

**KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION  
FINANCE COMMITTEE MEETING**



March 25, 2024 - 1:00 p.m., ET

Virtual Meeting via ZOOM - <https://us02web.zoom.us/j/89129396618>

*\*Indicates action item*

**I. Call to Order and Roll Call**

**II. Approval of Minutes (from January 16, 2024)\* .....2**

**III. Tuition Setting Process for Academic Year 2024-25 .....4**

**IV. Campus Tuition and Fee Proposal for Academic Year 2024-25 -  
Kentucky State University\* ..... 19**

**V. Revisions to 2022-24 Endowment Match Program Guidelines\* .....25**

**VI. 2024-2026 Budget Development Update .....32**  
    A. Executive Budget (HB 114)  
    B. House Budget (HB 6, as amended)  
    C. Senate Budget (HB 6, SCS 1)

**VII. Update on 2022-2024 Asset Preservation Funding .....44**

**VIII. Other Business**

**IX. Adjournment**  
*Next Finance Committee Meeting: June 10, 2024 @ 1:00 p.m. ET*

*Slides used during the business meeting .....73*

## MEETING MINUTES

*Draft for Approval by the Finance Committee, March 25, 2024*

---

Who: Kentucky Council on Postsecondary Education  
Meeting Type: Finance Committee  
Date: January 16, 2024  
Time: 1:00 p.m. ET  
Location: Virtual Meeting via ZOOM Webinar

### CALL TO ORDER

---

The Finance Committee met Tuesday, January 16, 2024, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Eric Farris presided.

### ATTENDANCE

---

Committee members in attendance: Jacob Brown, Jennifer Collins, Eric Farris, and Elaine Walker.

Committee members not in attendance: Kellie Ellis, Chloe Marsteller, Madison Silvert.

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

### APPROVAL OF THE MINUTES

---

The minutes of the October 23, 2023, Finance Committee meeting were approved as presented.

### INTERIM CAPITAL PROJECT REQUEST – ECTC

---

Mr. Shaun McKiernan, Executive Director of Finance and Budget, presented a \$3,500,000 interim capital project at Elizabethtown Community and Technical College. The project will expand the existing science building on the main campus by 7,000 square feet and will be funded with institutional resources (i.e., agency restricted funds). KCTCS representative, Andy Casebier, answered questions of clarification from the Council on the project.

MOTION: Ms. Walker moved the Finance Committee approve the proposed interim capital project request from Elizabethtown Community and Technical College and recommend final approval by the Council at its January 19, 2024, meeting. Mr. Brown seconded the motion.

VOTE: The motion passed.

## **INTERIM CAPITAL PROJECT REQUEST – KENTUCKY STATE UNIVERSITY**

---

Mr. McKiernan presented two interim capital projects at Kentucky State University. The first is a \$1.7 million project to replace windows, repair exterior deterioration, replace flooring, and update finishes at Blazer Library. The second is a \$2.7 million project at Carver Hall to replace outdated building systems and renovate all spaces to meet the needs of its engineering program. KSU representative, Jennifer Linton, answered questions of clarification from the Council on the project.

MOTION: Mr. Brown moved the Finance Committee approve the two proposed interim capital project requests from Kentucky State University and recommend final approval by the Council at its January 19, 2024, meeting. Ms. Collins seconded the motion.

VOTE: The motion passed.

## **2024-26 BIENNIAL BUDGET UPDATE**

---

Mr. McKiernan provided an update on the legislature's development of the 2024-26 biennial budget. He discussed the components of the Governor's budget proposal and how they compared to the request approved by the Council and submitted in the fall of 2023.

## **HIGHER EDUCATION INSTITUTION FINANCE REPORTING AND OVERSIGHT**

---

Mr. Ryan Kaffenberger, CPE Senior Associate of Finance and Workforce Development, briefed the committee members on the SHEEO report on assessing financial health and risk and stated how the Council is taking those recommendations to develop tools to assess institutional financial health and risk from market pressures. Additional funds from the Governor and General Assembly have been requested in the 2024-26 biennial budget request to build capacity for this work. In the coming months, the Finance Unit will be conducting a review of financial oversight policies in a sample of other states.

Representatives from the Ohio Department of Education joined the meeting to discuss the impact Ohio has experienced through its agency's financial monitoring and oversight policies and procedures. (David Cummins, Associate Vice Chancellor of Financial Planning and Oversight, and Fred Church, Vice Chancellor and Finance and Chief Data Officer.)

## **ADJOURNMENT**

---

The Finance Committee adjourned at 3:00 p.m., ET.

- TITLE:** Tuition-Setting Process for Academic Year 2024-25
- DESCRIPTION:** Staff will provide an update on the 2024-25 tuition-setting process, including a listing of Council approved maximum base-rate increases by institution for the upcoming year. A copy of the Council's *Tuition and Mandatory Fee Policy* is provided for information.
- PRESENTERS:** Bill Payne, Vice President for Finance and Administration, CPE  
Shaun McKiernan, Executive Director of Finance and Budget, CPE
- 

## **BACKGROUND**

On March 31, 2023, the Council on Postsecondary Education approved tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25. Included among parameters adopted at that meeting was a requirement that base-rate increases for resident undergraduate students not exceed 5.0% over two years, or 3.0% in any one year, at the public universities, nor exceed \$7.00 per credit hour over two years, or \$4.00 per credit hour in any one year, at KCTCS institutions.

In the weeks following that action, the postsecondary institutions submitted tuition and fee proposals for academic year 2023-24 to the Council that had been approved by their respective governing boards. Staff reviewed each institution's proposed 2023-24 tuition and fee charges by degree level, residency, and attendance status and determined that they complied with Council-approved ceilings.

On June 9, 2023, the Finance Committee recommended, and the Council approved, tuition and fee rates for academic year 2023-24 for Eastern Kentucky University (EKU), Murray State University (MuSU), and Western Kentucky University (WKU), as approved by their respective governing boards and proposed to the Council. All three institutions had proposed base rate increases for resident undergraduate students at or below the 3.0 percent cap. At that same meeting, staff requested, and the Council approved, a delegation of authority to the Finance Committee to approve tuition and fee proposals from the remaining institutions.

On June 28, 2023, staff recommended, and the Finance Committee approved on behalf of the full Council, tuition and fee rates for academic year 2023-24 from the remaining institutions, which included the University of Kentucky (UK), the University of Louisville (UofL), Kentucky State University (KSU), Morehead State University (MoSU), Northern Kentucky University (NKU), and the Kentucky Community and Technical College System (KCTCS).

All of the universities proposed resident undergraduate base rate increases at or below the 3.0 percent cap, and KCTCS proposed a base rate increase for residents of \$4.00 per credit hour, which complied with the Council's ceiling. Overall, in academic year 2023-24, the system average increase in postsecondary institution resident undergraduate base rates was 2.8 percent.

