000,000	-	-	-
24 Improve Anderson Tower	9,000,000	-	-	9,000,000	-	-	-
25 Improve Jacobs Science Building	48,000,000	-	-	48,000,000	-	-	-
26 Improve Library Facility	27,000,000	-	-	27,000,000	-	-	-
27 Improve McVey Hall	48,000,000	-	-	48,000,000	-	-	-
28 Improve Medical Plaza	7,000,000	-	-	7,000,000	-	-	-
29 Improve Reynolds Building 1	14,000,000	-	-	14,000,000	-	-	-
30 Improve Seaton Center	30,000,000	-	-	30,000,000	-	-	-
31 Construct/Relocate/Replace Greenhouses	50,000,000	-	-	50,000,000	-	-	-
32 Improve CAFE Motor Pool Building	14,000,000	-	-	14,000,000	-	-	-
33 Improve Memorial Hall	45,000,000	-	-	45,000,000	-	-	-
34 Renovate Space for a Testing Center	7,000,000	-	-	7,000,000	-	-	-
35 Improve Chem/Physics Building Phase 3	88,000,000	-	-	88,000,000	-	-	-
36 Improve Nursing Building	7,000,000	-	-	7,000,000	-	-	-
37 Improve Multi-Disciplinary Science Building	15,000,000	-	-	15,000,000	-	-	-
38 Construct/Improve Academic/Research Facility	225,000,000	-	-	225,000,000	-	-	-
39 Improve Fine Arts Building	80,000,000	-	-	80,000,000	-	-	-
40 Improve Singletary Center	80,000,000	-	-	80,000,000	-	-	-
41 Improve Student Services Space I	5,000,000	-	-	5,000,000	-	-	-
42 Improve Student Services Space II	30,000,000	-	-	30,000,000	-	-	-

Proposed Asset Preservation Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
43 Improve Student Services Space III	15,000,000	-	-	15,000,000	-	-	-
44 Improve Counseling Center Space	5,000,000	-	-	5,000,000	-	-	-
45 Improve Hilary J. Boone Center	18,000,000	-	-	18,000,000	-	-	-
46 Construct/Improve Research Data Center	240,000,000	-	-	240,000,000	-	-	-
47 Construct/Improve Research Space	100,000,000	-	-	100,000,000	-	-	-
48 Improve CAER Facilities	75,000,000	-	-	75,000,000	-	-	-
49 Upgrade/Renovate/Expand Research Labs	75,000,000	-	-	75,000,000	-	-	-
50 Construct/Improve Research Admin Space	60,000,000	-	-	60,000,000	-	-	-
51 Improve Health Sciences Research Building	50,000,000	-	-	50,000,000	-	-	-
52 Improve Angliana Facilities	50,000,000	-	-	50,000,000	-	-	-
53 Improve DLAR Facilities	10,000,000	-	-	10,000,000	-	-	-
54 Improve Mineral Industries Building	9,000,000	-	-	9,000,000	-	-	-
55 Improve Life Safety	25,000,000	-	-	25,000,000	-	-	-
56 ADA Compliance Pool	10,000,000	-	-	10,000,000	-	-	-
57 Acquire/Improve Service Core Systems	20,000,000	-	-	20,000,000	-	-	-
58 Construct/Improve Alumni Center	30,000,000	-	-	15,000,000	-	-	15,000,000
59 Improve Sturgill Development Building	4,000,000	-	-	4,000,000	-	-	-
60 Improve Academic Facility 1	20,000,000	-	-	20,000,000	-	-	-
61 Improve Academic/Administrative Space 1	20,000,000	-	-	20,000,000	-	-	-
62 Improve Academic/Administrative Space 2	20,000,000	-	-	20,000,000	-	-	-
63 Improve Academic/Administrative Space 3	20,000,000	-	-	20,000,000	-	-	-
64 Improve Academic/Administrative Space 4	20,000,000	-	-	20,000,000	-	-	-
65 Improve Bldg Electrical Systems	10,000,000	-	-	10,000,000	-	-	-
66 Improve Bldg Mechanical Systems	35,000,000	-	-	35,000,000	-	-	-
67 Improve Building Shell Systems	40,000,000	-	-	40,000,000	-	-	-
68 Improve Campus Parking and Transportation System	* 200,000,000	-	-	100,000,000	100,000,000	-	-
69 Improve Coldstream Research Campus	50,000,000	-	-	50,000,000	-	-	-
70 Improve Parking Garage 1	* 30,000,000	-	-	30,000,000	-	-	-
71 Improve Parking Garage 2	* 30,000,000	-	-	30,000,000	-	-	-
72 Improve Peterson Service Building	14,000,000	-	-	14,000,000	-	-	-
73 Improve Senior Center	10,000,000	-	-	10,000,000	-	-	-
74 Improve Site/Civil Infrastructure	50,000,000	-	-	50,000,000	-	-	-
75 Improve Spindletop Hall Facilities	15,000,000	-	-	15,000,000	-	-	-
76 Improve Student Center Space 2	25,000,000	-	-	25,000,000	-	-	-
77 Improve Student Center Space 3	25,000,000	-	-	25,000,000	-	-	-
78 Improve University Storage Facility	12,000,000	-	-	12,000,000	-	-	-
79 Renovate Carnahan House	8,000,000	-	-	8,000,000	-	-	-
80 Repair Critical Infrastructure/Bldg. Systems	25,000,000	-	-	25,000,000	-	-	-
81 Improve Fume Hood Systems	10,000,000	-	-	10,000,000	-	-	-
82 Decommission Facilities	50,000,000	-	-	50,000,000	-	-	-
83 Improve Central Plants	400,000,000	-	-	200,000,000	200,000,000	-	-
84 Guaranteed Energy Performance Contract-General	-	-	-	-	-	-	-
85 Improve Moloney Building	35,000,000	-	-	35,000,000	-	-	-

Proposed Asset Preservation Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
86 Improve Vaughan Facilities	10,000,000	-	-	10,000,000	-	-	-
87 Improve Oswald Building	60,000,000	-	-	60,000,000	-	-	-
88 Improve PKS2 Enterprise Campus Data Center	6,000,000	-	-	6,000,000	-	-	-
89 Improve Memorial Coliseum	10,000,000	-	-	10,000,000	-	-	-
90 Construct/Improve Athletics Facility 1 *	60,000,000	-	-	-	-	-	60,000,000
91 Construct/Improve Athletics Facility 2 *	15,000,000	-	-	-	-	-	15,000,000
92 Construct/Improve Athletics Surfaces 1 *	3,000,000	-	-	-	-	-	3,000,000
93 Construct/Improve Athletics Surfaces 2 *	3,000,000	-	-	-	-	-	3,000,000
94 Construct/Improve Athletics Surfaces 3 *	2,000,000	-	-	-	-	-	2,000,000
95 Improve Athletics Facility 1 *	20,000,000	-	-	-	-	-	20,000,000
96 Improve Athletics Facility 2 *	15,000,000	-	-	-	-	-	15,000,000
97 Improve Athletics Facility 3 *	10,000,000	-	-	-	-	-	10,000,000
98 Improve Athletics Facility 4 *	6,000,000	-	-	-	-	-	6,000,000
99 Improve Athletics Facility 5 *	6,000,000	-	-	-	-	-	6,000,000
100 Improve Baseball Facility Phase II *	14,000,000	-	-	-	-	-	14,000,000
101 Improve Joe Craft Center *	6,000,000	-	-	-	-	-	6,000,000
102 Improve Joe Craft Football Practice Facility *	3,000,000	-	-	-	-	-	3,000,000
103 Improve Kroger Field 1 *	15,000,000	-	-	-	-	-	15,000,000
104 Improve Lancaster Aquatic Center 1 *	17,000,000	-	-	-	-	-	17,000,000
105 Improve Lancaster Aquatic Center 2 *	10,000,000	-	-	-	-	-	10,000,000
106 Improve Nutter Training Facility *	7,000,000	-	-	-	-	-	7,000,000
107 Improve Soccer/Softball Facility *	7,000,000	-	-	-	-	-	7,000,000
108 Improve Boone Tennis Center *	15,000,000	-	-	-	-	-	15,000,000
109 Replace Basketball Playing Floors *	3,000,000	-	-	-	-	-	3,000,000
110 Improve Kroger Field 2 *	8,000,000	-	-	-	-	-	8,000,000
111 Improve Funkhouser Building Reauthorization Addl funds	90,000,000	-	-	90,000,000	-	-	-
112 Facilities Renewal and Modernization 2 Reauthorization	-	-	-	-	-	-	-
113 Asset Preservation Pool 2022-2024 Reauthorization	-	-	-	-	-	-	-
UK AP Total	4,361,000,000	200,000,000	75,000,000	3,526,000,000	300,000,000	-	260,000,000

*denotes non-E&G

University of Louisville

1 Arts and Sciences Reinvention	70,000,000	70,000,000	-	-	-	-	-
2 Construct-Student Commons & Recreational Fields	17,000,000	17,000,000	-	-	-	-	-
3 Campus Infrastructure Modernization	100,000,000	100,000,000	-	-	-	-	-
4 Steam and Chill Water Plant Modernization	40,000,000	40,000,000	-	-	-	-	-
5 Frazier Rehab Renovation, Build-Out and Equip	16,000,000	12,000,000	-	-	2,000,000	2,000,000	-
6 Renovation of Miller IT Building	2,500,000	-	-	-	2,500,000	-	-
7 Demo of Resident Halls	6,000,000	-	-	-	6,000,000	-	-
8 Construct - Belknap Stormwater Mitigation Improv	2,500,000	-	-	-	2,500,000	-	-
9 Green HSC Courtyard	2,000,000	-	-	-	2,000,000	-	-
10 Renovate - Parking Structures *	3,600,000	-	-	-	3,600,000	-	-
11 Renovate - Resurface & Repair Parking Lot *	2,500,000	-	-	-	2,500,000	-	-

Proposed Asset Preservation Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
12 Renovate - College of Business Academic Space	15,000,000	-	15,000,000		-	-	-
13 Renovate - College of Education Acad Space Pool	3,000,000	-	-		3,000,000	-	-
14 Renovate - Dental School Space	2,000,000	-	-		2,000,000	-	-
15 Upgrade Plumbing & Sanitary Lines- Dental Sch	1,200,000	-	-		1,200,000	-	-
16 Replacement - Building MEP	25,000,000	-	-		25,000,000	-	-
17 Campus Code Improvement Pool	10,000,000	-	-		10,000,000	-	-
18 Structural Improvement Pool	40,000,000	-	-		40,000,000	-	-
19 Renovation - Exterior Envelope Replacement-55A	20,000,000	-	20,000,000		-	-	-
20 Renovate - Gross Anatomy Lab	3,000,000	-	-		3,000,000	-	-
21 Renovate - School of Nursing	17,000,000	15,000,000	-	2,000,000	-	-	-
22 Improve Housing Facilities Pool	15,000,000	-	-		15,000,000	-	-
23 ADA Building Upgrade Pool	5,000,000	-	3,000,000		2,000,000	-	-
24 Asset Preservation Matching Pool-2022-Reauth	106,452,000	81,886,000		-	24,566,000	-	-
25 Renovate Interfaith Center	1,500,000				1,500,000		
26 Expand Patterson Stadium /construct indoor facil	* 20,000,000	-	-	-	20,000,000	-	-
27 Replace - Electronic Video Boards	* 10,000,000	-	-	-	10,000,000	-	-
28 Football Practice Field Lighting	* 5,000,000	-	-	-	5,000,000	-	-
29 Replace - Artificial Turf Field IV	* 2,000,000	-	-	-	2,000,000	-	-
30 Replace - Artificial Turf Field V	* 2,000,000	-	-	-	2,000,000	-	-
31 Expand-Ulmer Softball Stadium/Const Indoor Fac	* 15,000,000	-	-	-	15,000,000	-	-
32 Construct - Natatorium	* 60,000,000	-	-	-	60,000,000	-	-
33 Basketball/Lacrosse Practice Facility Expansion	* 25,000,000	-	-	-	25,000,000	-	-
34 Expand and Renovate - Marshall Center Complex	* 10,000,000	-	-	-	10,000,000	-	-
35 Renovate - Cardinal Football Stadium	* 25,000,000	-	-	-	25,000,000	-	-
36 Renovate - Cardinal Park	* 10,000,000	-	-	-	10,000,000	-	-
37 Renovate - Bass Rudd Tennis Center	* 5,000,000	-	-	-	5,000,000	-	-
38 Renovate - Garvin Brown Boathouse	* 4,000,000	-	-	-	4,000,000	-	-
39 Renovation - Golf Club - Shelby County	* 3,000,000	-	-	-	3,000,000	-	-
40 Renovation - Lynn Soccer Stadium	* 5,000,000	-	-	-	5,000,000	-	-
41 Renovation - Thornton's Academic Center	* 5,000,000	-	-	-	5,000,000	-	-
42 Renovation - Trager Football Practice Facility	* 5,000,000	-	-	-	5,000,000	-	-
43 Renovations - Patterson Baseball Stadium	* 5,000,000	-	-	-	5,000,000	-	-
44 Capital Renewal for Athletic Venues	* 10,000,000	-	-	-	10,000,000	-	-
45 Renovation - Cardinal Stadium Club Upgrades	* 7,500,000	-	-	-	7,500,000	-	-
46 Replacement - Seats in Athletic Venues	* 7,000,000	-	-	-	7,000,000	-	-
47 Renovate and update Student/Athlete Dormitory	* 6,000,000	-	-	-	6,000,000	-	-
48 Expand and Renovate - Wright Natatorium	* 10,000,000	-	-	-	10,000,000	-	-
49 Replace - Cardinal Stadium Seats	* 10,000,000	-	-	-	10,000,000	-	-
50 Update, replace technology in Athletic Venues	* 10,000,000	-	-	-	10,000,000	-	-
51 Renovate and Expand Lee St. Facility	* 3,000,000	-	-	-	3,000,000	-	-
52 Renovate and Expand ACCN Studio	* 4,000,000	-	-	-	4,000,000	-	-
53 Replace Fiber Pathway from ACC Studio to venues	* 3,000,000	-	-	-	3,000,000	-	-
54 Update and replace equipment in ACCN Studio	* 4,000,000	-	-	-	4,000,000	-	-

Proposed Asset Preservation Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
55 Renovate L&N Arena *	10,000,000	-	-	-	10,000,000	-	-
56 Expand, replace & maintain grass practice fields *	3,000,000	-	-	-	3,000,000	-	-
57 Expand & Renovate Athletic Parking Lots *	5,000,000	-	-	-	5,000,000	-	-
58 Expand and Renovate Tailgate Space *	5,000,000	-	-	-	5,000,000	-	-
UofL AP Total	839,752,000	335,886,000	38,000,000	2,000,000	461,866,000	2,000,000	-

*denotes non-E&G

Eastern Kentucky University

1 Construct New Model Laboratory School Phase II	59,100,000	59,100,000	-	-	-	-	-
2 Renovate Alumni Coliseum Phase II	32,000,000	32,000,000	-	-	-	-	-
3 2024-2026 Asset Preservation Pool	75,000,000	75,000,000	-	-	-	-	-
4 Asset Preservation Pool - 2022-2024 Reauthorization	-	-	-	-	-	-	-
5 Renovate and Upgrade Heat Plant	18,000,000	15,000,000	-	3,000,000	-	-	-
6 Athletics Capital Improvements Pool	75,000,000	-	25,000,000	25,000,000	-	-	25,000,000
7 Begley Building Comprehensive Maintenance and Ex	40,000,000	-	40,000,000	-	-	-	-
8 Renovate Roark Building	75,000,000	75,000,000	-	-	-	-	-
9 Improve Campus Pedestrian, Park and Transport'n Pool	14,000,000	-	8,000,000	3,000,000	-	-	3,000,000
10 Miscellaneous Maintenance Pool 2024-2026	20,000,000	-	-	20,000,000	-	-	-
11 Property Acquisitions Pool	10,000,000	-	-	5,000,000	-	-	5,000,000
12 Steam Line Upgrades	20,000,000	5,000,000	-	-	-	-	15,000,000
13 Renovate Mechanical Systems Pool 2022-2024	20,000,000	10,000,000	-	10,000,000	-	-	-
14 Campus Infrastructure Upgrade	40,000,000	-	-	-	40,000,000	-	-
15 Upgrade and Improve Residence Halls Pool	10,000,000	-	-	10,000,000	-	-	-
EKU AP Total	508,100,000	271,100,000	73,000,000	76,000,000	40,000,000	-	48,000,000

Kentucky State University

1 Renovation & Renewal Projects Pool	25,000,000	25,000,000	-	-	-	-	-
KSU AP Total	25,000,000	25,000,000	-	-	-	-	-

Morehead State University

1 Renovate Combs Classroom Building	40,867,000	40,867,000	-	-	-	-	-
2 Replace Electrical Switchgear B	6,000,000	6,000,000	-	-	-	-	-
3 Capital Renewal and Maintenance Pool-E&G	24,491,000	24,491,000	-	-	-	-	-
4 Upgrade Campus Fire & Security Systems	3,064,000	3,064,000	-	-	-	-	-
5 Repair Camden-Carroll Library	12,511,000	12,511,000	-	-	-	-	-
6 Capital Renewal and Maintenance Pool-Univ. Farm	2,075,000	2,075,000	-	-	-	-	-
7 Comply with ADA - E&G	4,950,000	4,950,000	-	-	-	-	-
8 Renovate Howell-McDowell	5,650,000	5,650,000	-	-	-	-	-
9 Renovate Jayne Stadium	47,830,000	47,830,000	-	-	-	-	-
10 Campus Drainage & Sewer Project	25,000,000	25,000,000	-	-	-	-	-
11 Renovate Academic Athletic Center	18,760,000	18,760,000	-	-	-	-	-
12 Renovate Allie Young Hall	22,399,000	22,399,000	-	-	-	-	-
13 Capital Renewal and Maintenance Pool-Aux	11,067,000	-	11,067,000	-	-	-	-

Proposed Asset Preservation Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
14 Comply with ADA - Auxiliary	804,000	-	804,000	-	-	-	-
15 Renovate Fields Residence Hall	9,044,000	-	9,044,000	-	-	-	-
16 Renovate Grote-Thompson Residence Hall	9,044,000	-	9,044,000	-	-	-	-
17 Renovate Normal Residence Hall	4,420,000	-	4,420,000	-	-	-	-
18 Guaranteed Energy Savings/Performance Contracting	-	-	-	-	-	-	-
MoSU AP Total	247,976,000	213,597,000	34,379,000	-	-	-	-
Murray State University							
1 Asset Preservation Pool - II	60,000,000	60,000,000	-	-	-	-	-
2 Construct Schl of Nurs & Health Bldg - Phase II	11,600,000	11,600,000	-	-	-	-	-
3 Asset Preservation Pool - 2022-2024 Add'l	34,200,000	34,200,000	-	-	-	-	-
4 Asset Preservation Pool - Res Halls	6,000,000	-	6,000,000	-	-	-	-
5 Renovate Pogue Library	15,000,000	15,000,000	-	-	-	-	-
6 Install Additional Chiller-Heating & Cooling Plt	1,717,000	1,717,000	-	-	-	-	-
7 Modernize Business Bldg Elec, HVAC & Classrooms	19,000,000	19,000,000	-	-	-	-	-
8 Repair Stewart Stadium - Structural	9,200,000	9,200,000	-	-	-	-	-
9 Renovate Residence Hall Electrical System	4,369,000	-	4,369,000	-	-	-	-
10 Renovate Wells Hall	16,200,000	16,200,000	-	-	-	-	-
11 Renovate Residence Hall HVAC System	3,661,000	-	3,661,000	-	-	-	-
12 Renovate Residence Hall Interior	1,674,000	-	1,674,000	-	-	-	-
13 Replace Residence Hall Domestic Water Piping	1,195,000	-	1,195,000	-	-	-	-
14 Upgrade Sparks Hall Electrical System	3,270,000	3,270,000	-	-	-	-	-
15 Replace Carr and Racer HVAC	6,150,000	6,150,000	-	-	-	-	-
16 Construct/Renovate Dining Facility	30,000,000	-	-	30,000,000	-	-	-
17 Enhance Dining Facility	4,884,000	-	-	4,884,000	-	-	-
MuSU AP Total	228,120,000	176,337,000	16,899,000	34,884,000	-	-	-
Northern Kentucky University							
1 Renew/Renovate Steely Library	72,000,000	69,000,000	-	-	-	-	3,000,000
2 Renovate Business Academic Building	64,000,000	59,000,000	-	-	-	-	5,000,000
3 Renew E&G Building Sys Projects Pool	30,000,000	30,000,000	-	-	-	-	-
4 Asset Preservation Pool - 2022-2024	7,020,000	-	-	7,020,000	-	-	-
5 Replace Recreation Field Turf Reauthorization	-	-	-	-	-	-	-
6 Renovate Nunn Hall Phase I	4,500,000	-	-	-	-	-	4,500,000
7 Renovate Residence Halls Add'l Reauthor	-	-	-	-	-	-	-
8 Renew/Repair Parking Garage Pool	3,000,000	-	3,000,000	-	-	-	-
9 Replace Event Center Technology	4,500,000	-	-	-	4,500,000	-	-
10 Guaranteed Energy Savings Performance Contracts	-	-	-	-	-	-	-
NKU AP Total	185,020,000	158,000,000	3,000,000	7,020,000	4,500,000	-	12,500,000
Western Kentucky University							
1 Renovate Academic Complex	160,000,000	160,000,000	-	-	-	-	-
2 Renovate Potter College Arts & Letters Facilitie	120,400,000	120,400,000	-	-	-	-	-