### **MAXIMUM 2023-24 and 2024-25 BASE RATE INCREASES**

On March 31, 2023, the Finance Committee recommended, and the Council approved, resident undergraduate tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25 that equated to:

- A maximum base rate increase of no more than 5.0 percent over two years, and a maximum increase of no more than 3.0 percent in any one year, for public research and comprehensive universities; and
- A maximum base rate increase of no more than \$7.<sup>00</sup> per credit hour over two years, and a maximum increase of no more than \$4.<sup>00</sup> per credit hour in any one year, for students attending KCTCS institutions.

The Council also approved a recommendation that allows public institutions to submit for Council review and approval:

- Nonresident undergraduate tuition and fee rates that comply with the Council's *Tuition and Mandatory Fee Policy*, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution; and
- Market competitive tuition and fee rates for graduate and online courses.

In adopting these parameters, the Council considered a number of key issues for the 2023-24 tuition-setting cycle, including: a) anticipated flat state funding and planned pension subsidy reductions; b) historically low tuition increases that have been adopted over the previous four years; c) the budgetary impact of unprecedented increases in higher education inflation; d) recent real decline in campus spending for educating students; e) decreasing college-going rates among Kentucky residents; and f) overall enrollment trends.

Based on feedback from multiple stakeholders, there was a general sentiment that increases in tuition for the 2023-24 cycle should be moderate to help support a necessary balance between the ability of students and families to pay for college and resources required for institutions to address cost increases, maintain quality academic programs, and continue progress toward the 60x30 attainment goal.

The proposal to set tuition ceilings for two years, including academic years 2023-24 and 2024-25, was supported by CPE staff and campus officials. It was an approach that had been proposed by staff and approved by the Council three times over the previous nine years. The advantages of adopting two-year ceilings are that it facilitates strategic planning and budgeting

for the postsecondary institutions, and it makes college costs more predictable for Kentucky students and families.

In addition to establishing the broad parameters for tuition increases over academic years 2023-24 and 2024-25, the Council identified and approved maximum base rate increases for each university and KCTCS. Listed below, in Tables 1 and 2, are 2022-23 base rates, maximum allowable base rates for 2023-24 and 2024-25, and dollar and percent change figures relative to the 2022-23 beginning year for each institution.

Table 1 shows the academic year 2022-23 base rate, maximum allowable base rate for academic year 2023-24, and one-year dollar and percent changes compared to the 2022-23 base rate for each public university, using the recommended “no more than 3.0 percent in any one year” maximum increase parameter.

Kentucky Public Postsecondary Institution Maximum Base Rate Increases for Resident Undergraduates Academic Year 2023-24				Table 1
Institution	2022-23 Base Rates	Maximum 2023-24 Base Rates	One-Year Dollar Change	One-Year Percent Change
UK	\$12,859	\$13,245	\$386	3.00%
UofL	12,324	12,694	370	3.00%
EKU	9,544	9,830	286	3.00%
KSU	8,654	8,914	260	3.00%
MoSU	9,308	9,587	279	3.00%
MuSU	9,432	9,715	283	3.00%
NKU	10,208	10,514	306	3.00%
WKU	\$10,912	\$11,239	\$327	3.00%
KCTCS (per credit hour)	\$182.00	\$186.00	\$4.00	2.20%
KCTCS (per credit hour x 30)	\$5,460	\$5,580	\$120	2.20%

Note: Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart agency bond fee at KCTCS.

Table 1 also shows the 2022-23 base rate, maximum allowable base rate for academic year 2023-24, and one-year dollar and percent changes compared to the 2022-23 base rate for KCTCS institutions, using the recommended “no more than \$4.00 per credit hour in any one year” maximum increase parameter.

Table 2 shows the academic year 2022-23 base rate, maximum allowable base rate for academic year 2024-25, and two-year dollar and percent changes compared to the 2022-23 base rate for each public university, using the recommended “no more than 5.0 percent over two years” maximum increase parameter.

Lastly, Table 2 shows the 2022-23 base rate, the maximum allowable base rate for academic year 2024-25, and two-year dollar and percent changes compared to the 2022-23 base rate for KCTCS institutions, using the recommended “no more than \$7.00 per credit hour over two years” maximum increase parameter.

As a reminder, resident undergraduate tuition ceilings approved by the Council apply to each institution’s base rate charge. Base rates are defined as total tuition and fee charges, minus any Special Use Fees or Asset Preservation Fees previously approved by the Council, and minus an existing agency bond fee at KCTCS (i.e., BuildSmart Investment for Kentucky Competitiveness Fee). Council staff deduct these fees from total tuition and fees before applying a percent increase parameter, which keeps the fees at a fixed amount each year until they expire.

Kentucky Public Postsecondary Institution Maximum Base Rate Increases for Resident Undergraduates Academic Year 2024-25				Table 2
Institution	2022-23 Base Rates	Maximum 2024-25 Base Rates	Two-Year Dollar Change	Two-Year Percent Change
UK	\$12,859	\$13,502	\$643	5.00%
UofL	12,324	12,940	616	5.00%
EKU	9,544	10,021	477	5.00%
KSU	8,654	9,087	433	5.00%
MoSU	9,308	9,773	465	5.00%
MuSU	9,432	9,904	472	5.00%
NKU	10,208	10,718	510	5.00%
WKU	\$10,912	\$11,458	\$546	5.00%
KCTCS (per credit hour)	\$182.00	\$189.00	\$7.00	3.85%
KCTCS (per credit hour x 30)	\$5,460	\$5,670	\$210	3.85%

Note: Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart agency bond fee at KCTCS.

In addition to approving the two-year rate ceilings, the Council approved provisions allowing institutions to submit for review and approval, nonresident undergraduate tuition and fee rates that comply with the Council’s *Tuition and Mandatory Fee Policy*, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution. Lastly, the institutions were allowed to charge market rates for graduate and online courses, as approved by their governing boards.

## CAMPUS 2023-24 TUITION AND FEE PROPOSALS

Following the Council’s adoption of the tuition parameters, staff worked with campus officials to obtain tuition and fee rate proposals for academic year 2023-24 from each institution, as well as estimates of fixed cost increases and tuition and fee revenue projections for fiscal year 2023-24.

Three institutions, EKU, MuSU, and WKU, sought approval for proposed tuition and fee increases from their respective governing boards and submitted those proposals to Council staff by late May. Those proposals complied with Council tuition and fee ceilings and were approved by the Council at its June 9 meeting.

On June 28, 2023, the Finance Committee, using a grant of authority provided by the full Council, approved tuition and fee rate proposals for academic year 2023-24 that had been submitted by the remaining six postsecondary institutions. As can be seen in Table 3, the proposals submitted by the remaining universities and KCTCS complied with Council-approved ceilings.

Kentucky Public Postsecondary Institution					Table 3
Adopted Base Rate Increases for Resident Undergraduates					
Academic Year 2023-24					
Institution	2022-23 Base Rates <sup>1</sup>	Adopted 2023-24 Base Rates <sup>2</sup>	Dollar Change	Percent Change	
UK	\$12,859	\$13,212	\$353	2.75%	
UofL	12,324	12,632	308	2.50%	
EKU	9,544	9,830	286	3.00%	
KSU	8,654	8,914	260	3.00%	
MoSU	9,308	9,586	278	2.99%	
MuSU	9,432	9,708	276	2.93%	
NKU	10,208	10,512	304	2.98%	
WKU	\$10,912	\$11,236	\$324	2.97%	
KCTCS (per credit hour)	\$182.00	\$186.00	\$4.00	2.20%	
KCTCS (per credit hour x 30)	\$5,460	\$5,580	\$120	2.20%	

<sup>1</sup> Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart agency bond fee at KCTCS.

<sup>2</sup> Campus tuition and fee proposals for academic year 2023-24 were approved by the Council on June 9, 2023 or by the Finance Committee on June 28, 2023.

## ALLOWABLE 2024-25 BASE RATE RESIDUALS

Allowable dollar and percent residuals represent the maximum dollar increase and maximum percent increase that an institution may adopt for the upcoming academic year (i.e., 2024-25),



given the size of its previous year (i.e., 2023-24) base rate increase. These residuals are only calculated—indeed they are only relevant—in the second year following Council adoption of a two-year tuition ceiling.

For academic year 2024-25, the allowable dollar residual is calculated by subtracting each institution’s adopted 2023-24 base rate from its respective maximum 2024-25 base rate. The percent residual is calculated by dividing each institution’s maximum rate by its adopted rate, subtracting 1.0 and multiplying by 100.

In this tuition cycle, the “no more than 5.0 percent over two years” cap was the relevant parameter for determining the dollar and percent residuals for each university. This is because every university increased its resident undergraduate base rate by 2.5 percent or more in 2023-24 (up to and including two institutions that adopted rates that reached the 3.0 percent cap), ensuring that increases in 2024-25 would fall below the “no more than 3.0 percent in any one year” cap. As can be seen in Table 4, the allowable percent residual is below 2.5 percent for every university, and it is below 2.0 percent for five out of eight universities.

Kentucky Public Postsecondary Institution				Table 4
Allowable Base Rate Dollar and Percent Increase Residuals				
Academic Year 2024-25				
<u>Institution</u>	<u>Maximum 2024-25 Base Rates</u> <sup>1</sup>	<u>Adopted 2023-24 Base Rates</u> <sup>2</sup>	<u>Allowable Dollar Residual</u>	<u>Allowable Percent Residual</u>
UK	\$13,502	\$13,212	\$290	2.19%
UofL	12,940	12,632	308	2.44%
EKU	10,021	9,830	191	1.94%
KSU	9,087	8,914	173	1.94%
MoSU	9,773	9,586	187	1.95%
MuSU	9,904	9,708	196	2.02%
NKU	10,718	10,512	206	1.96%
WKU	\$11,458	\$11,236	\$222	1.98%
KCTCS (per credit hour)	\$189.00	\$186.00	\$3.00	1.61%
KCTCS (per credit hour x 30)	\$5,670	\$5,580	\$90	1.61%

<sup>1</sup> Maximum resident undergraduate base rates for academic years 2023-24 and 2024-25 were approved by the Council at their March 31, 2023 meeting.

<sup>2</sup> Campus tuition and fee proposals for academic year 2023-24 were approved by the Council on June 9, 2023 or by the Finance Committee on June 28, 2023.

The maximum dollar and percent residuals for KCTCS were determined using the “no more than \$7.00 per credit hour over two years” parameter, minus the \$4.00 per credit hour base rate increase it adopted in 2023-24 (see Table 3).

## **TUITION AND MANDATORY FEE POLICY**

Included as Attachment A to this agenda item is a copy of the Council's *Tuition and Mandatory Fee Policy*, which was approved by the Council at their March 31, 2023 meeting. Typically, once the tuition policy is approved by the Council it helps guide the development of tuition and mandatory fee ceiling recommendations for the upcoming academic year and facilitates submission and evaluation of campus tuition and fee proposals.

Given that the Council adopted tuition ceilings for both academic years 2023-24 and 2024-25 at the March 31 meeting, staff is not recommending changes to the tuition policy for the upcoming year. Since ceilings have been established for the upcoming academic year, the policy will be used to facilitate the development, submission, and review of campus tuition and fee proposals for academic year 2024-25.

## **TIME FRAME FOR CAMPUS PROPOSAL SUBMISSION**

CPE staff has already received one tuition and fee proposal for academic year 2024-25 from Kentucky State University. Information regarding the university's proposed resident undergraduate base rate, proposed rates for every other degree level, residency, and attendance status (i.e., full time, part time), fixed cost increase estimates, and projected net tuition and fee revenue generated by the proposed rates is included as a separate action item for this meeting.

It is anticipated that Council staff will work with campus chief budget officers in coming weeks to obtain tuition and fee proposals from the remaining institutions in time to bring them for Council action at the June 21, 2024, meeting.

# **Council Postsecondary Education Tuition and Mandatory Fee Policy**

## *Academic Years 2023-24 and 2024-25*

---

The Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary education institutions in the Commonwealth of Kentucky. Kentucky's goals of increasing educational attainment, promoting research, assuring academic quality, and engaging in regional stewardship must be balanced with current needs, effective use of resources, and prevailing economic conditions. For the purposes of this policy, mandatory fees are included in the definition of tuition. During periods of relative austerity, the proper alignment of the state's limited financial resources requires increased attention to the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the Strategic Agenda for Kentucky Postsecondary Education.

### **Fundamental Objectives**

- **Funding Adequacy**

HB 1 states that Kentucky shall have a seamless, integrated system of postsecondary education, strategically planned and adequately funded to enhance economic development and quality of life. In discharging its responsibility to determine tuition, the Council, in collaboration with the institutions, seeks to balance the affordability of postsecondary education for Kentucky's citizens with the institutional funding necessary to accomplish the goals of HB 1 and the Strategic Agenda.

- **Shared Benefits and Responsibility**

Postsecondary education attainment benefits the public at large in the form of a strong economy and an informed citizenry, and it benefits individuals through elevated quality of life, broadened career opportunities, and increased lifetime earnings. The Council and the institutions believe that funding postsecondary education is a shared responsibility of state and federal governments, students and families, and postsecondary education institutions.

- **Affordability and Access**

Since broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council and the institutions are committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians with particular emphasis on adult learners, part-time students, minority students, and students from low- and moderate-income backgrounds.

The Council believes that no citizen of the Commonwealth who has the drive and ability to succeed should be denied access to postsecondary education in Kentucky because of inability to pay. Access should be provided through a reasonable combination of savings, family contributions, work, and financial aid, including grants and loans.

In developing a tuition and mandatory fees recommendation, the Council and the institutions shall work collaboratively and pay careful attention to balancing the cost of attendance—including tuition and mandatory fees, room and board, books, and other direct and indirect

costs—with students' ability to pay by taking into account: (1) students' family and individual income; (2) federal, state, and institutional scholarships and grants; (3) students' and parents' reliance on loans; (4) access to all postsecondary education alternatives; and (5) the need to enroll and graduate more students.