Proposed Asset Preservation Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
3 Renovate and Expand Innovation Campus (CRD)	101,000,000	58,000,000	21,000,000	7,000,000	-	15,000,000	-
4 Renovate Raymond Cravens Library	47,600,000	47,600,000	-	-	-	-	-
5 Renovate Kentucky Building	39,900,000	39,900,000	-	-	-	-	-
6 Renovate Jones Jagers Hall	60,000,000	20,000,000	-	20,000,000	-	-	20,000,000
7 Ren Ogden College of Science & Engineering Fac	120,800,000	120,800,000	-	-	-	-	-
8 Repair/Replace Roof at Ctr Research Development	6,000,000	6,000,000	-	-	-	-	-
9 Renovate Hardin Planetarium	2,000,000	2,000,000	-	-	-	-	-
10 Improve Life Safety Pool/Academic Bldgs	34,500,000	34,500,000	-	-	-	-	-
11 Renovate Central Heat Plant	5,100,000	5,100,000	-	-	-	-	-
12 Renovate Glasgow Campus	28,500,000	28,500,000	-	-	-	-	-
13 Replace Underground Infrastructure	15,000,000	15,000,000	-	-	-	-	-
14 Energy Saving Performance Contracting	-	-	-	-	-	-	-
15 Capital Renewal Pool	10,000,000	10,000,000	-	-	-	-	-
16 Renovate South Campus	6,000,000	-	-	6,000,000	-	-	-
17 Renovate CRD Phase I	12,000,000	-	-	6,000,000	-	-	6,000,000
18 Add Club Seating at Diddle Arena	5,000,000	-	-	-	-	-	5,000,000
19 Renovate State/Normal Street Properties	2,000,000	-	-	2,000,000	-	-	-
20 Asset Preservation Pool - 2022-2024 (rank TBD)	10,212,000	-	-	10,212,000	-	-	-
WKU AP Total	786,012,000	667,800,000	21,000,000	51,212,000	-	15,000,000	31,000,000
KCTCS							
1 Renov Occupational Tech. Ph II-Elizabethtown CTC	44,000,000	44,000,000	-	-	-	-	-
2 Replace Hartford Bldg Phase II- Jefferson CTC	35,700,000	35,700,000	-	-	-	-	-
3 Renov or Replace Laurel South PhII-Somerset CC	30,000,000	30,000,000	-	-	-	-	-
4 Renov and/or Construct Admin Bldg.-Maysville CTC	28,200,000	28,200,000	-	-	-	-	-
5 Upgrade Infrastructure-Owensboro CTC	16,700,000	16,700,000	-	-	-	-	-
6 Upgrade ADA and Life Safety-West KY CTC	1,500,000	1,500,000	-	-	-	-	-
7 Renovate Mayo Campus-Big Sandy CTC	4,100,000	4,100,000	-	-	-	-	-
8 Renovate Hartfield Library-Henderson CC	10,500,000	10,500,000	-	-	-	-	-
9 Upgrade Harlan Campus-Southeast KY CTC	7,800,000	7,800,000	-	-	-	-	-
10 Replace Roofs - Madisonville CC	2,200,000	2,200,000	-	-	-	-	-
11 Repair/Replace Multiple Roofs- Hazard CTC	5,700,000	5,700,000	-	-	-	-	-
12 Renovate Leestown Building A-Bluegrass CTC	18,900,000	18,900,000	-	-	-	-	-
13 Relocate and Expand Cosmetology Prog-Ashland CTC	5,900,000	5,900,000	-	-	-	-	-
14 Replace Technology Center HVAC-Hopkinsville CC	5,700,000	5,700,000	-	-	-	-	-
15 Upgrade Mechanical Equipment Ph. II-Gateway CTC	4,500,000	4,500,000	-	-	-	-	-
16 Roof Replacements - Big Sandy CTC	2,500,000	2,500,000	-	-	-	-	-
17 Renovate Jolly Classroom Phase II-Hazard CTC	8,200,000	8,200,000	-	-	-	-	-
18 Upgrade Safety & Security Systems, Jefferson CTC	3,000,000	3,000,000	-	-	-	-	-
19 Renovate Leestown Building N-Bluegrass CTC	5,700,000	5,700,000	-	-	-	-	-
20 Renovate Johnson Building-Big Sandy CTC	10,800,000	10,800,000	-	-	-	-	-
21 Replace HVAC System Phase II -Owensboro CTC	5,800,000	5,800,000	-	-	-	-	-
22 Upgrade Mech Equipment Ph II-Southeast KY CTC	7,500,000	7,500,000	-	-	-	-	-

Proposed Asset Preservation Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
23 Capital Renewal & Deferred Maintenance Pool	30,000,000	30,000,000	-	-	-	-	-
24 Renovate Edgewood Campus Ph.II-Gateway CTC	8,100,000	8,100,000	-	-	-	-	-
25 Renovate Lawrenceburg Campus-Bluegrass CTC	9,800,000	9,800,000	-	-	-	-	-
26 Upgrade/Replace Switchgear-Elizabethtown CTC	3,500,000	3,500,000	-	-	-	-	-
27 Renovate Haws Gym-West KY CTC	2,000,000	2,000,000	-	-	-	-	-
28 Upgrade Classrooms College-Wide-Henderson CC	3,500,000	3,500,000	-	-	-	-	-
29 Renovate First Federal Center-Hazard CTC	5,700,000	5,700,000	-	-	-	-	-
30 Replace HVAC South Campus Ph.II-Somerset CC	2,700,000	2,700,000	-	-	-	-	-
31 Upgrade Safety and Security-Big Sandy CTC	4,500,000	4,500,000	-	-	-	-	-
32 Upgrade Security Technology- Gateway CTC	2,000,000	2,000,000	-	-	-	-	-
33 Replace Whitesburg Bridge-Southeast KY CTC	1,800,000	1,800,000	-	-	-	-	-
34 Upgrade Entrance Ways & Parking, Ashland CTC	4,000,000	4,000,000	-	-	-	-	-
35 Renovate Stoner Theatre-Somerset CC, North	2,300,000	2,300,000	-	-	-	-	-
36 Upgrade North Campus-Somerset CC	3,000,000	3,000,000	-	-	-	-	-
37 Upgrade South Campus - Somerset CC	3,000,000	3,000,000	-	-	-	-	-
38 Upgrade Tech Dr. Parking/Security-Ashland CTC	1,500,000	1,500,000	-	-	-	-	-
39 Constr Loop Dr & Upgrd Parking Lot-Maysville CTC	3,500,000	3,500,000	-	-	-	-	-
40 Site Development Improvements-Elizabethtown CTC	3,400,000	3,400,000	-	-	-	-	-
41 Const Multicultural Ctr Atrium Enclosure-JCTC	3,000,000	-	-	3,000,000	-	-	-
42 Asset Preservation Pool 2022-2024 (Reauthorization)	-	-	-	-	-	-	-
KCTCS AP Total	362,200,000	359,200,000	-	3,000,000	-	-	-
293 Asset Preservation Total	7,543,180,000	2,406,920,000	261,278,000	3,700,116,000	806,366,000	17,000,000	351,500,000

Proposed New Construction Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash	Road Fund
University of Kentucky								
1 Construct Agriculture Research Facility #1 Reauthorization Addl funds	230,000,000	200,000,000	-	30,000,000	-	-	-	-
2 Construct Research Facility	450,000,000	350,000,000	100,000,000	-	-	-	-	-
3 Construct Academic Facility	68,000,000	-	-	68,000,000	-	-	-	-
4 Construct/Improve Student Housing *	450,000,000	-	-	50,000,000	400,000,000	-	-	-
5 Construct/Improve Dining Facilities *	300,000,000	-	-	150,000,000	150,000,000	-	-	-
6 Construct Hotel/Conference Center	150,000,000	-	-	-	150,000,000	-	-	-
7 Construct Agriculture Research Facility 2	75,000,000	-	-	75,000,000	-	-	-	-
8 Construct Equine/Horticulture Campus	90,000,000	-	-	90,000,000	-	-	-	-
9 Construct Police Headquarters	35,000,000	-	-	35,000,000	-	-	-	-
10 Construct Tennis Facility *	54,000,000	-	-	27,000,000	-	-	27,000,000	-
11 Construct Support Services Building	35,000,000	-	-	35,000,000	-	-	-	-
12 Acquire Land	100,000,000	-	25,000,000	75,000,000	-	-	-	-
13 Construct Agriculture Research Facility 3	75,000,000	-	-	75,000,000	-	-	-	-
14 Construct Academic Building	149,000,000	-	-	149,000,000	-	-	-	-
15 Construct Metal Arts/Digital Media Building	14,000,000	-	-	14,000,000	-	-	-	-
16 Construct Teaching Pavilion	38,000,000	-	-	38,000,000	-	-	-	-
17 Construct Digital Village Building 3	190,000,000	-	-	95,000,000	95,000,000	-	-	-
18 Construct Agriculture Federal Research Facility I	108,000,000	-	-	-	-	108,000,000	-	-
19 Construct Agriculture Federal Research Facility II	14,000,000	-	-	-	-	14,000,000	-	-
20 Acquire/Improve Clinical/Research Facility	11,000,000	-	-	11,000,000	-	-	-	-
21 Construct/Improve Library Depository Facility	45,000,000	-	-	45,000,000	-	-	-	-
22 Construct/Improve Machine Lab	20,000,000	-	-	20,000,000	-	-	-	-
23 Construct Meats/Food Development Center	90,000,000	-	-	90,000,000	-	-	-	-
24 Construct/Improve Student Success/Academic Fac	40,000,000	-	-	40,000,000	-	-	-	-
25 Construct/Improve Transformative Learning Center	25,000,000	-	-	25,000,000	-	-	-	-
26 Expand KGS Well Sample & Core Repository	6,000,000	-	-	6,000,000	-	-	-	-
27 Construct Retail/Parking Facility 2 *	100,000,000	-	-	-	100,000,000	-	-	-
28 Construct/Improve Greek Housing *	72,000,000	-	-	36,000,000	-	-	36,000,000	-
29 Acquire/Improve Administrative Facility	10,000,000	-	-	10,000,000	-	-	-	-
30 Construct Childcare Center Facility	25,000,000	-	-	25,000,000	-	-	-	-
31 Construct Office Park at Coldstream	65,000,000	-	-	-	65,000,000	-	-	-
32 Construct/Fit-Up Retail Space *	15,000,000	-	-	10,000,000	-	-	5,000,000	-
33 Construct/Improve Office Building	55,000,000	-	-	55,000,000	-	-	-	-
34 Construct/Improve Parking I *	75,000,000	-	-	75,000,000	-	-	-	-
35 Construct/Improve Parking II *	50,000,000	-	-	50,000,000	-	-	-	-
36 Construct Multi-Use Living Complex *	500,000,000	-	-	100,000,000	400,000,000	-	-	-
37 Construct Retail/Parking Facility 1 *	100,000,000	-	-	-	100,000,000	-	-	-
38 Construct/Improve Innovation Complex	250,000,000	-	-	100,000,000	150,000,000	-	-	-
39 Expand Arboretum Visitor Center	10,000,000	-	-	10,000,000	-	-	-	-
40 Acquire E&G Enterprise 1	150,000,000	-	-	150,000,000	-	-	-	-
41 Acquire E&G Enterprise 2	150,000,000	-	-	150,000,000	-	-	-	-
42 Construct/Improve Enterprise Data Center	60,000,000	-	-	60,000,000	-	-	-	-
43 Improve Indoor/Outdoor Track *	3,000,000	-	-	-	-	-	3,000,000	-
44 Acquire/Improve Golf Facility *	8,000,000	-	-	-	-	-	8,000,000	-
45 Construct Cross Country Trail *	3,000,000	-	-	-	-	-	3,000,000	-
46 Construct/Improve Gymnastic Practice Facility *	10,000,000	-	-	-	-	-	10,000,000	-
47 Construct/Improve Wildcat Coal Lodge *	48,000,000	-	-	-	-	-	48,000,000	-

Proposed New Construction Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash	Road Fund
48 Construct Athletics Hall of Fame Plaza *	5,000,000	-	-	-	-	-	5,000,000	
49 Construct West End Zone Club Space *	50,000,000	-	-	-	-	-	50,000,000	
50 Construct Health Education Building Reauthorization Addl funds	50,000,000	-	-	50,000,000	-	-	-	-
UK New or Expanded Total	4,726,000,000	550,000,000	125,000,000	2,124,000,000	1,610,000,000	122,000,000	195,000,000	-

*denotes non-E&G

University of Louisville

1 Health Sciences Simulation & Collaboration Hub	280,000,000	260,000,000	20,000,000	-	-	-	-	-
2 Construct - STEM Building	142,000,000	142,000,000	-	-	-	-	-	-
3 Construct - P3 Housing Complex	80,000,000	-	-	-	80,000,000	-	-	-
4 Build Out space for UofL Depts in P3 Bldg	2,000,000	-	-	-	2,000,000	-	-	-
5 Purchase Housing Facility	75,000,000	-	-	-	75,000,000	-	-	-
6 Speed Sch Multidisciplinary Engineering Bldg 1	15,000,000	15,000,000	-	-	-	-	-	-
7 Guaranteed Energy Savings Contract	50,000,000	-	50,000,000	-	-	-	-	-
8 Vivarium Equipment Replacement & Upgrade Pool	20,000,000	-	-	-	20,000,000	-	-	-
9 Construct - Belknap 3rd Street Improvements	2,500,000	-	-	2,500,000	-	-	-	-
10 Construct-Belknap 3rd St & Brandeis Corridor Imp	5,615,000	-	-	300,000	-	-	-	5,315,000
11 Purchase Land	15,000,000	-	15,000,000	-	-	-	-	-
12 Construct new resident hall	80,000,000	-	80,000,000	-	-	-	-	-
13 Construct Connector-Speed Sch to Research Park	10,000,000	-	10,000,000	-	-	-	-	-
14 Construct - Athletics Office Building *	7,500,000	-	-	-	7,500,000	-	-	-
15 Construct - Athletic Grounds Building *	5,000,000	-	-	-	5,000,000	-	-	-
16 Construct - Practice Bubble *	5,000,000	-	-	-	5,000,000	-	-	-
17 Construction - Indoor Facility *	20,000,000	-	-	-	20,000,000	-	-	-
18 Demo and Construct-Golf Maintenance/Chemical Bld *	5,000,000	-	-	-	5,000,000	-	-	-
19 Construct - Athletics Village *	150,000,000	-	-	-	150,000,000	-	-	-
UofL New or Expanded Total	969,615,000	417,000,000	175,000,000	2,800,000	369,500,000	-	-	5,315,000

*denotes non-E&G

Eastern Kentucky University

1 Comprehensive Aviation Expansion Phase I	29,000,000	25,000,000	-	-	-	-	4,000,000	-
2 Construct Health Sciences Complex	130,000,000	100,000,000	-	5,000,000	-	-	25,000,000	-
3 Aviation Acquisition Pool	5,000,000	-	-	5,000,000	-	-	-	-
4 Commonwealth Hall Partial Repurposing and Renov.	6,000,000	-	-	6,000,000	-	-	-	-
5 Demolish Building Pool	20,000,000	20,000,000	-	-	-	-	-	-
6 Natural Areas Improvement Pool	1,000,000	-	-	1,000,000	-	-	-	-
7 Guaranteed Energy Savings Performance Contracts	-	-	-	-	-	-	-	-
8 Innovation and Commercialization Pool	15,000,000	-	-	5,000,000	-	-	10,000,000	-
9 Additional University Services Space	2,500,000	-	-	2,000,000	-	-	500,000	-
EKU New or Expanded Total	208,500,000	145,000,000	-	24,000,000	-	-	39,500,000	-

Kentucky State University

1 Construct Health Sciences Center	50,000,000	50,000,000	-	-	-	-	-	-
2 Acquire Land	2,088,000	-	-	1,044,000	-	1,044,000	-	-
KSU New or Expanded Total	52,088,000	50,000,000	-	1,044,000	-	1,044,000	-	-

Morehead State University

1 Construct Multi-Disciplinary Classroom Building	90,000,000	90,000,000	-	-	-	-	-	-
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Proposed New Construction Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash	Road Fund
2 Science and Engineering Building	19,600,000	19,600,000	-	-	-	-	-	-
3 Construct New Residence Hall # 1	49,800,000	-	49,800,000	-	-	-	-	-
4 Construct New Business Classroom Building	49,500,000	49,500,000	-	-	-	-	-	-
5 Renovate Button Auditorium	24,036,000	24,036,000	-	-	-	-	-	-
6 Acquire Land Related to Master Plan	4,000,000	4,000,000	-	-	-	-	-	-
7 Construct New Residence Hall #2	40,350,000	-	40,350,000	-	-	-	-	-
8 Reno.& Replace Exterior Precast Panels-Nunn Hall	3,778,000	-	3,778,000	-	-	-	-	-
MoSU New or Expanded Total	281,064,000	187,136,000	93,928,000	-	-	-	-	-
Murray State University								
1 Construct Learning Commons w/Housing	38,000,000	38,000,000	-	-	-	-	-	-
2 Construct Residential Housing	68,970,000	-	68,970,000	-	-	-	-	-
3 Replace College Courts Apartments (1 to 5 Bldgs)	15,000,000	-	15,000,000	-	-	-	-	-
2 Athletic Facilities Improv. Pool Project - AB	20,000,000	-	20,000,000	-	-	-	-	-
3 Construct New Auxiliary Services Building - AB	1,350,000	-	1,350,000	-	-	-	-	-
4 Athletic Facilities Improv. Pool Project	20,000,000	-	-	20,000,000	-	-	-	-
3 Construct New Auxiliary Services Building	1,350,000	-	-	1,350,000	-	-	-	-
4 Energy Savings Performance Project	-	-	-	-	-	-	-	-
5 Acquire Property	4,180,000	-	-	4,180,000	-	-	-	-
4 Acquire Agriculture Research Farm Land	1,254,000	-	-	1,254,000	-	-	-	-
MuSU New or Expanded Total	170,104,000	38,000,000	105,320,000	26,784,000	-	-	-	-
Northern Kentucky University								
1 Expand Herrmann Science Center Reauthorization Addl Funds	15,980,000	15,980,000	-	-	-	-	-	-
2 Acquire Land/Master Plan 2010-2012 Reauth	-	-	-	-	-	-	-	-
NKU New or Expanded Total	15,980,000	15,980,000	-	-	-	-	-	-
Western Kentucky University								
1 Renovate and modernize Cherry Hall	30,000,000	30,000,000	-	-	-	-	-	-
2 Construct New Gordon Ford College of Business (Reauth)	-	-	-	-	-	-	-	-
3 Construct, Renovate, and Improve Ath Facilities (Reauth)	-	-	-	-	-	-	-	-
4 Construct One Stop Student Service	81,600,000	81,600,000	-	-	-	-	-	-
5 Renovate Grise Hall	2,000,000	2,000,000	-	-	-	-	-	-
6 Renovate Jones Jagers Interior	1,300,000	1,300,000	-	-	-	-	-	-
7 Enhance Avenue of Champions streetscaping	4,000,000	-	-	2,000,000	-	-	2,000,000	-
8 Purchase Prop/Parking& Street Improve	3,000,000	-	-	3,000,000	-	-	-	-
9 Construct Parking Structure IV *	35,000,000	-	35,000,000	-	-	-	-	-
10 Remove and Replace Student Housing @ Farm	5,000,000	-	-	-	-	-	5,000,000	-
11 Construct Baseball Grandstand	6,000,000	-	-	-	-	-	6,000,000	-
12 Construct South Plaza	3,600,000	-	-	-	-	-	3,600,000	-
13 Expand Track and Field Facilities	6,500,000	-	-	-	-	-	6,500,000	-
14 Renovate and Expand Clinical Education Complex	10,000,000	-	-	-	-	-	10,000,000	-
15 Purch Property for Campus Expansion	3,000,000	-	-	3,000,000	-	-	-	-
WKU New or Expanded Total	191,000,000	114,900,000	35,000,000	8,000,000	-	-	33,100,000	-
*denotes non-E&G								
KCTCS								
1 Replace Glasgow Campus Ph I-Southcentral KY CTC	58,900,000	58,900,000	-	-	-	-	-	-

Proposed New Construction Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash	Road Fund
2 Expand Transpark Campus-Southcentral KY CTC	43,900,000	43,900,000	-	-	-	-	-	-
3 Const Muhlenberg Campus Ph II-Madisonville CC	26,600,000	26,600,000	-	-	-	-	-	-
4 Construct Engineering Building-Elizabethtown CTC	55,000,000	55,000,000	-	-	-	-	-	-
5 Construct Diesel Tech/CDL Bldg-Hopkinsville CC	3,800,000	3,800,000	-	-	-	-	-	-
6 Expand CDL Program-Gateway CTC, Urban	5,600,000	5,600,000	-	-	-	-	-	-
7 Const Training Fac - NARA - Bluegrass CTC	11,100,000	11,100,000	-	-	-	-	-	-
8 Expand Culinary Arts Program -Elizabethtown CTC	5,000,000	-	-	5,000,000	-	-	-	-
9 Construct Fire Academy Dormitory-Fire Commission	7,800,000	-	-	7,800,000	-	-	-	-
10 Construct Fire Academy Maint. Bldg-Fire Comm.	2,000,000	-	-	2,000,000	-	-	-	-
11 Property Acquisition Pool-Fire Commission	5,000,000	-	-	5,000,000	-	-	-	-
12 Construct Quad and Green Space - Jefferson CTC	8,000,000	-	-	8,000,000	-	-	-	-
13 Acquire & Improve Parking Lots-JCTC-Add'l Reauth	2,000,000	-	-	2,000,000	-	-	-	-
14 Acquisition of KCTCS System Office Bldg.	4,000,000	-	-	4,000,000	-	-	-	-
15 KCTCS Property Acquisition Pool	5,000,000	-	-	5,000,000	-	-	-	-
16 Property Acquisition - Hopkinsville CC (Reauthorization)	-	-	-	-	-	-	-	-
KCTCS New or Expanded Total	243,700,000	204,900,000	-	38,800,000	-	-	-	-
125 New or Expanded Total	6,858,051,000	1,722,916,000	534,248,000	2,225,428,000	1,979,500,000	123,044,000	267,600,000	5,315,000

Proposed Information Technology and Equipment Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
University of Kentucky							
1 Purchase/Construct CO2 Capture Process Plant	50,000,000	-	-	1,500,000	8,500,000	40,000,000	-
2 Research Equipment Pool	30,000,000	-	-	30,000,000	-	-	-
3 Acquire Transportation Buses	3,000,000	-	-	3,000,000	-	-	-
4 Lease/Purchase Enterprise IT Systems	20,000,000	-	-	20,000,000	-	-	-
5 Lease/Purchase Enterprise Network Security	10,000,000	-	-	10,000,000	-	-	-
6 Improve Enterprise Cable Infrastructure	5,000,000	-	-	5,000,000	-	-	-
7 Improve Enterprise Networking 1	7,000,000	-	-	7,000,000	-	-	-
8 Improve Enterprise Networking 2	7,000,000	-	-	7,000,000	-	-	-
9 Lease/Purchase Enterprise Infrastructure	7,000,000	-	-	7,000,000	-	-	-
10 Lease/Purchase Enterprise Call Center System	5,000,000	-	-	5,000,000	-	-	-
11 Lease/Purchase Enterprise Voice Infrastructure	5,000,000	-	-	5,000,000	-	-	-
12 Lease/Purchase High Performance Computer	10,000,000	-	-	10,000,000	-	-	-
13 Lease/Purchase Campus IT System	10,000,000	-	-	10,000,000	-	-	-
14 Acquire Information Technology Systems	5,000,000	-	-	-	-	-	5,000,000
15 Acquire Equipment/Furnishings Pool	10,000,000	-	-	-	-	-	10,000,000
UK IT and Equipment Total	184,000,000	-	-	120,500,000	8,500,000	40,000,000	15,000,000
UK Healthcare							
1 Acquire Data Center Hardware - UKHC	15,000,000	-	-	15,000,000	-	-	-
2 Acquire Telemedicine/Virtual ICU	10,000,000	-	-	10,000,000	-	-	-
3 Implement Patient Communication System - UKHC	25,000,000	-	-	25,000,000	-	-	-
4 Improve UKHC IT Systems	300,000,000	-	-	300,000,000	-	-	-
UK-Healthcare IT and Equipment Total	350,000,000	-	-	350,000,000	-	-	-
University of Louisville							
1 Purchase-Next Generation/ERP Support System	20,000,000	20,000,000	-	-	-	-	-
2 Purchase - Networking System	8,000,000	-	-	-	8,000,000	-	-
3 Purchase - Fiber Infrastructure	3,500,000	-	-	-	3,500,000	-	-
4 Purchase - Computing for Research Infrastructure	7,000,000	-	-	-	7,000,000	-	-
5 Purchase - Computer Processing System & Storage	3,500,000	-	-	-	3,500,000	-	-
6 Purchase - Security and Firewall Infrastructure	5,000,000	-	-	-	5,000,000	-	-
7 Purchase - Content Management System	10,000,000	-	-	-	10,000,000	-	-
8 Workday Enhancements-post implementation	2,000,000	-	-	-	2,000,000	-	-
UofL IT and Equipment Total	59,000,000	20,000,000	-	-	39,000,000	-	-
Eastern Kentucky University							
1 Campus Data Network Pool	13,000,000	-	-	13,000,000	-	-	-
2 Administrative Computing Pool	6,500,000	-	-	6,500,000	-	-	-
3 Academic Computing Pool	8,000,000	-	-	8,000,000	-	-	-
4 Scientific and Research Equipment Pool	7,400,000	-	-	3,000,000	-	2,200,000	2,200,000
5 Chemistry and Translational Research Pool	1,325,000	-	-	900,000	-	-	425,000
6 Lease - Aviation	-	-	-	-	-	-	-