- **Effective Use of Resources**

Kentucky's postsecondary education system is committed to using the financial resources invested in it as effectively and productively as possible to advance the goals of HB 1 and the Strategic Agenda, including undergraduate and graduate education, engagement and outreach, research, and economic development initiatives. The colleges and universities seek to ensure that every dollar available to them is invested in areas that maximize results and outcomes most beneficial to the Commonwealth and its regions. It is anticipated that enactment of Senate Bill 153, the *Postsecondary Education Performance Funding Bill*, during the 2017 legislative session will provide ongoing incentives for increased efficiency and productivity within Kentucky's public postsecondary system. The Council's Strategic Agenda and funding model metrics will be used to monitor progress toward attainment of both statewide and institutional HB 1 and Strategic Agenda goals.

- **Attracting and Importing Talent to Kentucky**

It is unlikely that Kentucky can reach its 2030 postsecondary education attainment goal by focusing on Kentucky residents alone. The Council and the institutions are committed to making Kentucky institutions financially attractive to nonresident students, while recognizing that nonresident undergraduate students should pay a significantly larger proportion of the cost of their education than do resident students. Tuition reciprocity agreements, which provide low-cost access to out-of-state institutions for Kentucky students that live near the borders of other states, also serve to attract students from surrounding states to Kentucky's colleges and universities.

A copy of the Council's nonresident student tuition and mandatory fee policy is contained in the paragraphs below. Going forward, Council staff will periodically review and evaluate the policy to determine its impact on attracting and retaining students that enhance diversity and the state's competitiveness.

### **Nonresident Student Tuition and Fees**

The Council and the institutions believe that nonresident students should pay a larger share of their educational costs than do resident students. As such, published tuition and fee levels adopted for nonresident students shall be higher than the prices for resident students enrolled in comparable programs of study.

In addition, every institution shall manage its tuition and fee rate structures, price discounting, and scholarship aid for out-of-state students, such that in any given year, the average net tuition and fee revenue generated per nonresident undergraduate student equals or exceeds 130% of the annual full-time tuition and fee charge assessed to resident undergraduate students (i.e., the published in-state sticker price). As part of the tuition and fee setting process, staff shall monitor and report annually to the Council regarding compliance with this requirement.

The Council acknowledges that in some instances increasing nonresident student enrollment benefits both the Commonwealth and the institution. For this reason, exceptions to the 130% threshold may be requested through a Memorandum of Understanding (MOU) process and will

be evaluated on a case-by-case basis by the Council. The main objective of the MOU process is to clearly delineate goals and strategies embedded in enrollment management plans that advance the unique missions of requesting institutions.

### **Special Use Fee Exception Policy**

During the 2010-11 tuition setting process, campus officials requested that the Council consider excluding student-endorsed fees from its mandatory fee definition, thus omitting consideration of such fees when assessing institutional compliance with Council approved tuition and fee rate ceilings. Based on feedback received from institutional Chief Budget Officers (CBOs) at their December 2010 meeting, it was determined that there was general interest in treating student-endorsed fees differently from other mandatory fees.

In January and February 2011, Council staff collaborated with institutional presidents, CBOs, and their staffs in developing the following Special Use Fee Exception Policy:

- To the extent that students attending a Kentucky public college or university have deliberated, voted on, and requested that their institution's governing board implement a special use fee for the purposes of constructing and operating and maintaining a new facility, or renovating an existing facility, that supports student activities and services;
- And recognizing that absent any exemption, such student-endorsed fees, when implemented in the same year that the Council adopts tuition and fee rate ceilings, would reduce the amount of additional unrestricted tuition and fee revenue available for an institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling equivalent to all or a portion of the percentage increase resulting from imposition of the student-endorsed fee, provided said fee meets certain eligibility requirements.

## Definitions

A student-endorsed fee is a mandatory flat-rate fee that has been broadly discussed, voted on, and requested by students and adopted by an institution's governing board, the revenue from which may be used to pay debt service and operations and maintenance expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers.

Maintenance and Operations (M&O) expenses are costs incurred for the administration, supervision, operation, maintenance, preservation, and protection of a facility. Examples of M&O expenses include janitorial services, utilities, care of grounds, security, environmental safety, routine repair, maintenance, replacement of furniture and equipment, and property and facility planning and management.

## Eligibility Criteria

A student-endorsed fee will continue to be a mandatory fee within the context of the Council's current mandatory fee definition and may qualify for an exemption from Council-approved tuition and fee rate ceilings. Campus officials and students requesting an exemption under this policy must be able to demonstrate that:

- All enrolled students have been afforded ample opportunity to be informed, voice their opinions, and participate in the decision to endorse a proposed fee. Specifically, it must be shown that fee details have been widely disseminated, broadly discussed, voted on while school is in session, and requested by students.
- For purposes of this policy, voted on means attaining:
  - a) a simple majority vote via campus-wide referendum, with a minimum of one-quarter of currently enrolled students casting ballots;
  - b) a three-quarters vote of elected student government representatives; or
  - c) a simple majority vote via campus-wide referendum, conducted in conjunction and coinciding with the general election of a student government president or student representative to a campus board of regents or board of trustees.
- The proposed fee and intended exemption request have been presented to, and adopted by, the requesting institution's governing board. It is anticipated that elected student government representatives will actively participate in board presentations.
- Revenue from such fees will be used to pay debt service and M&O expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers. The Council expects these uses to be fully explained to students prior to any votes endorsing a fee.
- In any given year, the impact of a student-endorsed fee on the overall increase in tuition and mandatory fees for students and their families will be reasonable. It may be appropriate to phase in the exemption over multiple years to maintain affordability and access.

- Requests for student-endorsed exemptions are infrequent events. The Council does not expect requests for exemptions under this policy to occur with undue frequency from any single institution and reserves the right to deny requests that by their sheer number are deemed excessive.
- A plan is in place for the eventual reduction or elimination of the fee upon debt retirement, and details of that plan have been shared with students. The Council does not expect a fee that qualifies for an exemption under this policy to be assessed at full rate in perpetuity. Such fees should either terminate upon completion of the debt or, in the case of new facilities, may continue at a reduced rate to defray ongoing M&O costs. In either case, to qualify for an exemption, students should be fully aware of the extent of their obligation prior to any votes endorsing a fee.

### Exemption Process

Requests for an exemption under this policy will be evaluated on a case-by-case basis. To initiate the process:

- The requesting institution will notify Council staff of any pending discussions, open forums, referendums, or student government actions pertaining to a proposed special use fee and discuss fee details with Council staff as needed.
- After a fee has been endorsed by student referendum or through student government action and approved by the institution's governing board, campus officials and students will submit a written exemption request to the Council for its consideration.
- Council staff will review the request, assess whether or not the proposed fee qualifies for an exemption, and make a recommendation to the Council.

To facilitate the exemption request process, requesting institutions and students are required to provide the Council with the following information:

- Documents certifying that the specific project and proposed fee details have been widely disseminated, broadly discussed, voted on, and requested by students, as well as adopted by the institution's governing board.
- Documents specifying the fee amount, revenue estimates, uses of revenue, impact on tuition and fees during the year imposed (i.e., percentage points above the ceiling), and number of years the fee will be in place.
- Documents identifying the project's scope, time frame for completion, debt payment schedule, and plan for the eventual reduction or elimination of the fee upon debt retirement.