Proposed Information Technology and Equipment Projects 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
EKU IT and Equipment Total	36,225,000	-	-	31,400,000	-	2,200,000	2,625,000
Kentucky State University							
1 Upgrade Information Tech Infrastructure	14,450,000	14,450,000	-	-	-	-	-
KSU IT and Equipment Total	14,450,000	14,450,000	-	-	-	-	-
Morehead State University							
1 Enhance Network/Infrastructure Resources - Add'l	3,750,000	3,750,000	-	-	-	-	-
2 Upgrade Instruct.&Business PCs/LANS/Digitization	3,000,000	3,000,000	-	-	-	-	-
3 Enhance Library Automation Resources	1,930,000	1,930,000	-	-	-	-	-
MoSU IT and Equipment Total	8,680,000	8,680,000	-	-	-	-	-
Murray State University							
1 Equipment-Nuclear Magnetic Resonance (NMR)	650,000	-	-	650,000	-	-	-
MuSU IT and Equipment Total	650,000	-	-	650,000	-	-	-
Northern Kentucky University							
1 Replace Enterprise Resource Planning System	15,000,000	15,000,000	-	-	-	-	-
2 Upgrade IT Infrastructure Pool	9,950,000	7,000,000	-	2,950,000	-	-	-
NKU IT and Equipment Total	24,950,000	22,000,000	-	2,950,000	-	-	-
Western Kentucky University							
1 Upgrade IT Infrastructure	6,000,000	6,000,000	-	-	-	-	-
2 Acquire FF&E Diddle Arena	5,000,000	-	-	-	-	-	5,000,000
3 Acquire FF&E Equipment Pool	5,000,000	-	-	5,000,000	-	-	-
WKU IT and Equipment Total	16,000,000	6,000,000	-	5,000,000	-	-	5,000,000
KCTCS							
1 KCTCS Information Technology Pool	9,500,000	9,500,000	-	-	-	-	-
2 Procure Aviation Equipment-Madisonville CC	3,600,000	3,600,000	-	-	-	-	-
3 Procure Training Equipment-Fire Commission	2,000,000	-	-	2,000,000	-	-	-
4 Procure CDL Simulators-Gateway CTC	800,000	-	-	800,000	-	-	-
5 KCTCS Equipment Pool	5,000,000	-	-	2,500,000	-	2,500,000	-
KCTCS IT and Equipment Total	20,900,000	13,100,000	-	5,300,000	-	2,500,000	-
48 Information Technology & Equipment Total	714,855,000	84,230,000	-	515,800,000	47,500,000	44,700,000	22,625,000

Proposed UK Healthcare and Leases 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
University of Kentucky							
1	Off-Campus #1						
2	Off-Campus #3						
3	Off-Campus #4						
4	Off-Campus #6						
5	Off-Campus #7						
6	Off-Campus #12						
7	Off-Campus #13						
8	Off-Campus #14						
9	Off-Campus #15						
10	Off-Campus #16						
11	Off-Campus #17						
12	Off-Campus #18						
13	Off-Campus #19						
14	Off-Campus #20						
15	Off-Campus #21						
16	Off-Campus #22						
17	Off-Campus Housing #1						
18	Off-Campus Housing #2						
19	Health Science Colleges 1						
20	Health Science Colleges 2						
21	Health Science Colleges 3						
22	Athletics 1						
23	Athletics 2						
24	Off-Campus #2						
25	Off-Campus #11						
26	College of Medicine 1						
27	College of Medicine 2						
28	Off-Campus #8						
29	Off-Campus #9						
30	Off-Campus #10						
	UK Leases	-	-	-	-	-	-
UK Healthcare							
1	Construct/Improve Medical/Administrative Facility 3 Reauthorization Addl funds	Other	1,800,000,000	-	800,000,000	1,000,000,000	
2	Construct Cancer/Ambulatory Facility Phase 2		350,000,000			350,000,000	
3	Improve UK Good Samaritan Hospital Facilities		30,000,000	-	-	30,000,000	-
4	Improve Clinical/Ambulatory Services Facilities		50,000,000	-	-	50,000,000	-
5	Improve Markey Cancer Center Facilities		40,000,000	-	-	40,000,000	-
6	Improve UKHC Facilities - UK Chandler Hospital		150,000,000	-	-	150,000,000	-
7	Improve State Street Medical Facilities		50,000,000	-	-	50,000,000	-
8	Acquire/Improve Medical/Adm Facility 1 UKHC		300,000,000	-	-	300,000,000	-
9	Acquire/Improve Medical/Adm Facility 2 UKHC		400,000,000	-	-	400,000,000	-
10	Acquire/Improve Medical/Adm Facility 4 UKHC		500,000,000	-	-	500,000,000	-

Proposed UK Healthcare and Leases 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
11 Construct/Improve Medical/Admin Facility 2	300,000,000	-	-	150,000,000	150,000,000	-	-
12 Construct/Improve Medical/Admin Facility 4	400,000,000	-	-	400,000,000	-	-	-
13 Construct/Improve Medical/Admin Facility 5	500,000,000	-	-	500,000,000	-	-	-
14 Construct/Improve Medical/Admin Facility 6	600,000,000	-	-	300,000,000	300,000,000	-	-
15 Construct/Improve Medical/Administrative Facility 7	500,000,000	-	-	500,000,000	-	-	-
16 Construct/Improve Medical/Administrative Facility 8	500,000,000	-	-	500,000,000	-	-	-
17 Construct/Improve Medical/Administrative Facility 9	500,000,000	-	-	-	500,000,000	-	-
18 Improve Medical Facility 3	25,000,000	-	-	25,000,000	-	-	-
19 Improve Medical Facility 4	25,000,000	-	-	25,000,000	-	-	-
20 Improve Medical Facility 5	25,000,000	-	-	25,000,000	-	-	-
21 Improve Medical Facility 6	25,000,000	-	-	25,000,000	-	-	-
22 Improve Medical Facility 7	25,000,000	-	-	25,000,000	-	-	-
23 Acquire/Partnership Medical System 1	350,000,000	-	-	350,000,000	-	-	-
24 Acquire/Partnership Medical System 2	350,000,000	-	-	350,000,000	-	-	-
25 Construct/Improve Patient Support Facility	30,000,000	-	-	30,000,000	-	-	-
26 Construct/Improve Ambulatory Care - UKHC	50,000,000	-	-	50,000,000	-	-	-
27 Renovate/Improve Nursing Units - UKHC	10,000,000	-	-	10,000,000	-	-	-
28 Implement Land Use Plan 1	200,000,000	-	-	200,000,000	-	-	-
29 Implement Land Use Plan 2	150,000,000	-	-	150,000,000	-	-	-
30 Construct UKHC Medical Transport Facility	20,000,000	-	-	20,000,000	-	-	-
31 Acquire/Improve Service Core Systems - UKHC	75,000,000	-	-	75,000,000	-	-	-
32 Construct Service Core Systems - Hamburg	75,000,000	-	-	75,000,000	-	-	-
33 Improve Building Systems - UKHC	75,000,000	-	-	75,000,000	-	-	-
34 Construct Building Systems - Hamburg	50,000,000	-	-	50,000,000	-	-	-
35 Improve Parking/Transportation Systems - UKHC	200,000,000	-	-	-	200,000,000	-	-
36 Construct Parking/Transportation Sys - Hamburg	200,000,000	-	-	-	200,000,000	-	-
37 Improve Site/Civil Infrastructure - UKHC	50,000,000	-	-	50,000,000	-	-	-
38 Construct Site/Civil Infrastructure - Hamburg	50,000,000	-	-	50,000,000	-	-	-
39 Construct/Improve Utilities Infrastructure UKHC	400,000,000	-	-	200,000,000	200,000,000	-	-
40 Construct Utilities Infrastructure - Hamburg	400,000,000	-	-	200,000,000	200,000,000	-	-
41 Implement Energy Performance Contracting	-	-	-	-	-	-	-
42 Construct Medical Facility - KDMC	100,000,000	-	-	100,000,000	-	-	-
43 Improve Administrative/Medical Facility - KDMC	10,000,000	-	-	10,000,000	-	-	-
44 Improve Medical Facility 1 - KDMC	100,000,000	-	-	100,000,000	-	-	-
45 Improve Medical Facility 2 - KDMC	30,000,000	-	-	30,000,000	-	-	-
46 Improve Medical Facility 3 - KDMC	20,000,000	-	-	20,000,000	-	-	-
47 Improve Medical Facility 4 - KDMC	20,000,000	-	-	20,000,000	-	-	-
48 Improve Medical Facility 5 - KDMC	20,000,000	-	-	20,000,000	-	-	-
49 Improve Medical Facility 6 - KDMC	20,000,000	-	-	20,000,000	-	-	-
50 Improve Medical Facility 7 - KDMC	30,000,000	-	-	30,000,000	-	-	-
51 Improve Medical Facility 8 - KDMC	20,000,000	-	-	20,000,000	-	-	-
52 Improve Medical Facility 9 - KDMC	20,000,000	-	-	20,000,000	-	-	-
53 Improve Medical Facility 10 - KDMC	20,000,000	-	-	20,000,000	-	-	-
54 Construct/Improve KDMC Med Transport Facility	20,000,000	-	-	20,000,000	-	-	-
55 Improve KDMC Medical Pavilion	20,000,000	-	-	20,000,000	-	-	-

Proposed UK Healthcare and Leases 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
56 Acquire/Improve Service Core Systems - KDMC	100,000,000	-	-	100,000,000	-	-	-
57 Improve Building Systems - KDMC	100,000,000	-	-	100,000,000	-	-	-
58 Improve Parking/Transportation Systems - KDMC	100,000,000	-	-	100,000,000	-	-	-
59 Improve Site/Civil Infrastructure - KDMC	100,000,000	-	-	100,000,000	-	-	-
60 Improve Utilities Infrastructure - KDMC	200,000,000	-	-	100,000,000	100,000,000	-	-
61 Construct/Improve Medical/Administrative Facility 1 Reauthorization Addl funds	550,000,000	-	-	50,000,000	500,000,000	-	-
62 Health Affairs Office #1							
63 Health Affairs Office #3							
64 Health Affairs Office #5							
65 Health Affairs Office #11							
66 Health Affairs Office #12							
67 Health Affairs Office #14							
68 Health Affairs Office #15							
69 Health Affairs Office #18							
70 Health Affairs Office #19							
71 Health Affairs Office #20							
72 UKHC Off-Campus Fac #2							
73 UKHC Off-Campus Fac #3							
74 UKHC Off-Campus Fac #12							
75 UKHC Off-Campus Fac #13							
76 UKHC Off-Campus Fac #14							
77 UKHC Off-Campus Fac #15							
78 UKHC Off-Campus Fac #16							
79 UKHC Off-Campus Fac #17							
80 UKHC Off-Campus Fac #18							
81 UKHC Off-Campus Fac #19							
82 UKHC Off-Campus Fac #20							
83 UKHC Off-Campus Fac #21							
84 UKHC Off-Campus Fac #22							
85 UKHC Off-Campus Fac #23							
86 UKHC Off-Campus Fac #24							
87 UKHC Off-Campus Fac #25							
88 UKHC Off-Campus Fac #26							
89 UKHC Off-Campus Fac #27							
90 UKHC Off-Campus Fac #28							
91 UKHC Off-Campus Fac #29							
92 UKHC Off-Campus Fac #30							
93 UKHC Off-Campus Fac #31							
94 UKHC Off-Campus Fac #32							
95 UKHC Off-Campus Fac #33							
96 UKHC Off-Campus Fac #34							
97 Health Affairs Office #2							
98 Health Affairs Office #4							
99 Health Affairs Office #6							

Proposed UK Healthcare and Leases 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
100 Health Affairs Office #7							
101 Health Affairs Office #8							
102 Health Affairs Office #9							
103 Health Affairs Office #10							
104 Health Affairs Office #13							
105 Health Affairs Office #16							
106 Health Affairs Office #17							
107 Good Sam Hospital							
108 UKHC Off-Campus Fac #1							
109 UKHC Off-Campus Fac #4							
110 UKHC Off-Campus Fac #5							
111 UKHC Off-Campus Fac #6							
112 UKHC Off-Campus Fac #7							
113 UKHC Off-Campus Fac #8							
114 UKHC Off-Campus Fac #9							
115 UKHC Off-Campus Fac #10							
116 UKHC Off-Campus Fac #11							
117 UKHC RBH 1							
118 UKHC RBH 2							
119 UKHC RBH 3							
120 UKHC RBH 4							
121 UKHC RBH 5							
122 UKHC RBH 6							
123 UKHC RBH 7							
124 UKHC RBH 8							
UK Healthcare Projects (all but IT and Equipment)	11,430,000,000	-	800,000,000	8,280,000,000	2,350,000,000	-	-
University of Louisville							
1 Med Center One Lease, 501 E Broadway Louisville, KY - L00179							
2 Bldg & Land Lease - 614 E Chestnut, L00258							
3 Nucleus 1, 300 E. Market St, suite 300, Louisville, KY - L00220							
4 University Point Lease - L00348							
5 Cardinal Towne, L00349							
6 Province Apartments - ULAA - L00345							
7 UofL Trager Institute, 300 E. Market, Louisville, KY L00277							
8 Lease - 1212 S 4th Street, Louisville, KY - L00307							
9 Liberty Green Community Center, 500 W. Jefferson St, Louisville, KY - L00299							
10 W. KY community and Technical College, 4810 Alben Barkley Dr, Suite 230, Paducah, KY - L00285							
11 Denny Crum Hall, Louisville, KY 40208 - L00287							
12 Soccer Stadium, Floyd Street, L00311							
13 Founders Square, Louisville, KY - L00334							
14 Cardinal Station - HR and Risk Management - L00153							
15 Rowan Building - A&S Fine Arts - O10122							
16 Academic Space 1 - Lease							
17 Academic Space 2 - Lease							

Proposed UK Healthcare and Leases 2024-2026

Institution/Count/Title	Total Scope	General Fund (Bond Funds)	Agency Bonds	Restricted Funds	Third-Party Financing	Federal Funds	Private Funds - Cash
18 Arthur Street Lease - Tafel Building							
19 Athletic/Student Dormitory Lease							
20 Housing Facility lease							
21 Housing 1 Lease							
22 Housing 2 Lease							
23 Housing 3 Lease							
24 Housing 4 Lease							
25 Jefferson County Clinic Space - State of KY - Lease							
26 Jefferson County - Clinic Space 1 - Lease							
27 Jefferson County - Clinic Space 2 - Lease							
28 Jefferson County - Clinic Space 3 - Lease							
29 Jefferson County - Office Space 1 - Lease							
30 Jefferson County - Office Space 2 - Lease							
31 Jefferson County - Office Space 3 - Lease							
32 Jefferson County - Office Space 4 - Lease							
33 Medical Center One 2 - Lease							
34 Nucleus 1 Building 2 - Lease							
35 Support Space 1 - Lease							
36 Cardinal Station - Development Office							
UofL Leases	-						
<hr/>							
Eastern Kentucky University							
1 New Housing Space - Lease	-						
2 Madison County - Student Housing - Lease	-						
3 Madison County - Land - Lease	-						
4 Multi-Property-Multi-Use - Lease 1	-						
5 Multi-Property-Multi-Use - Lease 2	-						
EKU Leases	-						
<hr/>							
KCTCS							
1 Elizabethtown CTC - Hardin County - Lease	-						
2 Jefferson CTC - Jefferson Education Center - Lease	-						
3 Jefferson CTC- Bullitt County Campus - Lease	-						
4 KCTCS System Office - Lease	-						
KCTCS Leases	-						
UK Healthcare and Leases Total	11,430,000,000	-	800,000,000	8,280,000,000	2,350,000,000	-	-

TITLE: 2024-2026 Postsecondary Education Budget Recommendation
CPE Agency Budget Request

DESCRIPTION: Staff recommends that the Finance Committee endorse for full Council approval the proposed 2024-2026 Agency Budget Request.

PRESENTER: Shaun McKiernan, Executive Director for Finance and Budget, CPE

BUDGET OVERVIEW

The Council’s General Fund agency budget can be broken down into four main categories: (1) Operating; (2) Technology Trust Fund; (3) Ovarian Cancer Screening and Spinal Cord/Head Injury Research; and (4) SREB Doctoral Scholars Program and Dues. Each of these components is described briefly below and can be seen in Table 1.

General Fund appropriations for agency operations support expenditures associated with the Council’s higher education coordinating board role, including resources for policy leadership, strategic planning, regulation of the state’s postsecondary education system, financial policy analysis and development (biennial budget recommendation, performance funding, and tuition setting), administrative services, communications, academic affairs and program review, and information, research, and data analysis.

Table 1:

CPE General Fund		
<u>Expenditure Category</u>	<u>Fiscal 2023-24</u>	<u>Percent of Total</u>
Operating Funds (& KSU oversight)	7,955,700	53%
Technology Trust Fund	3,653,200	25%
Ovarian/Spinal Cord & Head Injury	3,000,000	20%
SREB Dues & Doctoral Scholars	264,800	2%
Total	14,873,700	100%

The Council’s Operating Funds include agency operations and special initiatives, which in the past was often referred to as Senate Bill 1 funds. These funds support staff, operating funds, and grants to the public postsecondary institutions to advance the Council’s *2022-2030 Strategic Agenda for Kentucky Postsecondary Education*. This funding also includes support for the continued oversight of Kentucky State University.

Three program areas use Technology Trust Fund General Fund dollars: (a) technology support, (b) the Kentucky Virtual Library (KYVL), and (c) the Kentucky Postsecondary Education Network (KPEN). About 25 percent of CPE's total General Fund budget is allocated to the Technology Trust Fund.

In prior biennia, a portion of the Council's Tobacco Funds were directed by the General Assembly to support ovarian cancer screenings. Beginning in 2018-2020, the General Assembly made General Fund appropriations available for ovarian cancer research and screening. Starting in 2022-23, \$1,000,000 per year has been provided for ovarian cancer screening.

Starting in 2020-21, General Fund has been appropriated to CPE for Spinal Cord and Head Injury research. This funding goes to the Kentucky Spinal Cord and Head Injury Research Board and, ultimately, to UK and UofL. Funding for this research was \$2,000,000 each year of the current biennium.

CPE pays the Commonwealth's dues to be a part of the Southern Regional Education Board (SREB). This organization provides the state with education research and professional development opportunities for staff and elected leaders. It also plays a key role in maintaining licensure reciprocity for postsecondary institutions and in administering the Academic Common Market, which allows students to pursue programs in other states at in-state rates. During the 2020-2022 and 2022-2024 biennia, the General Assembly provided CPE with \$50,000 each year to sponsor two underrepresented minority (URM) doctoral candidates in SREB's Doctoral Scholars program. That level of funding provides scholarships and networking opportunities and professional development for two doctoral candidates (one at UK and one at UofL); however, UK and UofL match the funding, so the program provides sponsorship to a total of four candidates each year. In the current fiscal year, 2 percent of the agency's General Fund budget is allocated to SREB dues and the doctoral scholars program.

2024-2026 Agency Budget Request

In addition to smaller requests for defined calculations, doctoral scholars, and SREB dues increases, CPE staff has identified several high priority agency budget needs for the upcoming 2024-2026 biennium.

Defined Calculations

Every biennium, Office of State Budget Director staff instruct CPE staff to request cost increases associated with pension, healthcare, and other fixed and unavoidable cost increases. This figure also includes a 1% employee salary cost-of-living adjustment, in accordance with budget instructions. At this time, Council staff is still finalizing the components of the Defined Calculations request.

- *Council staff recommends increases in General Fund appropriation necessary to cover Defined Calculations, as required by the state budget office's Biennial Budget Instructions. These figures will be provided when available.*

SREB Doctoral Scholars Program

For 2024-2026, CPE is proposing additional funding to build upon the current SREB Doctoral Scholars Program, which provides support to underrepresented minority doctoral candidates. The funding identified by staff (\$50,000 in 2024-25 and \$100,000 in 2025-26) will allow the program to grow from the current number of four students to eight in 2024-25 and 12 in 2025-26. Since the SREB Doctoral Scholars program is a three-year program, this funding will provide funding for three “classes” of students (four each year). While the program cost is \$25,000 per student, UK and UofL have typically matched the state’s funding.

Kentucky’s participation in the SREB program began in 1994, the second year of SREB’s existence. Kentucky did not participate in the program in the 2018-20 biennium due to budgetary constraints. The program is intended to help underrepresented minority doctoral candidates complete a doctorate more quickly and encourage them to join the ranks of the professoriate. The program provides opportunities for professional development, as well as, encouragement and support for students to matriculate from their doctoral programs and achieve their scholarly goals.

- *CPE staff recommends additional appropriations of \$50,000 in fiscal 2024-25 to support two additional SREB doctoral scholar’s students at the University of Kentucky and two additional students at the University of Louisville in the first year of the upcoming biennium and recommends \$100,000 in fiscal year 2025-26 to support two additional doctoral scholar students at each institution in the second year of the biennium. In addition, staff recommends an additional \$10,000 each fiscal year to cover anticipated SREB dues increases.*

Expansion Request

CPE is charged with a broad array of responsibilities in the coordination and oversight of the state’s public postsecondary system. Over the past 15 years, responsibilities and expectations for the agency have grown significantly, while state-supported staffing levels, programs, and services have declined. In 2008, CPE’s General Fund supported 97 staff. Today 47 CPE staff are supported with state General Fund. CPE has been fortunate to secure philanthropic and one-time federal funds to support some of this new work. However, these funds are time limited and do not provide the sustained commitment needed to fulfill the agency’s obligations.

- CPE requests expansion funding in two areas:
 1. Higher Education Coordination and Management \$ 3.0 M per year
 2. Incentive Grants - Workforce Preparation & Economic Growth \$20.0 M per year

Details of each expansion request are provided below.

1. **Higher Education Coordination and Management:** CPE requests \$3.0 million in fiscal 2024-25 and \$3.0 million in fiscal 2024-25 to support additional staff in the following areas:

- **Workforce Development Initiatives: 1 associate vice president, 1 assistant director, 2 senior associates and 1 associate.** CPE launched a major statewide healthcare workforce development program with support from federal ARPA funds appropriated by the General Assembly in 2022. Most of the funding was distributed to colleges and universities with a small amount reserved at CPE to support a senior level position to manage the funding program. The funding sunsets at the end of the current biennium. The success of the healthcare program has led to increased interest in CPE providing state-level coordination and leadership in a variety of workforce areas, including behavioral health, K-12 teaching, advanced manufacturing, and information technology. CPE proposes to bring our current senior level staffer on to General Fund and establish a permanent unit of the agency dedicated to workforce initiatives.
- **P-20 Policies and Programs: 3 senior fellows and 1 associate.** Over the past two years CPE has led a statewide effort to improve educational pathways between our K-12 and postsecondary education systems and expand early college opportunities. The Commonwealth Education Continuum was launched in 2021, the Kentucky Advising Academy in 2022, and dual credit policies and programs also in 2022. CPE requests funds to move four staff members who are currently funded with federal, one-time dollars on to state General Funds to ensure this important work can be sustained. Ensuring that more of our high school graduates progress into some postsecondary education or training pathway is an essential strategy in improving Kentucky's economy and raising our workforce participation rate.
- **Board Member Education and Orientation: 1 senior associate.** Several years ago, CPE was given the responsibility to provide board orientation and ongoing professional development for all trustees and board members of public institutions in Kentucky. CPE has developed programming and provided orientation services but given the increased challenges and complexities facing higher education, the need for state level board professional development is growing. CPE proposes a dedicated staff member with experience in higher education board management to lead and strengthen this work.
- **Postsecondary Financial Management and Oversight: 2 senior associates.** CPE is charged with coordinating the development of a unified budget request and setting tuition. In recent years, it has taken on the responsibility of developing and managing a statewide performance funding system. Increasingly state leaders are looking to CPE to evaluate, monitor and report on the financial health of our institutions of higher education for licensure decisions (private institutions) and for transparency and accountability (public institutions). CPE proposes two additional staff to fulfill the responsibilities and expectations in this area. This would take the total number of finance staff in the agency from three (3) to five (5).
- **Higher Education Performance and Accountability: 1 assistant director and 1 senior associate.** Data and information drive every decision made at CPE and at the colleges and universities. It is essential for our funding model and accountability system, and in assessing whether our system is meeting the goals and expectations set for it. Kentucky is blessed with a nationally recognized data infrastructure, largely due to the

quantity and quality of the data coming from CPE and other partner agencies. Collecting, warehousing, protecting, cleaning, analyzing and presenting data in a usable format is not simple and staff require significant technical and analytic skills sets. CPE proposes two additional staff members to join our Data and Advanced Analytics unit to strengthen our capacity and performance in this area.

- **Adult-Focused Programs and Services: 1 senior associate and 1 senior fellow (part-time).** Kentucky must expand postsecondary access to undereducated, working-age adults to fill critical work shortages in healthcare, STEM fields, early childhood development and other high-demand areas. The requested staff would work with education providers to limit barriers to enrollment and completion for adult learners and other students balancing the competing demands of work, life, family and school. Specific strategies include streamlining pathways between Kentucky Basic Adult Education and higher education, providing targeted outreach and counseling services for adult learners, and improving course delivery options.
- **Academic Program Oversight and Coordination: 1 director and 1 associate director.** KRS 164.020(15) charges CPE to define and approve all academic programs at public postsecondary institutions, and KRS 164.020(16) requires CPE to review existing academic programs at public postsecondary institutions to ensure they meet the state's economic needs. The review and approval processes also are designed to promote collaboration and efficiencies in program delivery. Current staffing (CPE has only one dedicated staff member focused on this work) limits the state's ability not only to fulfill the statutory review and oversight responsibilities, but additional staff in this area will allow the agency to expand the academic program focus to competency-based learning, work-based learning, artificial intelligence, and other academic innovations. In addition, CPE can accelerate efforts with institutions to fully incorporate Kentucky's ten essential workforce skills throughout the college experience.
- **Financial Aid and Affordability: 1 assistant director.** CPE increasingly is called on to monitor higher education affordability, assess student aid programs and strategies, and research and analyze college cost and affordability data. Higher education affordability is one of the five pillars of the state strategic agenda for postsecondary education. CPE needs additional capacity and expertise in this policy area to help guide decision making around tuition setting, financial aid programs, and debt reduction strategies.
- **Transfer Services and Coordination: 1 senior associate.** KRS 164.2951 outlines several statutory requirements for CPE regarding transfer of credit among institutions. Because curricula constantly evolve to meet workforce needs, and institutional policies and procedures can change over time, the coordination of transfer is an ongoing and time-intensive part of CPE's responsibilities. Currently the agency has only one staff member dedicated to transfer of credit among all public two- and four-year campuses. The proposed staff addition will allow CPE to respond more effectively to legislative mandates and focus on new strategies to streamline transfer, increase transfer rates and completion of bachelor's degrees for KCTCS students.

- **Student Progression and Support Services: 1 executive director, 1 associate director and 1 senior associate.** The Kentucky Student Success Collaborative (KYSCC), which is part of CPE, is leading efforts to improve retention and completion at postsecondary institutions by working with campuses to identify issues and create collaborative solutions, a key responsibility of CPE. KYSCC is currently working on strategies to address student basic needs, student mental/behavioral health issues, and completion of foundational courses in a student's first year (a key indicator of college success). The executive and associate directors of KYSCC currently are funded through a private foundation grant which will sunset at the end of the current fiscal year. In addition, CPE requests an another KYSCC staff member to assist with data collection, reporting, and coordination of services.
- **Management of Major Funding Programs (see below): 1 senior associate.** CPE will dedicate a current vice president's time to develop, guide and coordinate the proposed FHEED funding program outlined below. CPE requests funding for new senior associate level staff member to help the VP lead and support this work.

2. **Incentive Grants to Strengthen Workforce Preparation and Economic Growth:** The Council requests \$20.0 million in fiscal 2024-25 and \$20.0 million in fiscal 2025-26 to support the ***Fund for Higher Education and Economic Development (FHEED)***. Administered by CPE, this fund would provide incentive grants to campuses to increase educational attainment, strengthen the workforce alignment, foster collaboration, improve efficiencies and build a more streamlined pipeline along the P-20 educational continuum.

Examples may include (but are not limited to) funds that would:

- Strengthen and expand the behavioral health workforce pipeline and other high demand workforce priority areas in healthcare, education (K-12 teacher corps), technology, and manufacturing.
- Relaunch *Project Graduate*, a nationally recognized program to encourage adults with some college to come back to finish their degrees.
- Strengthen the P-12 to postsecondary pipeline through summer bridge programs and other college readiness initiatives.
- Strengthen and expand transfer and other credit-for-prior learning strategies and programs to ensure students earn credit that is due to them from prior academic or work experiences.
- Improve institutional financial transparency.
- Expand competency-based programming and other strategies to improve access to adult and other place-bound students.
- Incorporate Kentucky Graduate Profile elements such as civic education, financial literacy, and critical thinking in General Education programs.
- Improve the quality and accessibility of dual credit and other early college programming.
- Respond to the challenges and opportunities posed by advances in technology and artificial intelligence.

- Support and nurture local and regional entrepreneurship and small business development.
- Explore and develop multi-campus collaborations to expand access and create efficiencies in delivering high-cost programs.

CPE will create an advisory committee comprised of campus, workforce, and economic development leaders to provide guidance in the use and distribution of FHEED. A portion of the fund (up to 20%) may be retained by CPE to offer statewide programming and professional development for postsecondary faculty and staff, administrators, and board members in support of the goals of the funding program.

- *Council staff recommends an appropriation of \$3,000,000 in fiscal year 2024-25 and \$3,000,000 in 2025-26 to fund an expansion in CPE’s role in higher education coordination and management.*
- *Council staff recommends an appropriation of \$20,000,000 in fiscal year 2024-25 and \$20,000,000 in 2025-26 to fund incentive grants to Strengthen Workforce Preparation and Economic Growth. This funding would establish the Fund for Higher Education and Economic Development.*

Table 2 provides a summary of the CPE Agency Budget General Fund base and additional budget requests.

Table 2:

CPE Agency Budget Request General Fund Components		
Funding Component	Fiscal 2024-25	Fiscal 2025-26
Beginning Base	\$14,873,700	\$14,873,700
Defined Calculations (DC)	TBD	TBD
SREB Dues & Doctoral Scholars	60,000	110,000
Expansion Request:		
• Higher Education Coordination & Management	3,000,000	3,000,000
• Incentive Grants - Strengthen Workforce Preparation & Economic Growth	20,000,000	20,000,000
Total (not including DC)	\$37,933,700	\$37,983,700

Other Fund Sources

Several programs administered by CPE receive funding from sources other than the state General Fund, including cancer research funded with tobacco settlement funds, the Cancer

Research Match program and the licensure program funded with restricted funds, and the GEARUP program, which is made possible through federal grants. As part of the biennial budget process, the Council will request spending authority to use these funds. The level of restricted and federal fund expenditure authority needed has not been fully determined as of this date.

Tobacco Settlement Funds

The 2000 General Assembly created the Lung Cancer Research Fund to support research at the University of Kentucky's Markey Cancer Center and the University of Louisville's Brown Cancer Center. Research conducted by these centers explore the causes, detection, and treatment of lung cancer. The program benefits Kentuckians through discovery of new cancer therapies, clinical trials, and an early detection program. In the *2018-20 Budget of the Commonwealth* and in subsequent biennia, the General Assembly specified that these funds should support cancer research more generally and be allocated 50:50 between the University of Kentucky and the University of Louisville.

- *Council staff recommends Tobacco Settlement Fund appropriations of \$6,250,000 in 2024-25 and \$6,250,000 in 2025-26 for cancer research at the University of Kentucky and the University of Louisville.*

Restricted Funds

Every biennium, a request for Restricted Funds spending authority must be included in the Council's budget request. The Cancer Research Matching Fund is the largest program in CPE's agency budget that is financed with Restricted Funds. Funding for that program is obtained through a one-cent-per-pack cigarette tax, and the proceeds are allocated and disbursed to UK and UofL to conduct lung cancer research.

The Council also receives restricted funds from the federal government through indirect cost recovery on federal grants and from licensure of non-public bachelor's and above degree granting institutions doing business in Kentucky.

Council staff is still in the process of developing an estimate of Restricted Fund receipts and expenditure needs. At this point, several options for improving the Licensure unit's data collection and licensure process are under consideration. Restricted Fund spending is not allowed by the state's financial system if sufficient funds are not available.

- *Council staff recommends a Restricted Funds appropriations request that aligns with recent spending trends that is sufficient to cover necessary operating costs.*

Federal Funds

Federal Funds spending authority will be requested for GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) at the level needed to use the entirety of

remaining funds. Staff estimates that GEAR UP will require spending authority of \$5,000,000 in 2024-25 and \$1,000,000 in 2025-26. If a new grant is awarded for 2025-26, CPE will request additional spending authority for 2025-26, consistent with the award amount. Federal funds are received and disbursed in accordance with the terms and conditions of the federal grants.

In the upcoming biennium, CPE will be spending federal funds appropriated for Simmons College and the Healthcare Workforce Collaborative. It is unclear at this time if these expenditures need to be incorporated into the 2024-2026 budget request.

- *Council staff recommends an appropriation of \$5,000,000 in fiscal year 2024-25 and \$1,000,000 in 2025-26 to enable federal fund expenditures related to the GEAR UP program.*
- *Staff will submit a request for reauthorization of spending for Simmons College and the Healthcare Workforce Collaborative if needed.*

TITLE: Interim Capital Project – KSU Fiber Infrastructure Project

RECOMMENDATION: Staff recommends that the Finance Committee endorse for full Council approval a \$2,888,000 federally funded, interim project at Kentucky State University to upgrade fiber infrastructure.

PRESENTERS: Shaun McKiernan, Executive Director of Finance and Budget, CPE

SUPPORTING INFORMATION

On September 9, 2023, Kentucky State University (KSU) officials requested Council approval for an interim capital project to upgrade the university’s fiber infrastructure, using federal Higher Education Emergency Relief Funds (HEERF).

The upgrade to fiber infrastructure will include installation of single-mode fiber on campus with redundant connection hubs. Implementing a single-mode fiber infrastructure will enhance KSU's network connection, ensuring greater reliability, security, and speed. This upgrade is crucial for KSU's academic initiatives and programming, particularly for facilitating remote teaching and learning. In addition to supporting academic initiatives, upgrading to a single-mode fiber infrastructure will enable KSU to achieve a more reliable, secure, and faster network connection, which is essential for campus safety and security.

The KSU Board of Regents approved this project on August 8, 2023. If approved, KSU officials anticipate construction to start in December 2023 and to be completed by September 2024. State General Fund appropriations will not be used for this project, and no funds appropriated for another purpose will be used to complete this project.

KRS 45.760 (7) allows projects that are at least 50% funded with federal or private funds and don't divert funds appropriated for another purpose to be authorized. The pertinent section of KRS 45.760 is provided below:

- (7) A capital construction project or a major item of equipment may be authorized even though it is not specifically listed in any branch budget bill, subject to the following conditions and procedures:
 - (a) Fifty percent (50%) or more of the actual cost shall be funded by federal or private funds, and fifty percent (50%) or less of the actual cost shall be funded by moneys appropriated to the capital construction and equipment purchase contingency account or, if the purpose of the project or equipment is to reduce energy costs, the relevant entity head certifies projected energy cost savings associated with the

- project or equipment are reasonable and sufficient to produce an aggregate simple payback period, as defined by KRS 56.770, of five (5) years or less;
- (b) Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or reallocated for expenditure on the project or major item of equipment; moneys utilized shall not jeopardize any existing program and shall not require the use of any current general funds specifically dedicated to existing programs; and
 - (c) The relevant entity head, or his designee, shall submit the project or major item of equipment to the committee for review as provided by KRS 45.800.

The approval process for a capital project that exceeds \$1,000,000 is as follows:

- The project must be submitted to the Council on Postsecondary Education for review and action;
- If approved by the Council, projects at KCTCS and KSU are submitted to the Secretary of the Finance and Administration Cabinet for review and action, and subsequently submitted by the Secretary to the Capital Projects and Bond Oversight Committee for review;
- If approved by the Council, projects at EKU, MoSU, MuSU, NKU, UK, UofL, and WKU are submitted by the requesting institution to the Capital Projects and Bond Oversight Committee for review, and a copy is provided to the Finance and Administration Cabinet as information; and
- Following review and action by the appropriate agencies, the project may be initiated by the requesting institution.

Because this project was not previously approved by the Council and it was not authorized in the enacted 2022-2024 budget, Council approval is now required to authorize this project. KSU will not be debt financing any portion of this project; therefore, provisions of KRS 45.763 do not apply.

NEXT STEPS

Following final Council action, staff will notify the president of KSU, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee of the Council's recommendation concerning this project.



OFFICE OF THE PRESIDENT

September 7, 2023

Bill Payne, VP Finance and Administration
Council on Post-Secondary Education
100 Airport Road
Frankfort KY 40601

RE: Authorization Request – Fiber Infrastructure Project

Dear Mr. Payne,

In accordance with provisions of KRS 45.760(7), I am writing to request interim authorization for a Fiber Infrastructure Project at Kentucky State University. The project will not exceed \$2,888,000. This project will be 100% federally funded with the Higher Education Emergency Relief (HEERF) Fund. This project is pending federal approval and will not be initiated until approval is received.

The upgrade to the fiber infrastructure will include installation of single-mode fiber on campus with redundant connection hubs. Implementing a single-mode fiber infrastructure will enhance KSU's network connection, ensuring greater reliability, security, and speed. This upgrade is crucial for KSU's academic initiatives/programming, particularly for facilitating remote teaching and learning. In addition to supporting academic initiatives, upgrading to a single-mode fiber infrastructure will enable KSU to achieve a more reliable, secure, and faster network connection, which is essential for its campus's safety and security.

The Kentucky State University Board of Regents approved this project on August 8, 2023.

If there are any questions, please contact Dr. Wendy Dixie at 502-597-5725.

Warm Regards,

Koffi C. Akakpo, Ph.D.
President
Kentucky State University



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5F

ACTION ITEM

Approval to purchase hardware, software, associated wiring, and installation services for KSU's fiber infrastructure.

FACTS

The upgrade to the fiber infrastructure will include installation of single-mode fiber on campus with redundant connection hubs. Implementing a single-mode fiber infrastructure will enhance KSU's network connection, ensuring greater reliability, security, and speed. This upgrade is crucial for KSU's academic initiatives/programming, particularly for facilitating remote teaching and learning.

In addition to supporting academic initiatives, upgrading to a single-mode fiber infrastructure will enable KSU to achieve a more reliable, secure, and faster network connection, which is essential for its campus's safety and security.

BUDGETARY IMPLICATION

We will be requesting HEERF funding for \$2,888,000. The following is a summary of the cost:

Fiber: Hub 1 Connections - ASB	\$ 187,905.68
Fiber: Hub 2 Connections - Blazer	\$ 349,817.85
Fiber: Hub 3 Connections - Student Center	\$ 751,180.48
Fiber: Hub 4 Connections - Shauntee Hall	\$ 128,402.88
Fiber: Hub 5 New Residence Hall	\$ 125,601.75
Fiber: Hub 6 – Initial Fiber Stadium	\$ 656,417.78
Fiber: 48 Strand Hub Connectors	\$ 688,673.58
Total	\$ 2,888,000.00

KSU will purchase the technology from ConvergeOne using the Commonwealth of Kentucky Master Agreement MA 758 1800000265.

RECOMMENDATION

President Akakpo recommends that the Board of Regents approve the purchase of hardware, software, and implementation services to upgrade KSU's fiber infrastructure.

MOTION

Approve the purchase of hardware, software, and implementation services to upgrade KSU's fiber infrastructure.

**KENTUCKY STATE UNIVERSITY BOARD OF REGENTS
REGULAR MEETING**

***** Meeting Was Conducted in Person and by Teleconference *****

August 8, 2023

1:00 p.m. EDT

**Board of Regents Room
Julian M. Carroll Academic Services Building, 2nd Floor
400 East Main Street
Frankfort, Kentucky 40601
(Primary Physical Location)**

MINUTES

I. Call To Order

The Board's Chair, Regent Tammi Dukes, called the meeting to order at 1:03 p.m.

II. Roll Call

The Board's Secretary, Zachary Atwell, called the roll:

Regent Tammi Dukes, Chair	Present
Regent Michael Adams, Jr., Vice Chair	Present
Regent Edward Fields	Present
Regent Ernie Fletcher, MD	Present
Regent Edward Hatchett, Esq.	Not Present
Regent Jason Moseley	Not Present
Regent Charles Moyer, Ph.D.	Present
Regent Robert Ramsey, Sr.	Present
Regent Herman Walston, Ed.D.	Present
Regent Savion Briggs	Not Present

At least six (6) Regents were present at the roll call. A quorum was therefore established.

Note: Regent Hatchett joined shortly after the roll call. Regent Briggs was present at roll call but did not have his camera turned on. He later joined the meeting in person.

III. Approval of the Agenda

MOTION by Regent Fletcher:

Move the Board to approve the agenda of the August 8, 2023, regular meeting of the Board of Regents.

Seconded by Regent Fields and passed without dissent.

IV. Information Items

Prior to commencing with the information items, Chair Dukes requested that the presenters limit their presentations to ten minutes and that Regents limit themselves to two questions per information item.

A. FY 2023 Budget Update

Dr. Wendy Dixie, Acting VP, Finance & Business Affairs, presented this agenda item. Dr. Dixie reported that the FY 2023 budget is still being reviewed and will not be finalized until the adjusted entries are completed as part of the FY 2023 audit. Therefore, she advised her presentation was intended to provide information as to the current budget review status.

Next, Dr. Dixie presented the FY 2023 budget to actuals, identifying a current total deficit of \$1,973,139.78. She also discussed operating expenses that exceeded \$100,000. Further, she informed the Board that she is working with CPE to go line by line to ensure that expenses are properly categorized.

Regent Hatchett queried where CBIZ was represented in the list of expenses exceeding \$100,000.

Chair Dukes asked Dr. Dixie whether she anticipates uncovering any more prior expenses. Dr. Dixie replied affirmatively, and President Akakpo concurred.

As to the FY 2023 expenses that are still being discovered, Regent Walston inquired whether they were expenses funded by federal grants or the University's E&G fund.

Regent Hatchett asked whether Dr. Dixie was able to formulate a strategy for dealing with the bookstore deficit, and further asked whether the bookstore deficit is typical. President Akakpo echoed Regent Hatchett's concern.

Chair Dukes requested Dr. Dixie to expand upon the "Other" category identified in the FY 2023 Auxiliaries slide.

Regent Walston asked why staff and faculty members have been unable to obtain paper from Ricoh since July. Mr. Michael DeCourcy, Acting Chief of Staff, explained the relationship between Ricoh and the University, and clarified what each party is responsible for providing.

Regent Moyer asked whether the numbers were likely to improve or worsen as FY 2023 is finalized. President Akakpo and Dr. Dixie responded that the numbers are likely to worsen, though they are hoping for the best. Regent Moyer also asked what the consequences would be in the event of a negative budget/outcome for FY 2023, and whether that amount needs to be rolled into the FY 2024 budget. Lastly, Regent Moyer inquired as to the University's current unrestricted cash balance, relative to the amount KSU would like to have as a cash balance.

Vice Chair Adams asked Dr. Dixie to confirm that the revenue sources were all reconciled, and that the remaining work was focused on re-categorizing expenses and reconciling new bills as they are discovered. Dr. Dixie replied affirmatively.

Hearing no further questions, Chair Dukes thanked Dr. Dixie for her presentation.

B. Academic Affairs & Student Affairs Update

Dr. Michael D. Dailey, Interim Provost, Dr. Scott Wicker, Interim Vice Provost for Academic Affairs, and Dr. Stephanie Mayberry, Interim Vice Provost for Student Affairs, presented this agenda item.

Dr. Dailey began with an overview of the update, which covered the opening of the Fall 2023 semester, the online education initial planning session with Magellan Learning Solutions, and the CourseLeaf catalogue project.

Next, Dr. Wicker discussed faculty contracts, including 9- and 12-month appointments.

As to faculty members who accepted 12-month appointments, Regent Walston asked whether their contracts clearly delineated the expected faculty distribution of efforts. Dr. Wicker responded affirmatively, and also explained the contract process for individuals who assume both faculty and administrative roles.

Dr. Dailey then reviewed the Faculty and Staff Institute events, which were scheduled to begin on August 14, 2023.

Relative to the online education initial planning session, Regent Hatchett requested a workshop regarding the University's online presence, including its status and progress. Chair Dukes agreed. President Akakpo assured Regent Hatchett that the University's online presence is going well and has good momentum.

Dr. Wicker shared an update on the CourseLeaf catalogue project.

Next, Dr. Mayberry provided the Student Affairs update, which included the move-in dates for freshmen and upperclassmen, the Student Affairs office relocation, the new residence hall, and challenges regarding housing assignments. Dr. Mayberry reported that the new residence hall is already full.

As to the Fall 2023 updated enrollment projections, Dr. Mayberry announced that 1,498 students had enrolled, which is an 8.8% increase over August of last year.

Chair Dukes queried whether students would still need to be housed at the Capital Plaza Hotel. Dr. Mayberry stated that even though Combs Hall will be closed this year for renovations, the hotel is no longer needed.

Given that the hotel will no longer be used, Regent Fields wondered what would happen if enrollment exceeds dorm capacity.

Regent Walston asked how courses with low enrollment would be addressed.