### **Asset Preservation Fee Exception Policy**

During the 2017-18 tuition setting process, campus officials asked if the Council would consider allowing institutions to assess a new student fee, dedicated to supporting expenditures for asset preservation and renovation projects, that would be treated as being outside the tuition and fee caps set annually by the Council. Staff responded that it was too late in the process to allow for a full vetting of a proposed change to the Council's Tuition and Mandatory Fee Policy prior to the Council adopting tuition ceilings at the March 31, 2017 meeting. In addition, staff wanted to

explore the possibility of adopting a system-wide asset preservation fee that would benefit and address asset preservation needs at every public postsecondary institution.

In August 2017, staff determined that there was general interest among campus officials to pursue a change in tuition policy that would allow each institution the option to implement a student fee for asset preservation, if its administrators and governing board chose to do so, that would be exempted from Council approved tuition and fee ceilings. In September and October, Council staff worked with campus presidents, chief budget officers, and Budget Development Work Group members to develop the Asset Preservation Fee Exception Policy described below.

- Given that in 2007, Council and postsecondary institution staffs contracted with Vanderweil Facilities Advisors, Inc. (VFA) and Paulien and Associates to conduct a comprehensive assessment of Kentucky's public postsecondary education facilities to determine both system and individual campus needs for new and expanded space, asset preservation and renovation, and fit-for-use capital projects;
- Given that in 2013, VFA adjusted the data from its 2007 study to account for continuing aging of postsecondary facilities and rising construction costs, and projected that the cumulative need for asset preservation and fit-for-use expenditure would grow to \$7.3 billion within the 2017 to 2021 timeframe;
- Given that over the past five biennia, 2008-10 through 2016-18, the Commonwealth of Kentucky has appropriated a total of \$262.0 million for its public colleges and universities to address asset preservation and renovation and fit-for-use projects, representing about 3.6% of the total cumulative need identified by VFA;
- Given that in late summer 2017, the Council and postsecondary institutions concluded that one reasonable course of action to begin to address the overwhelming asset preservation and renovation and fit-for-use needs was through sizable and sustained investment in existing postsecondary facilities, which could be accomplished through a cost-sharing arrangement involving the state, postsecondary institutions, and students and families;
- Given that the best way to ensure the ongoing commitment and participation of students and families in a cost-sharing partnership to address asset preservation and renovation needs is through the implementation of an optional dedicated student fee;
- Given that such an asset preservation fee, when implemented in the same year that the Council adopts a tuition and fee rate ceiling, would reduce the amount of additional unrestricted tuition and fee revenue available for an institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling of up to \$10.<sup>00</sup> per credit hour at the public universities, capped at 15 credit hours per semester for undergraduate students, for a dedicated student fee that supports asset preservation and renovation projects related to the instructional mission of the institution;
- The Council may elect to award an exemption to its tuition and fee rate ceiling of up to \$5.00 per credit hour at KCTCS institutions, capped at 15 credit hours per semester, for a dedicated student fee that supports asset preservation and renovation projects related to the instructional mission of the institution.

#### Definition



An asset preservation fee is a mandatory, flat-rate fee that has been approved by an institution's governing board, the revenue from which shall either be expended upon collection on asset preservation and renovation and fit-for-use capital projects or used to pay debt service on agency bonds issued to finance such projects, that support the instructional mission of the institution. Thus, by definition, fee revenue and bond proceeds derived from such fees shall be restricted funds for the purposes of financing asset preservation and renovation projects. As a mandatory fee, an asset preservation fee may be assessed to students regardless of degree level or program or full-time or part-time status.

### Eligibility Criteria

An asset preservation fee may qualify for an exemption from Council-approved tuition and fee rate ceilings, provided the following criteria are met:

- The proposed asset preservation project(s) and related fee shall be approved by the requesting institution's governing board.
- Revenue from the fee may either be expended upon collection on asset preservation and renovation or fit-for-use projects, accumulated to meet a specific project's scope, or used to pay debt service on agency bonds or other instruments used to finance such projects.
- Both the direct expenditure of fee revenue and the expenditure of agency bond funds generated by the fee may be used to meet matching requirements on state bond funds issued for asset preservation projects. In previous biennia, state leaders have required a dollar-for-dollar institutional match on state-funded asset preservation pools.
- In any given academic year, the impact of implementing an asset preservation fee, when combined with a tuition and fee increase supporting campus operations, will be reasonable for Kentucky students and families. For the purposes of this policy exemption, the Council shall determine whether a proposed asset preservation fee, in combination with a tuition and fee increase allowed under a Council-approved tuition ceiling, is reasonable. This assessment will be made within the context of state economic and budgetary conditions, institutional resource needs, and affordability concerns at the time.
- Depending on the outcome of the aforementioned assessment, it may be appropriate to phase in a requested fee over multiple years to maintain affordability and access.
- The Council does not expect a fee that qualifies for an exemption under this policy to remain in effect in perpetuity. To be eligible for an exemption, the requesting institution must have a plan in place for the eventual elimination of a proposed asset preservation fee within 25 years of its initial implementation date.

### **Exemption Process**

The Council will evaluate requests for a fee exemption under this policy on a case-by-case basis. To initiate the process:

- An institution's governing board must approve the proposed asset preservation project(s) and related student fee.

- Campus officials must submit to the Council a copy of that board approval, along with a written request to exempt the asset preservation fee from Council tuition and fee ceilings.
- Council staff will review the request, assess whether or not the proposed project(s) and related fee qualify for an exemption, and make a recommendation to the Council.

To facilitate the exemption-request review process, a requesting institution shall provide the Council with the following information:

- Documents certifying that the specific asset preservation project(s) financed and proposed fee details have been approved by the institution's governing board.
- Documents specifying the fee amount, anticipated implementation date, revenue projections, uses of revenue, number of years the fee will be in place, and impact on tuition in year imposed (i.e., percentage points above ceiling).
- Documents identifying the project's scope, its timeframe for completion, debt payment schedule, and plan for the eventual elimination of the fee upon debt retirement.

### **Periodic Reporting**

- Upon request by the Council, the postsecondary institutions will provide documentation certifying the date an asset preservation fee was implemented, annual amounts of fee revenue generated to date, uses of fee revenue, the amount of fee revenue or agency bond funds used to meet state matching requirements on asset preservation project appropriations, and the number of years the fee will remain in place.

### **Ongoing Usage**

- Once an Asset Preservation Fee is approved by the Council, revenue generated from the fee may be used for ongoing asset preservation, renovation and fit-for-use projects with institutional board approval.
- Asset preservation, renovation and fit-for-use project(s) financed with asset preservation fee revenue shall comply with all statutory requirements pertaining to the approval of capital projects (KRS 45.750, KRS 45.763, KRS 164.020 (11) (a), KRS 164A.575).