Regent Fields inquired whether registration would be held in the Student Center again.

Chair Dukes thanked Dr. Dailey, Dr. Wicker, and Dr. Mayberry for their presentations.

V. Action Items

Because the Regents received the meeting materials well in advance, Chair Dukes stated that the action items could be approved individually or as a whole.

Vice Chair Adams suggested approving the items as a unit, and Regent Fields agreed.

MOTION by Vice Chair Adams:

Move the Board to approve action items A, B, C, D, E, F, G, H, and I.

Second by Regent Moyer and passed without dissent.

For the record, Secretary Atwell identified each of the approved action items as:

- A. Approval of July 21, 2023, Meeting Minutes**
- B. Approval of Gold Book Revisions**
- C. Approval of Three-Year Ellucian Spend Management Contract**
- D. Approval of Three-Year Renewal of Ellucian Banner Software Maintenance Agreement**
- E. Approval of Improvements to the Board of Regents Room**
- F. Approval of Fiber Infrastructure Improvements**
- G. Approval of TimelyCare Contract**
- H. Approval to Replace HVAC in the Aquaculture Nutrition Building**
- I. Approval to Purchase Three Mobile Health Units**

VI. Closing Remarks

Chair Dukes extended her gratitude to the Regents for their commitment and participation in moving the University forward. She also thanked the University’s faculty, staff, students, and alumni for their support. As KSU approaches a new academic year, Chair Dukes remarked that she is optimistic about the future and looks forward to the vibrant energy that students will bring to campus.

VII. Adjournment

MOTION by Regent Fletcher:

Move the Board to adjourn.

Seconded by Regent Fields and passed without dissent.

The meeting was adjourned at 1:59 p.m.

Submitted by:

Zach Atwell, Board Secretary
 Kentucky State University
 Board of Regents

Regent Tammi Dukes, Chair
 Kentucky State University
 Board of Regents

_____ Approved with no corrections

_____ Approved with corrections

TITLE: Workforce Development Trust Fund Report

DESCRIPTION: As required in the enacted budget (HB 1, 22 RS), staff produced a report documenting how Workforce Development Trust Fund appropriations were expended and how KCTCS used those funds to address workforce supply gaps in targeted industry sectors.

PRESENTERS: Shaun McKiernan, Executive Director for Finance and Budget, CPE
Bill Payne, Vice President for Finance and Administration, CPE

SUMMARY INFORMATION

In the *2022-2024 Budget of the Commonwealth* (HB 1, 22 RS), the General Assembly appropriated \$2,225,000 in 2022-23 to the Workforce Development Trust Fund (WDTF) and included language in the bill requiring CPE to submit a report to the Interim Joint Committee on Appropriations and Revenue by September 1, 2023. Specifically, the report should include detail regarding the expenditure of funds appropriated to the WDTF and how KCTCS used the funds to address workforce supply gaps in targeted industry sectors. Over several months, CPE staff worked with campus officials to produce the report, which was submitted to Legislative Research Commission staff by the due date and is presented today for Finance Committee review.

On July 11, 2022, KCTCS officials submitted to the Council proposals for workforce development funds that would support creation or expansion of programs and address workforce shortages in targeted industry sectors. The proposals contained information such as the rationale for requested funds, local or regional workforce shortages that would be addressed, and anticipated return on investment. CPE staff reviewed the proposals, determined that they complied with Council guidelines, and authorized the release of \$2,225,000 (i.e., the entirety of the 2022-23 WDTF appropriation) to KCTCS.

The system office distributed grants to 15 community and technical colleges to support programs and activities outlined in campus proposals. As of fiscal year end, the colleges had expended \$1,524,227 or 69% of the \$2,225,000 in grant funds distributed from the WDTF, with plans to use the remaining funds in early 2023-24. As can be seen the attached report, KCTCS institutions used workforce development funds to increase program capacity and help close supply gaps in five targeted industries, including healthcare, advanced manufacturing, transportation and logistics, business services and information technology, and skilled trades. In accordance with Council guidelines, proposals submitted by community and technical colleges contained information on how requested funds would be used and anticipated increases in credential production that would be generated in 2022-23 as a result of that

investment. In total, KCTCS established a target for academic year 2022-23 of 3,068 credentials produced in specified fields and programs at participating institutions. This represented an increase of 795 credentials above 2,273 credentials that were awarded in academic year 2021-22. As can be seen in CPE staff's report, KCTCS exceeded their target and awarded 873 additional credentials in 2022-23.

The attached report provides a summary of WDTF awards, program expenditures, credential targets, and credentials produced by program and college, as well as other information provided by KCTCS on uses of WDTF awards and program results. As can be seen in the report, the results of the Competitive Workforce Initiative were generally positive. Council staff is confident that the increased program capacity supported by this program will serve Kentucky well for many years, especially given the modest investment.

Council on Postsecondary Education
Expenditure and Impact of Fiscal Year 2022-23 Appropriations
to the Workforce Development Trust Fund
September 1, 2023

Executive Summary

In fiscal 2022-23, the General Assembly appropriated \$2,225,000 in General Fund to the Workforce Development Trust Fund (WDTF) to be used to help close supply gaps in targeted industries (healthcare, advanced manufacturing, transportation and logistics, business services and information technology, and skilled trades) and build capacity for greater enrollment. The Council on Postsecondary Education and the Kentucky Community and Technical College System (KCTCS) developed guidelines on the eligible uses of these funds and how the funding would be distributed to the community and technical colleges. In accordance with the guidelines, KCTCS colleges submitted requests for awards from the WDTF that included detail on how funds would be used and the resulting increases they expected in specific credentials for fiscal year 2022-23. In total, KCTCS set a target of increasing 795 credentials at specific colleges in 2022-23 over the 2,273 credentials earned in the 2021-22 baseline year. This goal was exceeded, with a total of 873 additional credentials awarded. In 2022-23, KCTCS colleges spent \$1,524,227, or 69%, of the \$2,225,000 in grant funds distributed from the WDTF and plan to spend the remaining funds in early 2023-24 for the approved projects.

Attachment A provides a summary of the awards by community college, funds spent, and credentials targeted and actually awarded in 2022-23. Attachment B provides additional information from the KCTCS colleges on the uses of WDTF awards and the programs' results.

Background and Overview

In November 2021, as part of its unified biennial budget recommendation for postsecondary education, the Council on Postsecondary Education (CPE) submitted a request to the Governor and General Assembly for a new trust fund program, called the Competitive Workforce Initiative. A primary objective of the program was to help Kentucky reestablish a competitive workforce through expanded educational and training opportunities at KCTCS institutions. Specifically, the new program was designed to address workforce shortages in targeted industry sectors, facilitate recruitment and retention of business and industry, bolster regional and state economies, and help KCTCS and CPE maintain affordability for Kentucky students and families.

The Council requested General Fund appropriations of \$2,225,000 in 2022-23 and \$4,450,000 in 2023-24 to support the Competitive Workforce Initiative. If authorized, the funds would be used to increase credential production capacity at all levels (i.e., certificate, diploma, and associate degree) at every KCTCS institution and to address worker skills and supply gaps in

targeted industry sectors. The funds would be allocated to the Workforce Development Trust Fund, pending CPE staff review of campus proposals and distribution to KCTCS institutions in accordance with Council guidelines. Finally, it was anticipated that funding provided in the second year would become recurring in subsequent biennia.

In the *2022-2024 Budget of the Commonwealth* (HB 1, 22 RS), the Kentucky General Assembly appropriated \$2,225,000 in fiscal year 2022-23 to the Workforce Development Trust Fund to support the Competitive Workforce Initiative. While funding provided in the first year of the biennium equaled the amount requested by the Council, policymakers chose not to provide funding for the program in the second year. Language included in the budget bill requires the Council to submit a report to the Interim Joint Committee on Appropriations and Revenue by September 1, 2023, detailing the expenditure of funds appropriated to the Workforce Development Trust Fund and how KCTCS used the funds to address workforce supply gaps in targeted industry sectors. Below is an excerpt of the bill language.

Included in the above General Fund appropriation is \$2,225,000 in fiscal year 2022-2023 to support the Workforce Development Trust Fund. The Council on Postsecondary Education shall submit a report to the Interim Joint Committee on Appropriations and Revenue by September 1, 2023, detailing the expenditure of funds and how the funds were utilized to increase credential production capacity for identified supply gaps and support program offerings in targeted industry sectors within the Kentucky Community and Technical College System (p. 124).

Identified Supply Gaps

As indicated above, funding provided for the Competitive Workforce Initiative would be used to increase credential production capacity at KCTCS institutions and address worker skills and supply gaps in key industry sectors. Using 10-year occupational outlook projections (i.e., for 2018-2028) produced by the Kentucky Center for Statistics (KYSTATS) and KCTCS 2020-21 graduate data, campus officials identified supply gaps in five industry sectors, including healthcare, advanced manufacturing, transportation and logistics, business services and information technology, and construction and trades. As can be seen in the table below, in 2020-21, estimated annual job demand exceeded the number of KCTCS graduates in all five sectors, with supply shortages being most pronounced in healthcare and transportation and logistics.

KCTCS Graduates and Job Demand in Targeted Industry Sectors			
Industry Sector	Graduates 2020-21	Annual Job Demand	Supply Gap
Advanced Manufacturing	2,657	6,604	3,947
Business Services & IT	2,985	6,816	3,831
Healthcare	6,722	14,042	7,320
Skilled Trades	1,658	2,816	1,158
Transportation and Logistics	1,113	7,001	5,888
Total	15,135	37,279	22,144

Sources: KCTCS Official Data reported to CPE; Kentucky Center for Statistics, 2018-2028
KY Occupational Outlook

Program Guidelines

When the General Assembly authorizes appropriations for trust fund programs, the funds are maintained and administered by the Council on Postsecondary Education but represent resources that are passed through to institutions based on compliance with Council approved guidelines and procedures. Specifically, the Council has statutory authority to determine the criteria and process by which KCTCS may submit an application to access Workforce Development Trust Fund appropriations (KRS 164.7925).

During a six-week period following adoption of the 2022-2024 Budget of the Commonwealth (HB 1, 22 RS), CPE staff worked collaboratively with campus officials to develop a set of guidelines and related reporting procedures for the Competitive Workforce Initiative. Those guidelines described the process by which funds would be allocated among KCTCS institutions, identified eligible and appropriate uses of workforce funds, specified targeted areas of concentration, and established a process for request submission, approval, and distribution of program funds. The guidelines were endorsed by the Finance Committee of the Council on June 14, 2022 and approved by the full Council on June 16, 2022.

Allocation of Program Funds

The allocation of \$2,225,000 in 2022-23 Workforce Development Trust Fund appropriations among KCTCS institutions was determined through an application submission, review, and approval process involving campus officials, KCTCS system office staff, and CPE staff. Specifically, individual community and technical colleges submitted proposals for workforce funds to the system office, up to a maximum of \$200,000 per institution, that supported creation or expansion of programs that would address workforce shortages in targeted industry sectors. The proposals contained information such as the rationale for requested funds, local or regional workforce shortages addressed, and anticipated return on investment. They also

included a projected budget, timeline for implementation, and descriptions of anticipated program impact on enrollment and credential production.

As specified in Council guidelines, a selection committee comprised of five Chief Academic Officers, two system office staff, and the Chancellor, reviewed applications and made funding recommendations to the KCTCS president. On July 11, 2022, KCTCS submitted proposals to CPE for final review and approval. CPE staff reviewed the proposals and determined that they complied with Council guidelines. A listing of approved projects and awards is provided below.

Kentucky Community and Technical College System 2022-24 Workforce Development Trust Fund Awards		
College	Project Name	Award Amount
Ashland	Short-Term Healthcare Programs	\$103,651
Big Sandy	Commercial Truck Driving	168,612
Bluegrass	Commercial Drivers License (CDLA I)	184,612
Elizabethtown	Gear-Up Pilot Program	176,612
Gateway	Utility Lineworker Program Expansion	100,000
Hazard	High-Demand / Short-Term Certificates	176,612
Henderson	Housing Authority Partnership	152,612
Hopkinsville	AC & Diesel Technology	140,609
Jefferson	Capacity Building in Technical Trades	162,276
Madisonville	CDL & Lineworker Expansion	164,952
Maysville	Computerized Manufacturing & Machining	136,612
Owensboro	Competency-Based Education	152,612
Somerset	Logistics & CDLA I	160,612
Southcentral KY	Medical Laboratory Technology	100,000
Southeast KY	Certified Nursing Ass't to KY Medication Aide	144,612
Total Awarded		\$2,225,000

A project was approved for every KCTCS institution with the exception of West Kentucky Community and Technical College, which did not submit a proposal.

Uses of Program Funds

In the Council’s biennial budget recommendation, the rationale for requested Competitive Workforce Initiative funds was to increase credential production capacity to address workforce shortages in targeted industry sectors. In the enacted state budget (HB 1, 22 RS), the General Assembly directed the Council to submit a report to the Interim Joint Committee on Appropriations and Revenue by September 1, 2023, detailing the expenditure of funds and how the funds were used to increase credential production capacity for identified supply gaps and support program offerings in targeted industry sectors.

Given original design goals and legislative intent for the program, the Council adopted guidelines stipulating that Competitive Workforce Initiative funds be used to support

expenditures and activities that increase credential production capacity in five industry sectors: (1) healthcare; (2) advanced manufacturing; (3) transportation and logistics; (4) business services and information technology; and (5) construction and trades. Specifically, program funds could be used to:

- Establish new programs or expand existing programs in academic disciplines in targeted industry sectors.
- Support new faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, and other professional expenses as permitted by KCTCS policy.
- Provide specialized faculty development or retain the services of a consultant to expedite program development.
- Purchase equipment and supplies, to support new curriculum development or validate existing curriculum, and to defray marketing expenses in identified academic disciplines.

In proposals submitted to CPE, campus officials identified a variety of uses for workforce development funds, including expanding existing programs, adding new locations, creating new programs, serving more students, and implementing competency-based education.

- Expand existing programs – six projects (Ashland, Big Sandy, Bluegrass, Hazard, Jefferson, and Madisonville) address personnel and equipment needs, allowing existing programs to offer more courses and serve more students (e.g., the purchase of an additional truck or trailer to offer more commercial driver’s license courses).
- Add new locations – three projects (Gateway, Maysville, and Southeast) move an existing program to a new location or expand a program to a new location.
- Create new programs – three projects (Hopkinsville, Somerset, and Southcentral) support equipment and other needs to help establish new, high-priority programs at KCTCS institutions.
- Serve more students – two projects (Elizabethtown and Henderson) help KCTCS staff to work with community partners to serve more students. One of these projects will entail collaboration with the local housing authority to better serve students who live in public housing.
- Implement competency-based education – one project at Owensboro Community and Technical College leverages federal funds to implement accelerated, competency-based and credit-for-prior-learning instructional models.

Increased Credential Production

In their funding proposals, campus officials identified how many additional credentials would be produced as a result of increased state investment. Specifically, they provided baseline numbers (i.e., credentials earned in specified programs in 2021-22) and targets for credential production (i.e., anticipated credentials earned in those programs in 2022-23). In August 2023,

KCTCS provided data regarding actual numbers of credentials earned in 2022-23. Attached is a table that provides baseline, target, and actual credential numbers for each KCTCS project.

In 2021-22, the baseline year, 2,669 credentials were awarded in the programs targeted for expansion using Workforce Development Trust Fund grants. KCTCS had established a goal for increased credential production of 841 added credentials in 2022-23. In total, KCTCS exceeded that goal, producing 864 additional credentials. Three programs had especially large increases in credentials awarded:

- Owensboro Community and Technical College added 379 credentials in their target programs (including welding, electrician, maintenance mechanic, and robotics technician) using competency-based educational components and flexible lab scheduling made possible, in part, with use of the trust fund grant.
- Jefferson Community and Technical College (JCTC) increased credentials awarded in targeted programs by 245 through the addition of cohorts for welding, commercial driver licensing, and Kentucky Medication Aide/Certified Nurse Aide.
- Southeast Community and Technical College (SECTC) increased credential earned in targeted programs (Kentucky Medication Aide and Medicaid Nurse Aid) by 174 by offering these programs at their Knox campus. Funds used supported the purchase of equipment, materials, and the hiring of an instructor.

Supply chain and labor market challenges caused delays in some projects, which led to fewer credentials produced than anticipated. For example:

- Big Sandy CTC was unable to purchase a new truck for their CDL program until May 2023.
- Maysville CTC's course offerings in computerized manufacturing and machining program faced delays for shipping, installation, and inspection of equipment.
- Hazard CTC (HCTC) awarded fewer credentials in its targeted programs in 2022-23 than in its base year, particularly in the nurse aide and utility technician programs. HCTC officials cite a lack of nurse instructors and WIOA (Workforce Innovation and Opportunity Act) scholarship funds for utility line workers as the reasons for the shortfalls in those programs.

The following table contains baselines, targets, and actual credentials produced by industry sector. The industry sector with the greatest increase in credentials in those programs that used Workforce Development Trust Fund awards was healthcare (334 additional credentials). Skilled trades programs that received grant support added 279 credentials over a 2021-22 base of 127 credentials. Advanced manufacturing had the most modest increase with 102 additional credentials, which represents 12% growth in the targeted programs.

Workforce Development Trust Fund					
Change in Credentials Awarded in Programs Identified for Investment					
Industry Sector	A		B	A - B	
	Credentials in Baseline Year	Target for Credentials in	Actual Credentials	Number Change	Percent Change
	2021-22	2022-23	2022-23		
Advanced Manufacturing	826	1,023	928	102	12%
Business Services & IT	47	75	96	49	104%
Healthcare	1,039	1,279	1,373	334	32%
Skilled Trades	127	176	406	279	220%
Transportation and Logistics	234	515	343	109	47%
Total	2,273	3,068	3,146	873	38%

A summary of program goals and results by KCTCS college can be found in Attachment A. More detail from each participating community and technical college can be found in Attachment B.

Program Expenditures

In 2022-23, KCTCS colleges spent \$1,524,227, or 69%, of the \$2,225,000 in grant funds distributed from the Workforce Development Trust Fund. Remaining funds will be spent in 2023-24, the current fiscal year, to continue the progress made last fiscal year. Expenditure information by community college program can be found in Attachments A and B.

Program Impact

A full economic impact study is beyond the scope of this report; however, substantial benefits accrue to both the individual and the state from increased college attainment. Students and families benefit through increased earnings and expanded lifetime learning opportunities. The state benefits through increased tax revenues, decreased transfer payments, better overall public health, and increased civic participation.

According to a recent study, *Early Economic Return on Higher Education Investment*, in 2019 wages of certificate and diploma holders who had graduated from high school in 2011, averaged \$37,369, while those who only completed high school earned \$29,478. Associate degree holders earned \$38,268. The report finds that the median lifetime earnings of an associate degree holder are nearly \$400,000 more than the median lifetime earnings of a high school graduate. Compared to high school graduates, college graduates are:

- Twice as likely to exercise;
- Three times less likely to smoke;
- Half as likely suffer from coronary heart disease and diabetes;
- Twice as likely to volunteer in their communities; and
- More likely to vote and serve in community leadership roles.

A copy of this report can be found at <http://cpe.ky.gov/data/reports/2021roireport.pdf>.

A 2020 CPE report underscores the savings that accrue to the state when more residents are better educated. It found that postsecondary graduates,

“are much less likely to receive unemployment insurance or participate in entitlement programs. In 2017, 85% of the individuals who were unemployed or out of the labor force did not have a college credential. People without a college credential accounted for 88% of SNAP recipients, 86% of Medicaid recipients, and 94% of SSI (disability) recipients.”

A copy of this report can be found at <http://cpe.ky.gov/data/reports/ROIreport.pdf>

Given the extensive research extolling the benefits of higher education for both individuals and society at large, including the research cited above, Council staff feels confident that the General Assembly’s investment in the Workforce Development Trust Fund in 2022-23 has had and will continue to have a positive impact on individuals and the Commonwealth in general. CPE will continue to collect information on these programs and will further quantify the increased capacity of these programs to provide opportunities for Kentucky residents to pursue careers in high demand industries.

Attachment A

Summary Information

Workforce Development Trust Fund Awards, Expenditures, and Targeted and Actual Credential Growth

**Kentucky Community and Technical College System
2022-2023 Workforce Development Trust Fund Awards to KCTCS Institutions**

College	Project Name	Award Amount	Actual Amount Expended	Credentials Awarded in 2021-2022 (Baseline)	Target for Credentials Awarded in 2022-2023	Actual Credentials Awarded in 2022-2023	Targeted Change From Baseline	Actual Change From Baseline	Project Description	Targeted Industry Sector/s
Ashland	Short-Term Healthcare Programs	\$ 103,651	\$ 96,734	413	470	410	57	-3	Expansion of existing programs (instructor and equipment)	Healthcare
Big Sandy	Commercial Truck Driving	\$ 168,612	\$ 168,612	40	80	41	40	1	Expansion of existing program (instructor and equipment)	Transportation and Logistics
Bluegrass	Commercial Drivers License (CDLA I)	\$ 184,612	\$ 144,246	0	52	4	52	4	Expansion of existing program (instructor and equipment)	Transportation and Logistics
Elizabethtown	Gear-Up Pilot Program	\$ 176,612	\$ 64,766	165	184	180	19	15	Promote enrollment with community engagement (director, marketing)	Advanced Manufacturing, Skilled Trades
Gateway	Utility Lineworker Program Expansion	\$ 100,000	\$ 25,600	17	28	23	11	6	Additional practice site (instructor and equipment)	Advanced Manufacturing
Hazard	High-Demand / Short-Term Certificates	\$ 176,612	\$ 96,256	410	479	366	69	-44	Expansion of 8 certificates across 4 programs (personnel, equipment, materials, marketing)	Advanced Manufacturing, Business Services & IT, Healthcare, Transportation and Logistics
Henderson	Housing Authority Partnership	\$ 152,612	\$ 60,792	85	107	101	22	16	Instructors, wraparound services for housing authority students in welding, healthcare	Advanced Manufacturing, Healthcare
Hopkinsville	AC & Diesel Technology	\$ 140,609	\$ 140,613	0	52	28	52	28	New AC certificate, re-start Diesel assoc. (equipment, materials, some personnel)	Skilled Trades, Transportation and Logistics
Jefferson	Capacity Building in Technical Trades	\$ 162,276	\$ 111,399	536	683	781	147	245	Additional cohorts for welding, CDL and KMA/CNA (instructors, equipment, materials)	Advanced Manufacturing, Healthcare, Transportation and Logistics
Madisonville	CDL & Lineworker Expansion	\$ 164,952	\$ 72,140	82	161	123	79	41	Expansion of existing programs (instructors and equipment)	Advanced Manufacturing, Transportation and Logistics
Maysville	Computerized Manufacturing & Machining	\$ 136,612	\$ 65,000	38	48	19	10	-19	Relocation and expansion of existing program (equipment)	Advanced Manufacturing
Owensboro	Competency-Based Education	\$ 152,612	\$ 92,751	348	416	727	68	379	Implement accelerated competency-based pilot (personnel, equipment, other)	Advanced Manufacturing, Skilled Trades
Somerset	Logistics & CDLA I	\$ 160,612	\$ 92,241	31	55	52	24	21	New business logistics program, expansion of CDLA 1 certificate program (personnel, equipment, marketing)	Transportation and Logistics
Southcentral KY	Medical Laboratory Technology	\$ 100,000	\$ 100,000	0	10	9	10	9	New program (equipment, personnel)	Healthcare
Southeast KY	Certified Nursing Ass't to KY Medication Aide	\$ 144,612	\$ 121,942	108	243	282	135	174	Expansion of existing programs to new Knox County campus (instructor, equipment, marketing)	Healthcare
Totals		\$ 2,225,000	\$ 1,453,092	2273	3068	3146	795	873		

SUMMARY
In FY 2022-23, KCTCS Colleges expended 69% (\$1,524,227) of Workforce Development Trust Fund awards. KCTCS increased the award of select credentials 32.4% (3,533) from AY 22, exceeding the target by nearly 1%. Remaining funds (\$700,773) will be spent in early FY 2023-24, now that supply chains are normalizing and hiring has adjusted to the labor market, which should further increase KCTCS' award of select credentials.