<b>TITLE:</b>	Campus Tuition and Fee Proposal for Academic Year 2024-25; Kentucky State University
<b>RECOMMENDATION:</b>	Staff recommends that the Finance Committee approve and endorse for approval by the full Council at their March 28, 2024, meeting, Kentucky State University's tuition and mandatory fee proposal for academic year 2024-25.
<b>PRESENTERS:</b>	Shaun McKiernan, Executive Director of Finance and Budget, CPE Ryan Kaffenberger, Assistant Director of Finance and Administration, CPE

---

### **EXECUTIVE SUMMARY**

On March 31, 2023, the Council on Postsecondary Education approved tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25. Included among the parameters adopted at that meeting is a requirement that base rate increases for resident undergraduate students not exceed 3.0% in any one year at the public universities, nor exceed \$4.00 per credit hour in any one year at KCTCS institutions.

Kentucky State University (KSU) has elected to have the CPE Finance Committee and Council review and approve tuition and fee rates for 2024-25 at the March 25 and 28 meetings. All other institutions will bring their board-approved rates to the Council for approval in June. Staff has reviewed KSU's proposed 2024-25 tuition and fee charges for every degree level, residency, and attendance status and determined that they comply with Council approved ceilings.

Staff recommends that the Finance Committee approve and endorse for full Council approval, tuition and mandatory fee charges for resident undergraduate and graduate students, nonresident undergraduate and graduate students, and online learners for academic year 2024-25 as proposed by KSU and approved by its Board of Regents.

### **COUNCIL APPROVED TUITION AND FEE CEILINGS**

On March 31, 2023, the Council adopted resident undergraduate tuition and mandatory fee ceilings that equate to:

- a maximum base rate increase of no more than 5.0 percent over two years, and a maximum increase of no more than 3.0 percent in any one year, for public research and comprehensive universities; and

- a maximum base rate increase of no more than \$7.00 per credit hour over two years, and a maximum increase of no more than \$4.00 per credit hour in any one year, for students attending KCTCS institutions.

At that same meeting, it was determined that the public institutions shall be allowed to submit for Council review and approval:

- Nonresident undergraduate tuition and fee rates that comply with the Council's *Tuition and Mandatory Fees Policy*, or otherwise 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.

During the tuition-setting process, Council staff and campus officials identified and discussed several key issues that were relevant during the development of staff's tuition and fee recommendation, including: (a) the level of state support for campus operations; (b) a pending reduction in the state's pension subsidy; (c) relatively low tuition increases in recent years; (d) the impact of inflationary cost increases; (e) recent trends in college spending; (f) declining college-going rates of Kentucky high school graduates; and (g) persistent decreases in student enrollment at nearly every public postsecondary institution. Staff believes the adopted ceilings achieved an appropriate balance between resource needs of the institutions and affordability for Kentucky students and families.

As a reminder, the resident undergraduate tuition and fee ceilings approved by the Council apply to each institution's base rate charge. Base rates are defined as total tuition and fee charges, minus any Special Use Fees and Asset Preservation Fees previously approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment for Kentucky Competitiveness Fee). Council staff deduct these fees from total tuition and fees before applying a percent increase parameter, which keeps the fees at a fixed amount each year until they expire. The paragraphs below contain proposed base rates for academic year 2024-25, current-year base rates, and calculated dollar and percent changes between those rates for KSU.

## **CAMPUS TUITION AND FEE PROPOSALS**

Officials from KSU have submitted to the Council undergraduate and graduate tuition and fee proposals for academic year 2024-25, along with tuition and fee revenue estimates for fiscal years 2023-24 and 2024-25.

Staff has reviewed the proposed 2024-25 tuition and fee charges for every degree level, residency, and attendance status and has determined that they comply with Council approved ceilings.

On March 12, 2024, KSU submitted a proposal to the Council, containing planned tuition and mandatory fee charges for academic year 2024-25. As can be seen in Table 1, between

academic years 2023-24 and 2024-25, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$173.<sup>00</sup>, or 1.9 percent. This complies with the Council’s approved ceiling for resident undergraduate tuition and mandatory fees, which stipulates that base rates cannot increase by more than 3.0 percent in any one year at public research and comprehensive universities. In addition, this complies with the approved ceiling which stipulates that tuition and mandatory fees cannot increase more than 5.00% over two years. For KSU, the maximum increase over two years was \$433.<sup>00</sup>, or 5%, and the proposed two-year increase is \$433.<sup>00</sup>. The university’s proposed tuition and fee charges for nonresident, graduate, and on-line students also adhere to Council parameters.

The tuition and fee charges included in KSU’s proposal were approved by the university’s Board of Regents at their March 7, 2024, meeting. Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and fee rates as proposed by KSU.

Kentucky State University Proposed Tuition and Fee Base Rates Academic Year 2024-25				Table 1
<u>Rate Category</u>	<u>Current 2023-24 Base Rates</u>	<u>Proposed 2024-25 Base Rates</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$8,914	\$9,087	\$173	1.9%
Nonresident	\$12,960	\$13,358	\$398	3.1%
Graduate				
Resident	\$583 pch	\$605 pch	\$22	3.8%
Nonresident	\$583 pch	\$605 pch	\$22	3.8%
Base rates for KSU do not include Special Use Fees of \$150.00 per semester, or \$300.00 per year for full-time students.				
pch = per credit hour				

Attachment A contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, rates for part-time graduate students, and online rates. Staff recommends approval of these additional rates as proposed by the university. Please note that KSU displays mandatory fees separately in Attachment C; however, Council staff includes these fees (e.g., Activities Fee; Technology Fee; Safety and Security Fee, Homecoming Fee) in the base rate, which is displayed in Table 1. KSU officials estimate that proposed 2024-25 tuition and mandatory fee charges for all categories of students (i.e., every academic level, residency, and full-time or part-time status) will generate significantly more tuition and fee revenue for the university, since they will be launching a new online program. The preliminary estimate for gross tuition and fee revenue in 2024-25 is \$24.7 million, which is \$7.7 million more than anticipated gross revenue for the current year (see Attachment B).

## STAFF RECOMMENDATION

Council staff has reviewed the tuition and mandatory fee proposal for academic year 2024-25 received from KSU and has determined that the proposal complies with the resident undergraduate tuition and fee ceilings for research and comprehensive universities adopted by the Council at the March 31, 2023, meeting. Staff has determined that proposed prices for nonresident undergraduate students adhere to provisions of the Council's *Tuition and Mandatory Fee Policy*, or a previously approved Memorandum of Understanding between the Council and an institution. Finally, proposed tuition and fee charges for graduate and online students adhere to Council parameters.

Staff recommends that the Finance Committee approve and send on to the full Council for approval the tuition and mandatory fee charges for resident undergraduate and graduate students, nonresident undergraduate and graduate students, and online learners for academic year 2024-25, as proposed by KSU.

**Proposed 2024-25 Tuition and Mandatory Fee Charges  
Kentucky State University**

<i>Category</i>	Fall 2024	Spring 2025	Annual 2024-25	Summer 2025		
<i>Undergraduate</i>						
Resident						
Full-time (12 credit hours)*	4,130.50	4,130.50	8,261	344		
Per Credit Hour**	344	344		344		
Nonresident						
Full-time (12 credit hours)*	6,266	6,266	12,532	522		
Per Credit Hour**	522	522		522		
Virtual Courses						
Per Credit Hour**	420	420		420		
KYSU Online						
Per Credit Hour**	350	350		350		
Military Rate						
Per Credit Hour**	250	250		250		
<i>Graduate</i>						
Resident/Non-Resident						
Full-time*	5,449	5,449	10,898	605		
Per Credit Hour**	605	605		605		
Virtual Courses						
Per Credit Hour**	583	583		583		
KYSU Online						
Per Credit Hour**	475	475		475		
Military Rate						
Per Credit Hour**	275	275		275		
* Full-time undergraduate and graduate tuition rates do not include the following:					Fee that is part of base rate:	Fee that is NOT base rate:
\$175 per semester mandatory Activities Fee.					350	
\$156 per semester mandatory Technology Fee.					312	
\$52 per semester mandatory Safety & Security Fee.					104	
\$150 per semester mandatory Asset Preservation Fee.						300
\$60 mandatory Fall semester homecoming fee					60	
					<u>826</u>	<u>300</u>
** Per Credit Hour undergraduate and graduate tuition rates do not include the following:						
\$30 per credit hour mandatory Technology Fee.						
\$10 per credit hour mandatory Safety & Security Fee.						
\$10 per credit hour mandatory Asset Preservation Fee.						
*** Virtual Courses are designed for traditional students and can be taken on a part-time basis. KYSU Online is the university's fully-online distance education program, accessible to students worldwide.						

## ATTACHMENT B

### Estimated Gross Tuition and Mandatory Fee Revenue Kentucky State University

<i>Category</i>	Estimated 2023-24	Estimated 2024-25
<i>Undergraduate</i>		
Resident	\$ 4,283,704	\$ 5,590,932
Nonresident	8,478,212	11,999,664
Online	1,545,000	5,146,320
<i>Graduate</i>		
Resident	430,826	325,008
Nonresident	477,288	81,252
Online	890,885	1,286,580
<i>Summer</i>	889,985	273,150
<b>Total</b>	<b>\$ 16,995,899</b>	<b>\$ 24,702,906</b>



**TITLE:** Revisions to 2022-24 Endowment Match Program Guidelines

**DESCRIPTION:** Staff recommends the Finance Committee endorse for full Council approval at its March 28, 2024, meeting, the revisions to the *2022-24 Endowment Match Program Guidelines* as shown in the attachment.

**PRESENTERS:** Ryan Kaffenberger, Associate Director of Finance and Budget, CPE  
Shaun McKiernan, Executive Director of Finance and Budget, CPE

---

### **SUPPORTING INFORMATION**

The Bucks for Brains program, also referred to as the Endowment Match Program (EMP), matches public dollars with private donations on at least a dollar-for-dollar basis to encourage research at the University of Kentucky (UK) and the University of Louisville (UofL) and to strengthen key programs at Kentucky's comprehensive universities. All funds, both public and private, must be endowed, with investment proceeds used to provide a perpetual source of funding for research-related activities.

In the 2022-24 Budget of the Commonwealth (22 RS, HB 1), the General Assembly authorized \$40.0 million in state bond funds for Bucks for Brains, with \$30.0 million of that amount appropriated to the Research Challenge Trust Fund (RCTF) to support UK and UofL and \$10.0 million allocated to the Comprehensive University Excellence Trust Fund (CUETF) to support the comprehensive universities.

The Council on Postsecondary Education (CPE) has statutory authority to determine the criteria and process by which public universities apply to access appropriations to the RCTF (KRS 164.7917) and CUETF (KRS 164.7919). At its June 14, 2022, meeting, the Finance Committee approved the *2022-24 Endowment Match Program Guidelines*.

Over the past several months, as institutions have submitted match requests, CPE staff has identified areas in the guidelines where language should be clarified to reduce confusion for the institutions. In addition, the current version of the guidelines prohibits all federal funds from being used as matching funds. For this reason, CPE staff is proposing revisions to the Guidelines to allow Kentucky State University to use federal funds awarded under Title III of the Higher Education Act (HEA) as matching funds. Federal guidelines permit up to 20% of Title III grant awards to be endowed provided they are matched dollar-for-dollar. The attachment shows all proposed revisions with additions in green font and eliminations in red strikethrough.

## **Council on Postsecondary Education 2022-24 Endowment Match Program Guidelines**

### **Introduction**

Kentucky recognizes the importance of research to the economic well-being of its citizens. The Endowment Match Program encourages private investment in public higher education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund chairs, professorships, research scholars, staffs and infrastructure, fellowships and scholarships, and mission support at the public universities. This collaborative approach is critical to advancing Kentucky's research presence into national prominence.

### **Program Funding**

State funding for the Endowment Match Program is appropriated to the Research Challenge Trust Fund (RCTF) for the research universities and to the Comprehensive University Excellence Trust Fund (CUETF) for the comprehensive institutions. Both trust funds were created with passage of the *Postsecondary Education Improvement Act of 1997* (HB 1).

Prior to 2022, there were four rounds of funding for the Endowment Match Program. In fiscal year 1998-99, the program received surplus General Fund appropriations of \$110 million (i.e., \$100 million for the research universities and \$10 million for comprehensive institutions). In 2000-01, the General Assembly authorized \$120 million for the program (i.e., \$100 million for the RCTF and \$20 million for the CUETF). The legislature debt financed another \$120 million for the program in 2003-04 (i.e., \$100 million for the RCTF and \$20 million for the CUETF). Finally, the General Assembly authorized \$60 million in state supported bond funds for the program in 2008-09, with \$50 million appropriated to the research universities and \$10 million appropriated to the comprehensive universities.

For the upcoming 2022-2024 biennium, the General Assembly authorized \$40 million in bond funds for the Bucks for Brains program, with \$30 million appropriated to the Research Challenge Trust Fund and \$10 million appropriated to the Comprehensive University Excellence Trust Fund (22 RS, HB 1).

### **Program Administration**

The Council on Postsecondary Education oversees and administers the Endowment Match Program. The Council establishes areas of concentration within which program funds are used, develops guidelines for the distribution of program funds, and reviews reports from the institutions on uses of program funds and results achieved.

The boards of trustees and boards of regents of the Commonwealth's public universities are responsible for the Endowment Match Program on their respective campuses. The governing boards are required by Council guidelines to review and approve all donations, gifts, and pledges that will be matched with state funds and used to establish new endowments or expand existing endowments under the Bucks for Brains program. Furthermore, the boards are charged with ensuring that the purposes of each endowment and sources of matching funds comply with Council guidelines and serve the public good.

Documentation of board approval must be submitted with each endowment request. In addition, the governing boards are required to review and approve Endowment Match Program reports that are submitted annually to the Council.

### Allocation of Program Funds

In the 2022-2024 Budget of the Commonwealth (22 RS, HB 1), the General Assembly authorized \$30 million in General Fund supported bond funds in fiscal year 2022-23 for the Research Challenge Trust Fund (RCTF) to support efforts to grow endowments for initiatives in fields of science, technology, engineering, mathematics, and health (i.e., STEM+H fields) at Kentucky public research universities. In accordance with KRS 164.7917, funding appropriated to the RCTF will be allocated two-thirds (2/3) to the University of Kentucky and one-third (1/3) to the University of Louisville, as shown in the table below. These funds will remain in the trust fund until matched and distributed.