Project Focus Key

Expansion of Existing Program	Student Recruiting and Success
Relocation/Additional Site for Program	Competency-Based Education
Support for New Program	

Attachment B

Detailed Information

Workforce Development Trust Fund Awards, Expenditures,
Targeted and Actual Credential Growth, and Program Narrative by
KCTCS College

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022
 UPDATE 7/10/2023

Ashland	Award Amount	Credential Targets		Amount Expended	Credentials Actual
Short-Term Healthcare Programs	\$ 103,651			\$ 96,734	
	Base Year 2021	2022-23	Change from Baseline	2022-23	Change from Baseline
Certified Medical Technician (5108993039)	22				
Certificates	24	27	3	29	5
Electrocardiogram Technology (5109043060)	22				
Certificates	38	43	5	38	0
Kentucky Medication Aide (5139012030)	22				
Certificates	24	27	3	28	4
Medicaid Nurse Aid (5139012020)	22				
Certificates	236	269	33	240	4
Plebotomy for the Health Care Worker (5110043039)	22				
Certificates	91	104	13	75	-16
TOTALS	413	470	57	410	-3

Executive Summary of Fund Utilization

Ashland Community & Technical College is utilizing the Workforce Development Trust Funds to purchase equipment such as hospital beds, ECG Machines, enhanced manikins, and other items for short-term healthcare programs. A portion of the funds will also be used for the new short-term healthcare instructor's salary for 2022-23.

Actual Use of Funds and Program Results Narrative

The Funds from this grant were used to pay for hospital beds, Nursing Manikins, other equipment for all short-term healthcare programs. It also was used to pay for our new full-time short-term coordinator's salary for FY 23. There is a small amount of funds left and should be expended within the next 30-60 days. We fell short of our goals for increase in enrollment and credentials. However, the summer numbers are not complete until the semester is over and this could get us closer to the goal.

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

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Big Sandy Commercial Truck Driving	Award Amount	Credential Targets		Amount Expended	Credentials Actual	
	\$	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline
	168,612			\$ 168,612		
Commercial Truck Driving Course (TRU 100)						
Completions	40	80	40	41	1	
TOTALS	40	80	40	41	1	

Executive Summary of Fund Utilization

BSCTC will utilize the award from the Workforce Development Trust Fund to expand the number of students taking the Commercial Truck Driving Course, who are then eligible to seek a commercial driving license (CDL). The funds will enable the purchase of a heavy-duty semi-trailer truck. The expected result is an increased capacity for each class from six (6) students to twelve (12); an anticipated increase in the number of individuals obtaining a Class A CDL from a baseline of forty (40) each year to eighty (80).

Actual Use of Funds and Program Results Narrative

The funds were used to purchase a new automatic CDL truck. We were unable to meet our target as we did not receive our new truck until May 2023.

KCTCS

Workforce Development Trust Fund

Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022

UPDATE 7/13/2023

Bluegrass	Award Amount		Credential Targets		Amount Expended	
	Base Year 2021	2022-23	2022-23	Change from Baseline	2022-23	Change from Baseline
Commercial Drivers License (CDLA I)	\$ 184,612				\$ 144,246	
Tractor Trailer, CDLA I (4902053010)	22					
Certificates	0	52	52		4	4
TOTALS	0	52	52		4	4

Executive Summary of Fund Utilization

BCTC is actively in the search process to hire a full-time CDL faculty member. We anticipate the faculty member to start in November. In addition, we are recruiting for adjunct CDL faculty. BCTC has purchased a CDL truck and now seeks to purchase a trailer. Lastly, the Workforce Solutions Office is maintaining an interest list of individuals and companies who wish to access CDL courses as soon as they begin in January 2023.

Actual Use of Funds and Program Results Narrative

BCTC has utilized the Workforce Development Trust Funds to support the start of a CDL Program. We have hired a full-time, 10-month faculty member in December 2022 and started the first CDL class in January 2023. To date, 4 students have successfully completed the CDL credential. BCTC is working to hire an additional instructor to offer a part-time class schedule to support scheduling needs of working adults and to run additional sections to increase credential attainment. Strategies are being implemented to identify additional funding sources to support adult learners as local BGWIB funding is no longer available for CDL.

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022
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Elizabethtown	Award Amount	Credential Targets		Amount Expended	Credentials Actual	
Gear-Up Pilot Program	\$ 176,612	2022-23	Change from Baseline	\$ 64,766	2022-23	Change from Baseline
Air Conditioning Technology (4702017019)	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Degrees	7	11	4	6	-1	
Computer Aided Drafting and Design (1513017029)	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Degrees	6	7	1	9	3	
Computerized Manufacturing and Machining (4805037019)	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Degrees	13	13	0	12	-1	
Electrical Technology (4603027039)	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Degrees	44	45	1	37	-7	
Engineering and Electronics Technology (1503997019)	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Degrees	25	25	0	30	5	
Industrial Maintenance Technology (4703037019)	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Degrees	66	73	7	70	4	
Welding Technology (4805087019)	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Degrees	4	10	6	16	12	
TOTALS	165	184	19	180	15	

Executive Summary of Fund Utilization

The ECTC Gear Up Pilot Project will take a holistic and innovative approach by changing perceptions of advanced manufacturing, implementing interactive recruitment activities, and engaging middle and high school partners to increase enrollment and credentials. ECTC will develop new marketing and outreach strategies highlighting career options at the middle school level and continuing through high school graduation and beyond by presenting more effective educational program information to change the negative misconceptions students and the general public have concerning fulfilling careers available in manufacturing. These strategies can also be adapted to reach adults who may be considering career changes or looking for opportunities to enter this growing field in preparation for the launch of the BlueOval SK Battery Park.

Actual Use of Funds and Program Results Narrative

Thanks to an extension granted for the continuation of this program, initiatives are underway and ongoing. To date, funds have been used to pay the salary and benefits for a full-time program coordinator (\$36,441.39). Thanks to the work of this program coordinator, we have successfully facilitated student presentations throughout the end of the academic year and a successful externship program for secondary teachers, counselors, and administrators. Funds were used to purchase equipment for presentations, as well as safety equipment for teachers experiencing advanced manufacturing first-hand (\$28,324.18). More initiatives are currently being planned as the next academic year begins in August.

Elizabethtown has not expended all funds due to timing constraints and a delay we experienced early in the process of administering this project. Our implementation team wanted to ensure that we recruited the right program coordinator who would work on this project daily. We ultimately hired Mr. Patrick Grey in November of last year - just before the Thanksgiving holiday and mere weeks away from the Institutional Close. Our implementation team also wanted to be intentional about how we trained Mr. Grey. We paired him with our technical faculty to learn about curricula and pedagogy used in our Advanced Manufacturing programs. We also worked with our Workforce Solutions Department to expose Mr. Grey to business and industry in our service region, as well as our Recruiting Department to help him to begin making relationships with our secondary education partners. Mr. Grey was a quick learner and began to work in earnest during the Spring semester, but the onboarding and training process did take some time.

Since the timing of onboarding and training was delayed, we requested a use-of-funds extension. This extension was granted. We plan to continue the work of this grant and have plans for remaining funds. In particular, we plan to continue partnering with industry and secondary partners on a regular basis. We have invested in virtual reality equipment that allows students to learn more about the manufacturing environment and skills required in Advanced Manufacturing fields. We plan to take this equipment to schools throughout ECTC's service region. We also plan to sponsor events in our communities that correspond with Manufacturing Month (October). We have also discussed the possibility of transporting students to local businesses for industry tours, and of repeating our very successful externship program.

Because we have been intentional about creating meaningful relationships with local manufacturers and local school officials, we will be able to use the remaining funds more effectively. We are not required to heavily market our initiatives to generate participation but can, instead, focus on using funds for dynamic programming and materials that will continue to market manufacturing as a viable career. Marketing will also highlight manufacturing in our region and Elizabethtown Community and Technical College.

As a result of these efforts, we expect that our enrollments will far exceed the expected targets projected at the outset of this project. Currently, we are only 4 enrollments away from meeting enrollment targets for Advanced Manufacturing programs - I expect that Advanced Manufacturing enrollments will exceed our original estimation and will continue to grow for many years as a result of this project.

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022
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Gateway	Award Amount	Credential Targets		Amount Expended	Credentials Actual	
		2022-23	Change from Baseline		2022-23	Change from Baseline
Utility Lineworker Program	\$ 100,000			\$ 25,600		
Utility Lineworker (1517013160)	Base Year 2021: 22					
Certificates	17	28	11	23	6	
TOTALS	17	28	11	23	6	

Executive Summary of Fund Utilization

Gateway Community and Technical College (Gateway) is meeting demand for additional skilled utility lineworkers in our region by expanding our exiting Utility Lineworker certificate program to serve 24 students per semester (up from 15) by building an additional hands-on practice space (also referred to as a pole yard) on our Boone County campus. Students are able to earn a Utility Lineworker Certificate in a single semester and enter the workforce immediately upon graduation. This expansion is driven by local demand from both interested students and local employers, and informed by national employment projections for the field.

Actual Use of Funds and Program Results Narrative

After initial estimate, cost of project has increased due to electrical/lighting and other requirements. Current budget of project is \$339,000. \$25,599.58 has been expended to date with an additional \$175,757.50 in encumbrances. Funds were not fully expended in FY23 due to construction start delays caused by supply chain issues, paired with the procedure to pay contractors after work is complete, which caused spending to fall in FY24. The expanded pole yard is ready for student use beginning in August 2023. The final piece of the project is the installation of an electrical box, which is anticipated to be completed in

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022
 UPDATE 7/14/2023

Hazard	Award Amount	Credential Targets		Amount Expended	Credentials Actual
High-Demand / Short-Term Certificates	\$	2022-23	Change from Baseline	\$	2022-23
	Base Year 2021-22				Change from Baseline
A+ Prep (1101013529)	176,612			96,256	
Certificates	10	22	12	39	29
Computer Technician (1101013289)					
Certificates	13	25	12	14	1
Kentucky Medication Aide (5139012030)					
Certificates	15	15	0	13	-2
Machine Tool Operator I (4805033109)					
Certificates	0	15	15	0	0
Medicaid Nurse Aide (5139012020)					
Certificates	204	210	6	161	-43
Net+ Prep (1101013539)					
Certificates	11	15	4	20	9
Security+ Prep (1101013549)					
Certificates	13	13	0	23	10
Tractor Trailer, CDLA I (4902053010)					
Certificates	80	100	20	65	-15

Utility Technician (1504993210)	Base Year 2021-22	Credential Targets		Credentials Actual	
		2022-23	Change from Baseline	2022-23	Change from Baseline
Certificates	64	64	0	31	-33
TOTALS	410	479	69	366	-44

Executive Summary of Fund Utilization

HCTC will enhance/expand eight certificate offerings across four programs (five certificates under which Academic Services and three certificates under Workforce solutions) increase student enrollments, completers, and number of credentials offered. Programs will start enrolling students as early as the Fall 2022 and the targeted employment sectors are Advanced Manufacturing, Business & IT, Healthcare, and Transportation & Logistics. This opportunity will support regional employment, placing graduates in many open positions within the identified high demand industries. After thorough labor market research including focus groups, Hazard Community and Technical College will offer the following short-term training: Computer Information Technology, Commercial Driver’s License, Utility Lineman, Telecommunications Lineman, Machinists, Nurse aides.

Actual Use of Funds and Program Results Narrative

A total of \$79,402.89 was spent on a full-time Lineman Instructor and two part-time CIT instructors. Current expense expenditures totalling \$16,852.79 included wrapping of the CDL box trailer to advertise our programs, lineman materials for the program, and tablecloths used in recruiting events for Nurse Aide and CIT programs. The Lineman Program fell short on the enrollment of students as tuition assistance was not available as in previous years through WIOA. On this report, we show 34 completers with the Lineman Program, but there are an additional 5 students enrolled but not completed as of the date of this report. Additionally, there are 17 applications for the August 2023 cohort. The shortfall within the Nurse Aide Program was due to the lack of instructors for the program.

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022
 UPDATE 6/27/2023

Henderson Housing Authority Partnership	Award Amount	Credential Targets		Amount Expended	Credentials Actual
	\$	2022-23	Change from Baseline	2022-23	Change from Baseline
	152,612			\$ 60,792	
Medicaid Nurse Aide (5139012020)	Base Year 2021-22	22			
Certificates	63	67	4	82	19
Welder Helper (4805083129)	Base Year 2021-22	22			
Certificates	22	40	18	19	-3
TOTALS	85	107	22	101	16

Executive Summary of Fund Utilization

Henderson Community College (HCC) is using the awarded funds to pay the wages and benefits of a temporary, full-time Success Coach who will serve as a liaison between HCC and the Henderson Housing Authority. HCC is also using the funds to pay for the instructors' wages and benefits of the nursing assistant and welding courses, certification exams for the students, student equipment and textbook kits, a bilingual peer mentor, and marketing of this effort. These expenses will enable HCC to reach the graduate goals of this project.

Actual Use of Funds and Program Results Narrative

We hired a full-time success coach. We employed a part-time CNA instructor. We had a part-time wrap-around services coach and facilitator. These efforts maximized the enrollment of possible students in each certificate program. We used current expense funds to purchase flyers that advertised these certificates. We encountered challenges with the Henderson Housing Authority which limited our access to residents for the welding classes.

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022
 UPDATE 6/15/2023

Hopkinsville	Award Amount	Credential Targets		Amount Expended	Credentials Actual	
AC & Diesel Technology	\$ 140,609			\$ 140,613		
	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Agriculture Equipment Mechanic Helper (4706053109)						
Certificates	0	2	2	0	0	
Agriculture Equipment Technician (4706054039)						
Diplomas	0	0	0	0	0	
Building Controls Technician (4702013099)						
Certificates	0	0	0	0	0	
Diesel Engine Mechanic (4706053079)						
Certificates	0	2	2	0	0	
Diesel Technology (4706057039)						
Degrees	0	0	0	0	0	
Domestic Air Conditioner and Furnace Installer (4702013029)						
Certificates	0	10	10	7	7	
Electrical/Electronics Systems Mechanic (4706053059)						
Certificates	0	0	0	0	0	
Environmental Control System Servicer (4702013039)						
Certificates	0	10	10	14	14	
		Credential Targets		Credentials Actual		

Environmental System Repair Helper (4702013069)	Base Year 2021-22	Change from		Change from	
		2022-23	Baseline	2022-23	Baseline
Certificates	0	10	10	7	7
		Credential Targets		Credentials Actual	
		2022-23	Baseline	2022-23	Change from Baseline
Fluid Power Mechanic (4706053119)	0	10	10	0	0
		Credential Targets		Credentials Actual	
		2022-23	Baseline	2022-23	Change from Baseline
Heavy Duty Drive Train Mechanic (4706053089)	0	0	0	0	0
		Credential Targets		Credentials Actual	
		2022-23	Baseline	2022-23	Change from Baseline
Mobile Air Conditioning Mechanic (4706053169)	0	2	2		0
		Credential Targets		Credentials Actual	
		2022-23	Baseline	2022-23	Change from Baseline
Preventive Maintenance Mechanic (4706053199)	0	2	2	0	0
		Credential Targets		Credentials Actual	
		2022-23	Baseline	2022-23	Change from Baseline
Refrigeration Mechanic (4702013059)	0	4	4	0	0
		Credential Targets		Credentials Actual	
		2022-23	Baseline	2022-23	Change from Baseline
TOTALS	0	52	52	28	28

Executive Summary of Fund Utilization

Hopkinsville Community College is employing resources from the Workforce Development Trust Fund to two technical programs: Air Conditioning Technology and Diesel Technology. Since programs are starting (or restarting) in the fall of 2022, credential production will increase over the next two academic years. Funds will be expended in five categories: 1. Adjunct instructors, to allow the program coordinator time to recruit students, build relationships with local employers, and pursue professional development. 2. Equipment, including Residential Heat Pump Troubleshooting Training System, R-410a Refrigerant Recovery and Charging Training System, Residential Mini-Split Heat Pump Learning System, Megatech Diesel Engine Performance Program, and Bendpak Rolling Bridge Jacks. 3. Materials, such as refrigerant, brazing supplies, fluids, and lubricants. 4. Marketing. 5. Professional Development.

Actual Use of Funds and Program Results Narrative

Our funds were used in the following ways:

Classroom Supplies - Diesel Tech (\$23,475.82) Air Conditioning Technology (\$12,426.11)

Educational Trainers - Diesel Tech (\$43,895) Air Conditioning Tech. (\$60,816)

Diesel Technology: Enrollment increased from 0 students in the early fall of 2022 to 5 students in the Spring 2023 semester. There are currently 11 students enrolled in Fall of 2023 courses. Because of the way the courses are scheduled, Diesel Technology Courses students won't actually earn certificates until after their second year is completed.

Air Conditioning Tech: We had a total of 10 HVAC students, of which 7 completed 3 certificates each. Although two other certificates are available, students were unable to exceed their maximum load during the 2-semester period.

Jefferson	Award Amount	Credential Targets		Amount Expended	Credentials Actual
		Base Year 2021-	Change from		Change from
		22	2022-23		2022-23
			Baseline		Baseline
Capacity Building in Technical Trades	\$ 162,276			\$ 111,399	
ARC Cutter (4805083099)					
Certificates	38	38	0	28	-10
ARC Welder (4805083029)					
Certificates	12	12	0	12	0
AWS National Skills Standards Level I (4805083089)					
Certificates	10	10	0	6	-4
Combination Welder (4805084029)					
Diplomas	7	7	0	5	-2
Gas Metal Arc Welder (4805083149)					
Certificates	14	14	0	7	-7
Gas Welder (4805083039)					
Certificates	1	1	0	0	-1
Kentucky Medication Aide (5139012030)					
Certificates	37	45	8	50	13

	Base Year 2021	Credential Targets		Credentials Actual	
		2022-23	Change from Baseline	2022-23	Change from Baseline
Medicaid Nurse Aide (5139012020)	22	219	20	366	167
Certificates	199	219	20	366	167
Pipeline Welder (4805083109)	22	3	0	0	-3
Certificates	3	3	0	0	-3
Production Line Welder (4805083059)	22	11	0	8	-3
Certificates	11	11	0	8	-3
Shielded Metal Arc Welder (4805083139)	22	12	0	19	7
Certificates	12	12	0	19	7
Tack Welder (4805083119)	22	30	0	36	6
Certificates	30	30	0	36	6
Tractor Trailer, CDLA I (4902053010)	22	110	62	113	65
Certificates	48	110	62	113	65
Welder Helper (4805083129)	22	164	57	125	18
Certificates	107	164	57	125	18
Welding Technology (4805087019)	22	7	0	6	-1
Degrees	7	7	0	6	-1
TOTALS	536	683	147	781	245

Executive Summary of Fund Utilization

In Capacity Building in the Technical Trades (C-BITT), Jefferson Community and Technical College (JCTC), together with its Workforce Solutions Team, proposes to increase the capacity of its three highest-performing programs: Welding, Commercial Driver's License (CDL) Training, and the Kentucky Medication Aid (KMA)/Certified Nursing Assistant (CNA) Pathway. Each year, thousands of positions in these industries are left unfilled due to a lack of qualified workers, stemming partly from rigid and misaligned training, scheduling, and credentialing timetables. The proposed project will enable the College to offer these programs in a way that is responsive to the demands of our industry partners and our students through flexible and on-demand start dates and shorter terms aligned with our partners' hiring seasons. These changes will amount to more than 160 new program participants obtaining an industry-recognized credential and entering high-wage, high-growth industries by the end of 2024. In addition to making a lasting impact on State and local industries, this initial investment will be sustained beyond the life of the grant by student tuition, and the resulting program revisions will be institutionalized into JCTC and Workforce Solutions' standard course schedules.

Actual Use of Funds and Program Results Narrative

The original proposed project focused on increasing our credentials in three targeted areas; Welding, CDL Truck Driving, and Kentucky Medication Aid (KMA). Each of the three areas included separate and targeted approaches to how we would accomplish this. For Welding we primarily requested funds to pilot an accelerated welding program utilizing our AMIT welding lab. We planned to use funds to pay faculty overloads for the accelerated format with an effort to avoid hiring a full time instructor before proof of concept. Welding was our weakest area as we struggled to gain employer support and buyin to hire the individuals we targeted for the training. We trained 63 individuals in Welding and all but one completed with a passing grade. However, we struggled to get studnets to submit the form to request the certificate. We will likely catch these credentials in our auto award process in the future. All completers in our program would earn the Welder Helper credential. Most of our welding students during the project continued to be employer sponsored. Our hope with the WFD trust funds was to identify ways to run an accelerated program but employer support for that did not materialize. Additionally we received feedback from our Workforce Investment Board Career Center partners that the title "Welder Helper" was difficult to package to employers. Employers felt like it was too mcuh of an entry level certificate. Our second focus area was Truck Driving CDL. This program grew significantly over the last 12 months. The WFD trust funds help support instructor compensation to increase our cohorts from 8 to 12 students per month. Our third focus area was KMA credentials. We used all the planned funds in this area. We used these funds as planned to purchase beds, mannikins and course supplies. Additionally, we used allocated funds to add several KMA 100 sections. This year we offered KMA eight times and trained 73 individuals. This is another areas where not all completers applied for their credentials. The WFD funds allowed us to stand up a new classroom at our JCTC Southwest campus. This will significantly increase our long term ability to deliver KMA training. If allowed we'd like to use the remaining funds to continue our two strongest programs: CDL and KMA. With approval we would like to upgrade our KMA lab with the required equipment and supplies to offer CNA training in the future. Additionally, we'd like to continue adding four additional students per month in our CDL program by utilizing funds to support instructor capacity.

Madisonville Commercial Drivers License & Lineworker Expansion	Award Amount		Amount Expended	
	\$	164,952	\$	72,140
			Credential Targets	
	Base Year 2021		Change from	
		2022-23	Baseline	
Tractor Trailer, CDLA I (4902053010)	22			
Certificates	35	100	65	68
				33
			Credential Targets	
	Base Year 2021		Change from	
		2022-23	Baseline	
Utility Technician (1504993210)	22			
Certificates	47	61	14	55
				8
TOTALS		82	161	79
			123	41

Executive Summary of Fund Utilization

Madisonville Community College (MCC) is using resources provided from the Workforce Development Trust Fund to expand the capacity of two short-term, in-demand certificate programs: Utility Technician (lineman) and Tractor Trailer CDLA I. Funds are primarily being used to hire additional faculty in both programs, although some funding will also be used for supplies and marketing. The Utility Technician certificate prepares graduates to find employment with companies that construct and maintain electrical delivery infrastructure such as power lines and substations, but the skill set may be transferrable to other utilities such as phone and television infrastructure. The Tractor Trailer CDLA I certificate prepares graduates to obtain the CDL-A license, a required certification for operating semi trucks and other heavy equipment while pulling a trailer.

Actual Use of Funds and Program Results Narrative

MCC hired a second lineman instructor, Jeffrey Duvall. This hire, and the move to the larger pole field at the Lisman Workforce Complex (former Dotiki coal mine) allowed the college to nearly meet its credential target this year. The class capacity has grown with every cohort as Mr. Duvall's experience as an instructor grows. With three classes at the full, final capacity, MCC projects to meet its annual credential target this year, as the waiting list for lineman training continues to be extensive. Reaching final capacity also means that the second instructor position is now financially sustainable, and both instructors will be paid from institutional funds during the extension period.

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022
 UPDATE 7/10/2023

Maysville	Award Amount	Credential Targets		Amount Expended	Credentials Actual	
		Base Year 2021	Change from		2022-23	Change from
		22	2022-23	2022-23	2022-23	Baseline
			Baseline			
Computerized Manufacturing & Machining	\$ 136,612			\$ 65,000		
CNC Machinist (4805034069)		22				
Diplomas	4	4	0	1	-3	
Computerized Manufacturing and Machining (4805037019)		22				
Degrees	6	6	0	2	-4	
Exploratory Machining I (4805033199)		22				
Certificates	22	32	10	13	-9	
Machine Tool Operator I (4805033109)		22				
Certificates	1	1	0	1	0	
Machine Tool Operator II (4805033119)		22				
Certificates	1	1	0	0	-1	
Machinist (4805034079)		22				
Diplomas	4	4	0	2	-2	
TOTALS	38	48	10	19	-19	

Executive Summary of Fund Utilization

The Maysville Community and Technical College (MCTC) Associate in Applied Science (AAS) Computerized Manufacturing and Machining (CMM) program prepares students to program and operate the computers driving modern manufacturing that produce the components for military defense, healthcare, automotive, aerospace, and many other industries. The AAS CMM technology program provides highly prepared technicians ready to produce precision metal parts. Currently, the AAS CMM program is offered on the MCTC Rowan campus. Program enrollment for potential students close to other MCTC campuses is hampered by the time and costs associated with travel to the MCTC Rowan campus. This project seeks to relocate extant first year AAS CMM program equipment to the MCTC Maysville Campus from the MCTC Montgomery Campus where instructional space is limited. This additional AAS CMM lab location will increase access, enrollment, and credentials awarded. Funding provided under this project will support a new AAS CMM

lab offering the complete first and second-year AAS CMM courses at the MCTC Maysville Campus by relocating first year equipment and purchasing second year equipment. The new lab will increase CMM technology program certifications and degree completion and open the door for accelerated career pathways with secondary educational partners, including the Mason County Career Magnet School.

Actual Use of Funds and Program Results Narrative

To date, MCTC has purchased equipment needed for the second year of AAS CMM courses, relocated existing first-year equipment to the Maysville Campus CMM lab, and all equipment installed and inspected. Course offerings were delayed in Spring 2023 due to shipping and inspection delays which resulted in lower than anticipated course enrollments and credentials awarded. Next steps include: increase efforts to streamline the dual credit pathway between MCTC and the Area Technology Center and continue to enhance our partnership with Stober Drives. Additionally, MCTC plans to infuse CMM courses into a planned advanced technology degree program to meet regional employer needs.

Owensboro	Award Amount	Credential Targets		Amount Expended	Credentials Actual
Competency-Based Education	\$ 156,612.29			\$ 92,751.29	
	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline
Gas Welder (4805083039)					
Certificates	32	44	12	23	-9
Industrial Electrician Level I (4603023039)	22				
Certificates	60	71	11	296	236
Industrial Electrician Level II (4603023059)	22				
Certificates	60	60	0	76	16
Industrial Maintenance Electrical Mechanic (4703033159)	22				
Certificates	53	64	11	110	57
Industrial Maintenance Mechanic Level I (4703033139)	22				
Certificates	53	64	11	75	22
Industrial Maintenance Robotics Technician (4703033239)	22				
Certificates	11	11	0	11	0
Integrated Manufacturing Technologies (1506133069)	22				
Certificates	0	11	11	13	13
Welder Helper (4805083129)	22				

Certificates	79	91	12	123	44
TOTALS	348	416	68	727	379

Executive Summary of Fund Utilization

OCTC’s Competency-Based Education (CBE) Turn-Key Solution initiative is a strategy to reach hard-to-serve student populations including dislocated workers and under-skilled incumbent workers. The CBE Turn-Key Solution strategy offers an additional delivery modality with imbedded competency-based educational components and flexible lab scheduling. Core courses in OCTC’s Industrial Maintenance, Electrical Technology, and Welding Technology programs will be offered that lead to eight OCTC/KCTCS certificate options. This project focuses on the instructional design of the CBE delivery modality and the incorporation of the curriculum into a student-friendly learner management system. CBE curriculum will be developed during the fall 2022 semester and the first cohort of students will enroll by spring 2023. It is anticipated that 23 new students will complete at least one certificate by the end of the spring 2023 semester. Project goals for fall 2023 and spring 2024 estimates an additional 91 program completers.

Actual Use of Funds and Program Results Narrative

OCTC completed its project goals of developing competency-based components for six core industrial maintenance courses and one welding course, building the courses into a student-friendly learning management system, and launching classes by spring 2023. The OCTC team recruited 41 new students -- 30 students earned the five-credit hour Welder Helper Certificate and 11 of the students earned 28 credits and six industrial maintenance certificates including Industrial Electrician Trainee Level 1; Industrial Electrician Trainee Level 2; Industrial Maintenance Robotics Technician; Integrated Manufacturing Technologies; Industrial Maintenance Electrical Mechanic and Industrial Maintenance Mechanic Level 1.

All project funds were used as projected with the exception of hiring a full-time instructional designer. After an extensive employment search process, the college didn’t have any interested applicants for this position. As a result, the OCTC team utilized part-time instructional designers. The remaining funds for instructional design work will be utilized during the summer and fall 2023 semesters to make continuous improvements to the developed courses based on faculty and student feedback.

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022
 UPDATE 7/14/2023

Somerset		Award Amount		Amount Expended	
Logistics & Commercial Drivers License (CDLA I)		\$ 160,612		\$ 92,241	
Tractor Trailer, CDLA I (4902053010)	Base Year 2021	Credential Targets		Credentials Actual	
	22	2022-23	Change from Baseline	2022-23	Change from Baseline
Certificates	31	51	20	49	18
International Logistics (5202033049)	Base Year 2021	Credential Targets		Credentials Actual	
	22	2022-23	Change from Baseline	2022-23	Change from Baseline
Certificates	0	2	2	1	1
Logistics Management (5202033019)	Base Year 2021	Credential Targets		Credentials Actual	
	22	2022-23	Change from Baseline	2022-23	Change from Baseline
Certificates	0	2	2	1	1
Logistics Technology (5202033039)	Base Year 2021	Credential Targets		Credentials Actual	
	22	2022-23	Change from Baseline	2022-23	Change from Baseline
Certificates	0	0	0	1	1
Supply Chain Management (5202033029)	Base Year 2021	Credential Targets		Credentials Actual	
	22	2022-23	Change from Baseline	2022-23	Change from Baseline
Certificates	0	0	0	0	0
TOTALS	31	55	24	52	21

Executive Summary of Fund Utilization

Funds for the Logistics portion of the grant are being used to pay salaries, purchase software, and market the program. Program approval was later than anticipated, which has led to a slow start. Enrollment is lower than initially anticipated but is expected to increase due to advertising and efforts to reach local businesses. Funds for the CDL program are being used to purchase a new, used tractor and trailer. Due to the demand for used trucks and trailers and our internal purchasing process, it is taking longer than planned to get the equipment. This has delayed the start date for our classes and will reduce the number of credentials earned in FY 2023. However, once we do get the equipment and get the tags, insurance, and fuel card, we will start offering the classes in Laurel County.

Actual Use of Funds and Program Results Narrative

One used truck was purchased with these funds. We have seen the projected growth in credentials. Still trying to find a good, used, affordable trailer to purchase. Trailers are difficult to find but still looking for a good, used one.

The Workforce Development Trust Fund Grant has benefited SCC's Logistics and Operations Management Program in several ways. First, the grant significantly enhanced the program's marketing efforts by providing funds for online advertising, billboards, and merchandise for recruiting events. The grant also allowed for the purchase of invaluable technological teaching aids such as software subscriptions, a laptop to house the software, and an iPad to use at recruiting events. In addition to benefits for marketing and program technology, the grant has also aided program faculty. The salaries for Logistics Adjunct Faculty were covered by this grant, and the Program Coordinator was able to attend needed, out-of-state professional development. Even though the number of credentials awarded in the first year was low, the number would have been much lower without this grant. Several interested students knew the program solely because of online advertisement exposure. In addition, the ability to enhance the high school and industry recruitment experience with visual aids, merchandise for giveaways, etc. will inevitably lead to an increase in future enrollment.

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022
 UPDATE 6/12/2023

Southcentral KY	Award Amount	Credential Targets		Amount Expended	Credentials Actual	
Medical Laboratory Technology	\$100,000			\$100,000		
	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Medical Laboratory Technician (5110047049)						
Degrees	0	0	0	0	0	
Phlebotomist (5110043079)	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Certificates	0	0	0	0	0	
Phlebotomy for Health Care Worker (5110043039)	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Certificates	0	10	10	9	9	
Physician's Office Laboratory (5110043029)	Base Year 2021-22	2022-23	Change from Baseline	2022-23	Change from Baseline	
Certificates	0	0	0	0	0	
TOTALS	0	10	10	9	9	

Executive Summary of Fund Utilization

Southcentral Kentucky Community and Technical College (SKYCTC) will be adding the Medical Laboratory Technician (MLT) program to the Allied Health and Nursing Division. The current plan is to admit the first cohort of 10 students into the MLT program in January 2023, with an expected degree completion date of December 2024. The initial enrollment plan is to accept one cohort of ten per year, with students completing their first certificate (Phlebotomy for the Healthcare Worker) after the first semester Spring 2023. Once the program is operating, SKYCTC plans to offer short-term certificates more frequently, depending on staffing. SKYCTC will use the resources award through the Workforce Development Trust Fund to purchase equipment needed for laboratory costs to offer both the Phlebotomy for the Healthcare Worker certificate and the MLT Degree.

Actual Use of Funds and Program Results Narrative

SKYCTC added the MLT program to the Allied Health and Nursing Division in January 2023. The Workforce Development Trust Fund was used to purchase the equipment and supplies needed to get the MLT program and Phlebotomy for the Healthcare Worker certificate started. SKYCTC was able to award 9 Phlebotomy for the Healthcare Worker certificates in Spring 2023. There were several students interested in the MLT program that already had a Phlebotomy certificate when enrolling in MLT 101. The MLT program is on track to admit 14-16 students for the second semester of the program in Fall 2023, with an expected degree completion of December 2024. This is 6 more students than originally anticipated due to the interest in students taking the MLT 101 course in Spring 2023.

KCTCS
 Workforce Development Trust Fund
 Credential Growth Targets based on Final Award Amounts

ORIGINAL 10/5/2022
 UPDATE 7/13/2023

Southeast KY		Award Amount		Amount Expended	
Certified Nursing Assistant to Kentucky Medication Aide Mobility		\$ 144,612		\$ 121,942	
Kentucky Medication Aide (5139012030)	Base Year 2021-	Credential Targets		Credentials Actual	
	22	2022-23	Change from Baseline	2022-23	Change from Baseline
Certificates	6	51	45	28	22
Medicaid Nurse Aide (5139012020)	Base Year 2021-	Credential Targets		Credentials Actual	
	22	2022-23	Change from Baseline	2022-23	Change from Baseline
Certificates	102	192	90	254	152
TOTALS	108	243	135	282	174

Executive Summary of Fund Utilization

The new Knox County Campus will include an expansion of the Certified Nursing Assistant (CNA) Program and the career mobility track of Kentucky Medication Aid (KMA). The expansion of these programs will provide the needed talent pipeline to fill current vacancies for both long-term care facilities and regional hospitals. The five-year projected future demand for healthcare support occupations is 28,403 in Kentucky (KY Stats, 2020) and overall employment of nursing assistants is projected to grow 8% by the year 2030 (U.S. Bureau of Labor Statistics). Participants enrolled into each of these programs will enter the workforce career ready and will achieve economic mobility upon completion of their credentials. The CNA to KMA Mobility program will have a direct positive impact upon the economy of the region and provide direct employability skills for each student. The significant increase in the talent pipeline will improve the applicant pool for local employers, reduce the workforce talent gaps, and provide students with a sustainable employment opportunity.

Actual Use of Funds and Program Results Narrative

The Knox Campus of Southeast Kentucky Community & Technical began offering classes during the bi-term (October) session of the Fall 2022 semester. Funding received from the Workforce Development Trust Fund allowed for the hiring of an instructor, purchase of equipment and consumables, and marketing materials. Credentials in CNA have increased college wide and since the opening of the Knox Campus, there have been 35 credentials awarded for that region. The amount used was \$121,942.15. By using carry over funds in the amount of \$22,669.85 we will continue to pay for the instructor on our Knox Campus and will also invest additional monies for marketing and consumables. Fall enrollment is anticipated to be 69 more credentials (included in the numbers above), with 9 of those being KMA on the Knox Campus and 15 CNA on the Knox Campus.



Council on Postsecondary Education Finance Committee Meeting

Bill Payne, Vice President for Finance and Administration
Shaun McKiernan, Executive Director for Finance and Budget
September 11, 2023

Overview



- 2024 - 2026 Biennial Budget Recommendation
 - Operating Funds
 - Capital Investment
 - CPE Agency Budget
- KSU Interim Capital Project
- Workforce Development Trust Fund Report



Operating Funds Request

Operating Funds Request

Funding Category	Fiscal 2023-24	Fiscal 2024-25	Fiscal 2025-26
2023-24 Net General Fund ¹	\$1,007,584,100	\$1,007,584,100	\$1,007,584,100
Base Adjustments:			
KERS Subsidy Reductions		(4,415,700)	(6,623,500)
Adjusted Net General Fund	\$1,007,584,100	\$1,003,168,400	\$1,000,960,600
Additional Budget Requests:			
Inflation Adjustment		\$81,925,100	\$109,233,300
Performance Funding		22,692,900	22,692,900
KSU Land-Grant Program	2,107,500	1,499,100	1,499,100
Total Operating Request	\$1,009,691,600	\$1,109,285,500	\$1,134,385,900
Dollar Change	\$2,107,500	\$101,701,400	\$126,801,800
Percent Change	0.2%	10.1%	12.6%

¹ Each institution's enacted General Fund appropriation minus debt service (HB 1, 22 RS), and minus \$1,799,700 at KCTCS to reflect KBEMS reorganization (HB 777, 22 RS). Includes \$97,307,100 in the Postsecondary Education Performance Fund.

Operating Funds Request

Inflation Adjustment

➤ *Features*

- Request for **\$81.9 million** in 2024-25 and **\$109.2 million** in 2025-26, representing across-the-board base increases of **9%** and **12%**
- CPE will ask that any appropriations for this purpose be excluded from funding models going forward

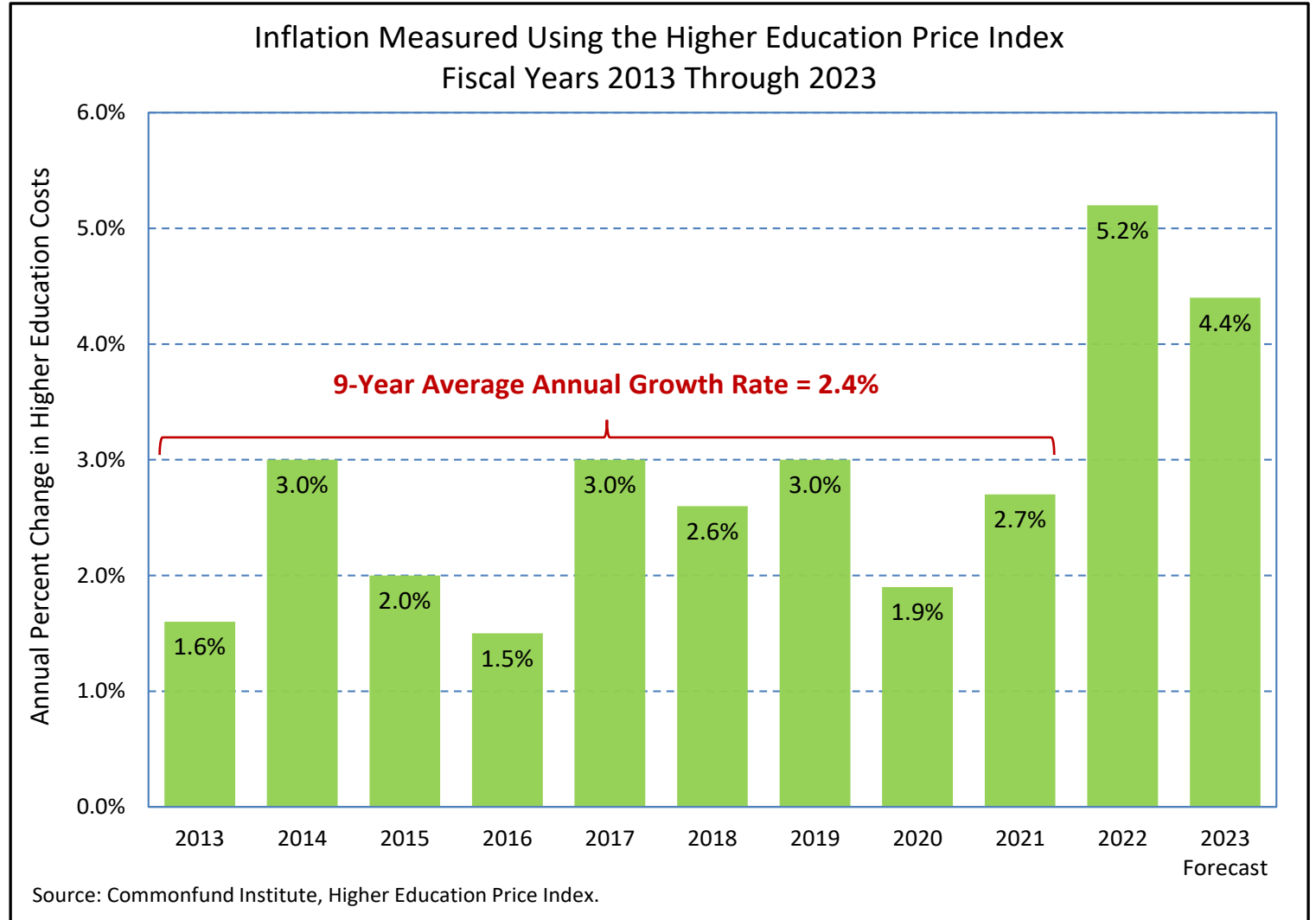
➤ *Rationale*

- If authorized, these funds will help institutions offset some of the largest increases in higher education inflation in two decades
- The funds will also help Council and campus officials maintain affordability and access for Kentucky students and families

Operating Funds Request

Inflation Adjustment (Cont'd)

- Kentucky postsecondary institutions are facing some of the largest increases in higher education inflation in two decades
- The HEPI has grown by 9.6% over the past two years
- Funding is needed to offset these costs and help the Council and campus officials maintain affordability and access for Kentucky citizens



Operating Funds Request

Inflation Adjustment (Cont'd)

- Fire and Tornado Insurance premiums set to increase by 151% next year
- A required cost increase without funding is the same as a budget cut
- The budgetary impact is largest at MuSU -4.4% and smallest at KCTCS -2.7%
- The system average impact is -3.4% or \$31.3 M in total

Kentucky Public Postsecondary Institution

Change in State Mandated Fire and Tornado Insurance Premiums
Between Fiscal Years 2023-24 and 2024-25

Institution	2023-24 Net General Fund ¹	State Fire and Tornado Insurance Premiums ²				Budget Impact
		2023-24 Premium	2024-25 Premium	Dollar Change	Percent Change	
UK	\$286,330,800	\$6,606,000	\$16,550,600	\$9,944,600	151%	-3.5%
UofL	127,456,800	3,206,200	8,032,800	4,826,600	151%	-3.8%
EKU	73,437,300	2,076,300	5,201,800	3,125,500	151%	-4.3%
KSU	27,820,800	546,100	1,368,100	822,000	151%	-3.0%
MoSU	44,328,400	1,179,000	2,954,000	1,775,000	151%	-4.0%
MuSU	47,517,600	1,374,800	3,444,400	2,069,600	151%	-4.4%
NKU	52,247,500	1,263,500	3,165,500	1,902,000	151%	-3.6%
WKU	77,591,300	1,448,700	3,629,500	2,180,800	151%	-2.8%
KCTCS	173,546,500	3,080,500	7,718,000	4,637,500	151%	-2.7%
Total	\$910,277,000	\$20,781,100	\$52,064,700	\$31,283,600	151%	-3.4%

¹ Each institution's enacted General Fund appropriation minus debt service (HB 1, 22 RS) and minus \$1,799,700 at KCTCS to reflect reorganization of Kentucky Board of Emergency Medical Services as an independent agency of state government (HB 777, 22 RS).

² Premiums paid by postsecondary institutions for Fire and Tornado Insurance will increase by more than 150% between 2023-24 and 2024-25. Although the General Assembly provides funding to cover increased costs at state agencies, they typically do not provide such relief for state colleges and universities.

Operating Funds Request

Performance Funding

➤ *Features*

- Request for **\$22.7 million** in 2024-25 and **\$22.7 million** in 2025-26, representing an increase of **23%** on the performance fund base
- If authorized, requested funds will be added to \$97.3 million in the performance fund, bringing the total in the fund to **\$120.0 million**

➤ *Rationale*

- The requested funds will provide resources necessary for institutions to continue making progress toward the state's student success goals, including gap closing and the 60x30 college attainment goal

Operating Funds Request

KSU Land Grant Match

➤ *Features*

- Request for **\$1,499,100** in 2024-25 and **\$1,499,100** in 2025-26 to provide sufficient funds to meet federal matching requirements
- Request for **\$2,107,500** in the current year (i.e., 2023-24) to address funding gaps that occurred in 2021-22 (i.e., \$608,400) and 2022-23 (i.e., \$1,499,100)

➤ *Rationale*

- If authorized, will reinforce the effectiveness and impact of outreach, service, and applied research of KSU's land-grant program

Operating Funds Request

Staff Recommendation

➤ *Total Appropriations*

- Staff recommends total General Fund appropriations of \$1,109,285,500 in fiscal year 2024-25 and \$1,134,385,900 in fiscal year 2025-26 to support public postsecondary institution operations.

➤ *Inflation Adjustment*

- Staff recommends appropriations of \$81,925,100 in 2024-25 and \$109,233,300 in 2025-26 for an inflation adjustment to help offset some of the largest increases in higher education costs in decades.
- In addition, staff recommends that inflation adjustment funds be excluded from funding models going forward, so full benefit will accrue to recipients of the funds without reducing opportunity for performance funds

Operating Funds Request

Staff Recommendation (Cont'd)

➤ *Performance Funding*

- Staff recommends appropriations of \$22,692,900 in 2024-25 and \$22,692,900 in 2025-26 for performance funding to provide incentives for institutions to increase student success and course completion outcomes and continue making progress toward the state's 60X30 attainment goal.

➤ *KSU Land Grant Match*

- Staff recommends appropriations of \$1,499,100 in fiscal year 2024-25 and \$1,499,100 in 2025-26 to provide a sufficient amount of recurring state General Fund to meet the federal matching requirement for Kentucky State University's land-grant program.

Operating Funds Request

Staff Recommendation (Cont'd)

➤ *KSU Land Grant Match (Cont'd)*

- In addition, because KSU's land-grant program is under matched in the current year and was under matched last year, staff recommends an appropriation of \$2,107,500 in fiscal year 2023-24 (i.e., a current year appropriation) to complete the state's matching obligation for fiscal years 2022-23 and 2023-24.



Capital Investment Request

Capital Investment Request

Funding Category	Fiscal 2024-25	Fiscal 2025-26	Biennial Total
New Construction	\$0	\$0	\$0
Construction Cost Increases ¹	\$162,370,000	\$0	\$162,370,000
- Debt Service	6,532,000	13,064,000	19,596,000
Asset Preservation	\$350,000,000	\$350,000,000	\$700,000,000
- Debt Service	14,078,000	42,233,000	56,311,000
Information Technology and Equipment	\$0	\$0	\$0

¹ Estimated increase in construction costs on individual capital projects authorized during the 2022-2024 biennium. The requested \$162.4 million represents 20% of \$811.9 million authorized for new construction projects.

Capital Investment Request

Construction Cost Increases

➤ *Features*

- Request for **\$162.4 million** in bond funds that will allow institutions to offset cost increases on individual capital projects authorized in the 2022-2024 biennium
- CPE staff will recommend that the full amount be provided in fiscal 2024-25 to facilitate completion of projects already underway

➤ *Rationale*

- If authorized, these funds would allow institutions to maintain the original scope of projects approved by the General Assembly in the current biennium (i.e., no scaling back, or phasing of projects)

Capital Investment Request

Construction Cost Increases (Cont'd)

➤ Allocation

- Requested funds represent **20% of \$811.9 million** in bond funds authorized for new construction projects in the 2022-2024 biennium
- If funded, each institution would receive an allocation equal to 20% of previously approved bond funds

Kentucky Public Postsecondary Institution
Allocation of Construction Cost Increases Request
Fiscal Year 2024-25

Campus	Individual Capital Projects	Bonds Authorized in 2022-2024	Construction Cost Increases @20%
UK	Construct Health Education Building	\$250,000,000	\$50,000,000
UofL	Construct Multidisciplinary Engineering Building	65,000,000	\$13,000,000
EKU	Construct New Model Laboratory School	90,000,000	\$18,000,000
EKU	Renovate Alumni Coliseum	31,350,000	\$6,270,000
KSU	--No individual projects funded--	0	\$0
MoSU	Construct Science and Engineering Building	98,000,000	\$19,600,000
MuSU	Construct School of Nursing and Health Building	45,500,000	\$9,100,000
NKU	Expand Hermann Science Center	79,900,000	\$15,980,000
WKU	Construct New Gordon Ford College of Business	74,400,000	\$14,880,000
KCTCS	Construct Student/Classroom - BCTC Newtown	52,200,000	\$10,440,000
KCTCS	Expand Leitchfield Campus - Elizabethtown CTC	9,000,000	\$1,800,000
KCTCS	Renovate Occupational Technical Building - ECTC	16,500,000	\$3,300,000
Total Bond Funds and Cost Increases Request:		\$811,850,000	\$162,370,000

Capital Investment Request

Asset Preservation

➤ *Features*

- Request for **\$700 million** in bond funds to finance renovation and renewal projects at postsecondary institutions
- If authorized, requested funds would be the second installment of \$700 million provided to address a **\$7.3 billion** system total need
- CPE staff will recommend that the funding be provided without any required institutional match

➤ *Rationale*

- Over the past decade, the state has provided **\$959 million** for asset preservation, or about 13% of the estimated \$7.3 billion need

Capital Investment Request

Asset Preservation (Cont'd)

➤ Allocation

- In 2022-2024, the General Assembly appropriated **\$350 million** each year for asset preservation
- Allocated based on each institution's share of total Category I & II square feet
- CPE staff will recommend that requested funds be allocated in similar fashion

Kentucky Public Postsecondary Institution Allocation of Asset Preservation Request Fiscal Years 2024-25 and 2025-26

Institution	Fiscal 2021-22 Category I and II E&G Square Feet	Percent of Total	Proposed Allocation	
			Fiscal Year 2024-25	Fiscal Year 2025-26
UK	6,839,710	24.10%	\$84,351,000	\$84,351,000
UofL	3,412,420	12.02%	42,084,000	42,084,000
EKU	2,322,080	8.18%	28,637,000	28,637,000
KSU	673,771	2.37%	8,310,000	8,310,000
MoSU	1,429,727	5.04%	17,632,000	17,632,000
MuSU	1,998,068	7.04%	24,641,000	24,641,000
NKU	1,964,608	6.92%	24,229,000	24,229,000
WKU	2,659,023	9.37%	32,792,000	32,792,000
KCTCS	7,080,808	24.95%	87,324,000	87,324,000
Total	28,380,215	100.00%	\$350,000,000	\$350,000,000
			Total Asset Preservation Request:	<u><u>\$700,000,000</u></u>

Capital Investment Request

Staff Recommendation

➤ *Construction Cost Increases*

- Staff recommends appropriations of \$6,532,000 in 2024-25 and \$13,064,000 in 2025-26, recurring at the latter amount in subsequent years, to pay annual debt service on \$162,370,000 in state bonds, requested in 2024-25, to help offset construction cost increases on individual new and expanded space projects authorized for postsecondary institutions during the 2022-2024 biennium.
- CPE staff recommends a capital appropriation to each institution equal to 20% of the bond funds it received in the 2022-2024 biennium for line-itemed capital projects, which will allow Kentucky colleges and universities to complete new capital construction projects as originally envisioned.

Capital Investment Request

Staff Recommendation (Cont'd)

➤ *Construction Cost Increases (Cont'd)*

- CPE staff recommends that budget bill language be included to allow institutions flexibility to apply any unused construction cost increase funds to pressing asset preservation needs.

➤ *Asset Preservation*

- Staff recommends an appropriation of \$14,078,000 in 2024-25 and \$42,233,000 in 2025-26, recurring at \$56,312,000 in subsequent years, to pay annual debt service on \$700 million in state bonds (i.e., \$350 million each year) to finance asset preservation and renovation projects at public postsecondary institutions during the upcoming biennium.

Capital Investment Request

Staff Recommendation (Cont'd)

➤ *Asset Preservation (Cont'd)*

- Staff recommends that no institutional match of state funds be required of any postsecondary institution to allow projects to proceed as quickly as possible and to reduce any further strain on campus operating budgets.
- Staff recommends that the Council's capital investment recommendation include a request for budget bill language, similar to the language in HB 1 (2022 RS), that would allow asset preservation pool funds to be used to preserve and maintain state-owned and operated residence facilities.



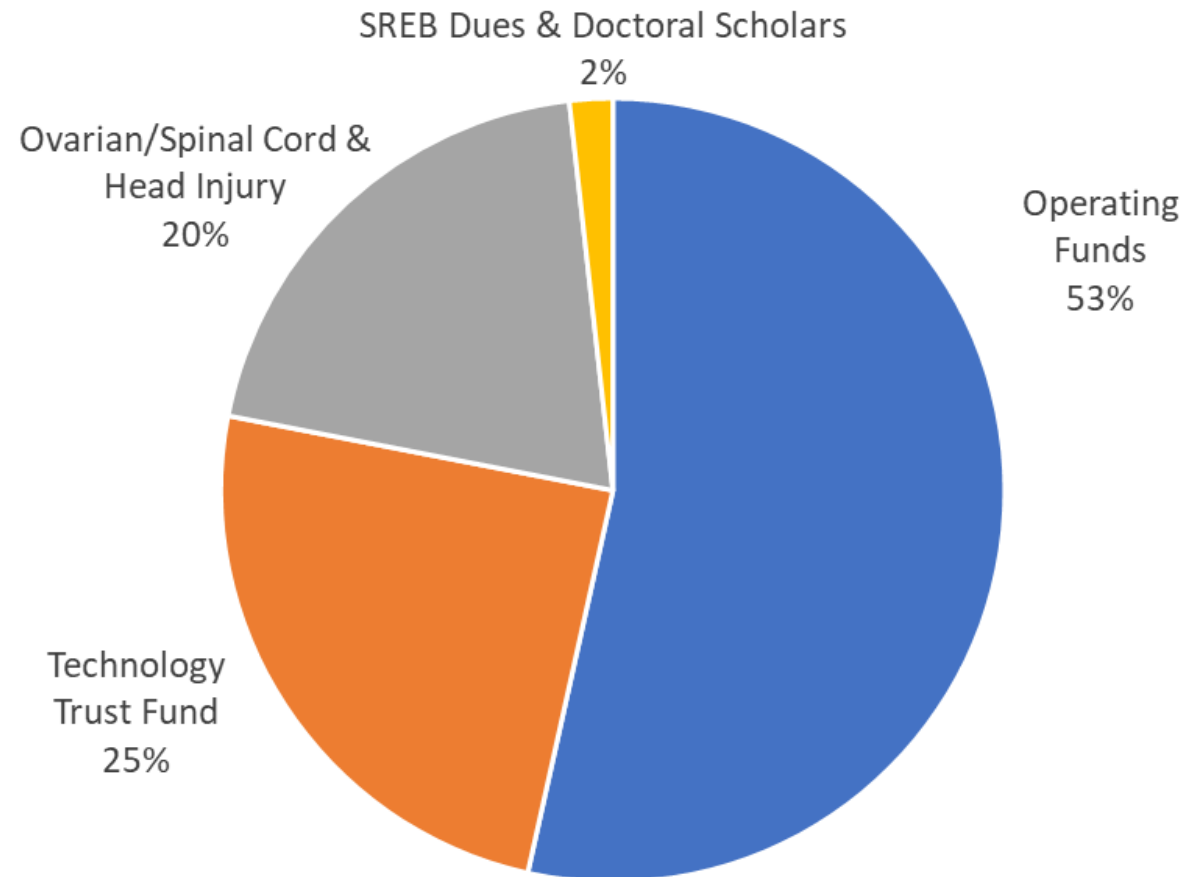
CPE Agency Budget Request

CPE Agency Budget – Operating (Baseline)

CPE General Fund

<u>Expenditure Category</u>	<u>Fiscal 2023-24</u>	<u>Percent of Total</u>
Operating Funds (& KSU oversight)	7,955,700	53%
Technology Trust Fund	3,653,200	25%
Ovarian/Spinal Cord & Head Injury	3,000,000	20%
SREB Dues & Doctoral Scholars	264,800	2%
Total	14,873,700	100%

2023-24 CPE General Fund



CPE Agency Budget – Proposed for 2024-2026

CPE Agency Budget Request General Fund Components

<u>Funding Component</u>	<u>Fiscal 2024-25</u>	<u>Fiscal 2025-26</u>
Beginning Base	\$14,873,700	\$14,873,700
Defined Calculations (DC)	TBD	TBD
SREB Dues & Doctoral Scholars	60,000	110,000
Expansion Request:		
● Higher Education Coordination & Management	3,000,000	3,000,000
● Incentive Grants - Strengthen Workforce Preparation & Economic Growth	20,000,000	20,000,000
Total (not including DC)	\$37,933,700	\$37,983,700

CPE Agency Budget Request

Defined Calculations

Component	2024-25	2025-26
Defined Calculations	TBD	TBD

➤ Request Features

- Defined calculations are provided to CPE by the state budget office to cover fixed and unavoidable cost increases
- Includes 1% salary increase (for ease of calculation) and increases in healthcare, Workers Comp premium, insurance premium, leased space, etc.
- Includes a reduction in pension costs.
- CPE staff is still determining the defined calculations for 2024-2026 at this time.

CPE Agency Budget Request

SREB Doctoral Scholars

Component	2024-25	2025-26
SREB Dues & Doctoral Scholars Program	\$60,000	\$110,000

➤ Request Features

- Current budget for SREB Doctoral Scholars is \$50,000 per year, which funds one URM scholar at UK and one URM scholar at UofL.
- UK and UofL match the funding, bringing the total to four URM scholars.
- Requested funding will allow another class of scholars in FY25 and FY26
- The program is intended to create a community of scholars on each campus who have shared experiences through this three-year program
- \$10,000 per year will cover SREB dues cost increase

CPE Agency Budget Request

Higher Education Coordination & Management

Component	2024-25	2025-26
Higher Education Coordination & Management	\$3,000,000	\$3,000,000

➤ Request Features

- Funding will allow expansion of CPE's role in connecting higher education and workforce and economic development, P-20 transitions, monitoring postsecondary institution finances, and evaluating academic programs
- Will support 25 positions at CPE in 2024-25 and 2025-26, 12 of whom are currently funded with federal or private grant funds
- Needed to effectively respond to growth in CPE's statutory duties and responsibilities and expanded due diligence and oversight role

CPE Agency Budget Request

Higher Education Coordination & Management (Cont'd)

Workforce Development Initiatives

(Replaces Federal Funds)

- 5 **1 AVP, 1 assistant dir., 2 sr associates, 1 associate.** The success of the healthcare program has led to increased interest in CPE providing state-level coordination and leadership in a variety of workforce areas, including behavioral health, K-12 teaching, advanced manufacturing, and IT. Funds would establish a permanent unit of the agency dedicated to workforce initiatives.

P-20 Policies and Programs

(Replaces Federal Funds)

- 4 **3 sr fellows, 1 associate.** Since 2021, CPE has led a statewide effort to improve educational pathways between K-12 and postsecondary education and expand early college opportunities. (Commonwealth Education Continuum - 2021, KY Advising Academy - 2022, Dual Credit Policies and Programs - 2022). Ensuring more high school graduates progress into some postsecondary education or training pathway is an essential strategy for meeting the state's educational attainment goals.

Board Member Education & Orientation

- 1 **1 sr associate.** CPE has statutory responsibility to provide orientation and ongoing professional development for all trustees and board members at Kentucky public institutions. CPE has developed programming and provided orientation, but given the increased challenges and complexities facing higher education, now requests a dedicated staff member with experience in higher education board management to lead and strengthen this work.

CPE Agency Budget Request

Higher Education Coordination & Management (Cont'd)

Financial Management and Oversight

- 2 sr associates.** State leaders look to CPE to evaluate, monitor and report on the financial health of the public and private institutions. Proposed staff would fulfill the responsibilities and expectations in this area. This would take the total number of finance staff in the agency from three to five.

Higher Education Performance and Accountability

- 1 assistant dir, 1 sr associate.** A high quality data team is essential for CPE to remain effective. Proposed staff would be part of the Data and Advanced Analytics unit and would aid in the collection, management, analysis, and presentation of higher education-related data.

Adult-Focused Programs and Services

- 1 sr associate, 1 sr fellow (part-time).** Kentucky must expand access to undereducated, working-age adults to fill critical workforce shortages and meet state attainment goals. Requested staff would work to reduce barriers to enrollment and completion for adult learners and others balancing competing life demands. Specific strategies include: KY Basic Adult Education to higher education pathway improvement, targeted outreach and counseling, and improving course delivery options.

CPE Agency Budget Request

Higher Education Coordination & Management (Cont'd)

Academic Program Oversight and Coordination

- 2 **1 dir., 1 associate dir.** State law requires CPE to define and approve all academic programs at public postsecondary institutions, and review existing programs to ensure they meet the state's economic needs. CPE currently has only one dedicated staff member focused on this work. Additional staff will allow more focus on competency-based and work-based learning, and other academic innovations and will accelerate efforts to fully incorporate Kentucky's ten essential workforce skills throughout the college experience.

Financial Aid and Affordability

- 1 **1 assistant dir.** CPE is called on to monitor higher education affordability, assess student aid programs and strategies, and research and analyze college cost and affordability data. Affordability is one of the five pillars of the strategic agenda. CPE needs additional capacity and expertise in this policy area to help guide decision making around tuition setting, financial aid programs, and debt reduction strategies.

Transfer Services and Coordination

- 1 **1 sr associate.** Because curricula constantly evolve to meet workforce needs, and institutional policies and procedures change over time, coordination of transfer, a statutory responsibility, is ongoing and time-intensive. Requested addition will allow CPE to more effectively fulfill the transfer mandates and allow more focus on new strategies to improve the transfer experience.

CPE Agency Budget Request

Higher Education Coordination & Management (Cont'd)

Student Progression and Support Services

(Replaces Private Grant)

- 4 **1 exec. dir, 1 associate dir., 1 sr associate.** CPE's KY Student Success Collaborative (KYSCC), is leading efforts to improve retention and completion at postsecondary institutions by working with campuses to identify issues and create collaborative solutions, one of CPE's key responsibilities. KYSCC is working on strategies to address student basic needs and mental/behavioral health, and completion of foundational courses in a student's first year, a key indicator of college success. Funding will also add a staff member to assist with data collection, reporting, and coordination.

Major Funding Program Manager

- 1 **1 sr associate.** CPE will dedicate a current vice president's time to develop, guide and coordinate the proposed FHEED funding program outlined below, however a new senior associate is needed to help lead and support this work.

25 total

CPE Agency Budget Request

Incentive Grants

Component	2024-25	2025-26
Incentive Grants to Strengthen Workforce Participation & Economic Growth	\$20,000,000	\$20,000,000

➤ Request Features

- Will support the *Fund for Higher Education & Economic Development (FHEED)*.
- Will provide incentive grants to campuses to increase educational attainment, strengthen workforce alignment, foster collaboration, improve efficiencies and build a more streamlined P-20 pipeline.
- CPE will form an advisory committee to provide guidance in the use and distribution of funds. Up to 20% of the funds would be used for statewide programming, professional development, and coordination.

CPE Agency Budget Request

Incentive Grants (Cont'd)

Examples of fund use may include:

- Strengthen behavioral health and other high demand pipelines (healthcare, education, technology, and manufacturing)
- *Project Graduate* relaunch to encourage adults to come back to finish degrees
- Strengthen P-20 pipeline through summer bridge programs and other college readiness initiatives.
- Strengthen transfer and other credit-for-prior learning strategies and programs
- Improve institutional financial transparency
- Respond to challenges and opportunities posed by technology and AI.

CPE Agency Budget Request

Incentive Grants (Cont'd)

More examples of fund use:

- Expand competency-based programs to improve access for adults and place-bound students.
- Incorporate KY Graduate Profile elements (civic education, financial literacy, critical thinking) in General Education programs.
- Improve quality, accessibility of dual credit and other early college programming.
- Support local and regional entrepreneurship and small business development.
- Develop multi-campus collaborations to expand access and create efficiencies in delivering high-cost programs.

CPE Agency Budget Request

Staff Recommendation

- Staff recommends that the Finance Committee approve, and endorse to the full Council, the **CPE Agency Budget Request** for General Fund as proposed, including the request for funds for:
 - Higher Education Coordination and Management, and
 - Incentive Grants to Strengthen Workforce Preparation & Economic Growth
- Staff recommends that the Finance Committee, approve and endorse to the full Council, tobacco fund appropriations at 2023-24 funding levels, and federal and restricted funds necessary to maintain current programs and operations.



KSU Interim Capital Project

KSU Interim Capital Project

- KSU requests interim approval for a \$2,888,000 federally funded fiber infrastructure upgrade
- Project will include installation of single-mode fiber on campus with redundant connection hubs
- Will enhance network connection, ensuring greater reliability, security, and speed, critical for remote teaching
- Project was approved by KSU's board on August 8, 2023
- *Staff recommends the Finance Committee approve this project and endorse it for full Council approval*



Workforce Development Trust Fund Report

Workforce Development Trust Fund Report

Background

- The enacted state budget (HB 1) appropriated **\$2,225,000** in fiscal year 2022-23 to the Workforce Development Trust Fund (WDTF) and required a report to be submitted Sept 1, 2023 detailing expenditures and program results
- Goal of increasing credential production capacity to help fill supply gaps in targeted industry sectors
- CPE staff worked with KCTCS to develop guidelines for the WDTF, which the Council approved on June 17.
- Last September, staff informed the Finance Committee of the award amounts and targeted programs

Workforce Development Trust Fund Guidelines

Background

KCTCS Graduates and Job Demand in Targeted Industry Sectors

<u>Industry Sector</u>	<u>Graduates 2020-21</u>	<u>Annual Job Demand</u>	<u>Supply Gap</u>
Advanced Manufacturing	2,657	6,604	3,947
Business Services & IT	2,985	6,816	3,831
Healthcare	6,722	14,042	7,320
Skilled Trades	1,658	2,816	1,158
Transportation and Logistics	1,113	7,001	5,888
Total	15,135	37,279	22,144

Sources: KCTCS Official Data reported to CPE; Kentucky Center for Statistics, 2018-2028 KY Occupational Outlook

Workforce Development Trust Fund Guidelines

Award Amounts

Kentucky Community and Technical College System 2022-24 Workforce Development Trust Fund Awards

<u>College</u>	<u>Project Name</u>	<u>Award Amount</u>
Ashland	Short-Term Healthcare Programs	\$103,651
Big Sandy	Commercial Truck Driving	168,612
Bluegrass	Commercial Drivers License (CDLA I)	184,612
Elizabethtown	Gear-Up Pilot Program	176,612
Gateway	Utility Lineworker Program Expansion	100,000
Hazard	High-Demand / Short-Term Certificates	176,612
Henderson	Housing Authority Partnership	152,612
Hopkinsville	AC & Diesel Technology	140,609
Jefferson	Capacity Building in Technical Trades	162,276
Madisonville	CDL & Lineworker Expansion	164,952
Maysville	Computerized Manufacturing & Machining	136,612
Owensboro	Competency-Based Education	152,612
Somerset	Logistics & CDLA I	160,612
Southcentral KY	Medical Laboratory Technology	100,000
Southeast KY	Certified Nursing Ass't to KY Medication Aide	144,612
	Total Awarded	<u>\$2,225,000</u>

Funds may be used to support faculty positions, purchase equipment and supplies, develop or evaluate curriculum, or defray marketing expenses

from WDTF Guidelines

Workforce Development Trust Fund Guidelines

Credentials Awarded

Workforce Development Trust Fund

Change in Credentials Awarded in Programs Identified for Investment

Industry Sector	A	Target for Credentials in 2022-23	B	A - B	
	Credentials in Baseline Year 2021-22		Actual Credentials 2022-23	Number Change	Percent Change
Advanced Manufacturing	826	1,023	928	102	12%
Business Services & IT	47	75	96	49	104%
Healthcare	1,039	1,279	1,373	334	32%
Skilled Trades	127	176	406	279	220%
Transportation and Logistics	234	515	343	109	47%
Total	2,273	3,068	3,146	873	38%

Questions?



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