University of Kentucky	\$20,000,000
University of Louisville	<u>10,000,000</u>
Total RCTF	\$30,000,000

In that same budget, the General Assembly also authorized \$10 million in state-supported bond funds in 2022-23 for the Comprehensive University Excellence Trust Fund (CUETF) to support endowment growth in STEM+H fields at Kentucky comprehensive universities. In keeping with KRS 164.7919, these funds will be apportioned among the comprehensive universities based on each institution's share of sector total General Fund appropriations, excluding debt service and specialized, noninstructional appropriations (i.e., mandated programs). The resulting allocations are shown below. These funds will remain in the trust fund until matched and distributed.

Eastern Kentucky University	\$2,227,800
Kentucky State University	667,800
Morehead State University	1,279,000
Murray State University	1,484,900
Northern Kentucky University	1,864,600
Western Kentucky University	<u>2,475,900</u>
Total CUETF	\$10,000,000

### Matching Requirements

The Endowment Match Program was conceived as a way to bring new money from external sources into the Commonwealth's system of postsecondary education. In order to receive state funds, the universities must provide dollar-for-dollar matching funds that satisfy the following requirements:

- Gifts and pledges must be newly generated to be eligible for state match. Newly generated contributions are those received by the university after November 15, 2021 (i.e., the date of the Council's 2022-2024 biennial budget submission).
- Gifts and pledges must be from external sources to be eligible for state match. External source contributions are those that originate outside the university and its affiliated corporations. Eligible sources of funding include, but are not limited to, businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals. Funds received from federal, state, and local government sources are not eligible for state

match. Federal funds awarded to Kentucky State University under Title III of the Higher Education Act (HEA) are an exception to this rule and are eligible for state match. Federal guidelines under the Strengthening HBCUs Program allow up to 20% of Title III grant awards to be endowed provided they are matched dollar-for-dollar.

- General Fund appropriations and student-derived revenues (e.g., tuition and fees revenue) are not eligible for state match.
- The minimum institutional request amount is \$50,000. A university may combine smaller donations from businesses, nongovernmental foundations, hospitals, corporations, and alumni or other individuals to meet the \$50,000 minimum.
- All funds, both state and private, must be endowed. “Endowed” means that state and donated funds will be held in perpetuity and invested to create income for the institution, with endowment proceeds eligible for expenditure, in accordance with donor restrictions, ~~and~~ university endowment spending policies, and Uniform Prudent Management of Institutional Funds Act (UPMIFA) requirements.
- Requests for state funds must identify the matching funds that are cash and the matching funds that are pledges.
- Pledges, or promises of future payment, are eligible for state match provided they are based on a written contract or agreement and include a payment schedule, which does not exceed five years from the initial pledge date. Pledge payment schedules showing receipts to date and scheduled future payments are to be included in the audited financial statements of either the institution or the foundation.
- If pledged funds are not received within five years of the initial pledge date, the university must replace the portion of private funds not received with another eligible cash gift or the unmatched portion of the state funds plus an allowance for accrued interest will revert to the trust fund for reallocation. In such cases, a time frame for the replacement or return of state funds will be negotiated between Council staff and institutional representatives.
- University officials must notify the Council staff of unpaid pledges six months before the end of the five-year deadline, or immediately when a gift has been revoked.

## Uses of Program Funds

Proceeds from the endowments can be used to support various activities including endowed chairs and professorships, research scholars, research staff, graduate fellowships, undergraduate scholarships, research infrastructure, and mission support as described below.

### *Category 1 Uses of Program Funds*

**Chairs:** New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by university policy.

**Professorships:** New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by university policy.

**Research Scholars:** Salaries, benefits, and other personnel related expenses associated with non-tenured, medical school faculty who exhibit the potential to assume a chair or

professorship position once tenure has been awarded. Research scholars should have clearly defined research agendas that relate specifically to the fields of study envisioned for the ultimate occupants of the chairs or professorships. Funding for this purpose is time limited. Each research scholar may be supported with endowment proceeds for a maximum of six years. At the end of that time, if the research scholar has not been appointed to the identified chair or professorship, university officials should fill the position with an appropriately qualified, tenured faculty member.

**Research Staff:** Salaries, benefits, and other personnel related expenses associated with full-time or part-time staff assistants who directly support the research activities of an endowed chair or professor.

**Research Infrastructure:** Start-up and operating expenses that directly support the research activities of an endowed chair or professor, including equipment, materials and supplies, and other research related expenses as permitted by university policy.

### *Category 2 Uses of Program Funds*

**Graduate Fellowships:** Fellowship stipends for outstanding graduate or professional students, which may include travel and other expenses as permitted by university policy. Eligibility for fellowships will be determined by academic deans and/or campus financial aid officials consistent with donor intent as specified in endowment agreements.

**Undergraduate Scholarships:** At the comprehensive universities only, program funds can be used to support scholarships for outstanding undergraduate students, which may include travel and other expenses as permitted by university policy. Eligibility for scholarships will be determined by academic deans and/or campus financial aid officials consistent with donor intent as specified in endowment agreements.

~~**Research Infrastructure:** Start-up and operating expenses that directly support the research activities of an endowed chair or professor, including equipment, materials and supplies, and other research related expenses as permitted by university policy.~~

**Mission Support:** Program funds can be used to support research and graduate missions at all institutions, and programs of distinction or applied research programs approved by the Council at the comprehensive institutions. Consideration will be given to mission support activities such as: (1) expenditures that enhance the research capability of university libraries (i.e., books, journals, research materials, media, and equipment); (2) start-up costs, equipment, and supplies that support faculty, graduate student, or undergraduate student research activities; (3) funding for visiting scholars, lecture series, and faculty exchange; and (4) expenditures for the dissemination of research findings (i.e., nationally prominent publications and presentations at conferences, symposiums, seminars, or workshops). However, priority will be given to mission support expenditures that encourage the research related activities of faculty and students. ~~Expenditures for general personnel expenses that are not directly linked to an endowed chair or professor do not qualify as mission support activities.~~

## **Use of Funds Requirements**

- At the research universities, at least 70 percent of program funds must be endowed for the purpose of supporting chairs, professorships, or research scholars, or research staff and infrastructure that directly support the research activities of an endowed chair, professor, or

research scholar (i.e., Category 1 Uses). No more than 30 percent of program funds may be endowed for the purpose of supporting mission support activities or graduate fellowships (i.e., Category 2 Uses).

- At the comprehensive institutions, at least 50 percent of program funds must be endowed for the purpose of supporting chairs or professorships, or research staff and infrastructure that directly support the research activities of an endowed chair or professor (i.e., Category 1 Uses). No more than 50 percent of program funds may be endowed for the purpose of supporting mission support, ~~activities or~~ graduate fellowships, or undergraduate scholarships (i.e., Category 2 Uses).

### Areas of Concentration

- At both research and comprehensive universities, 100 percent of program funds must be endowed to support initiatives in STEM+H fields (22 RS, HB 1). These areas are of strategic benefit to Kentucky and are core components of a knowledge-based economy. A copy of the Council’s official STEM+H Classification of Instructional Program (CIP) code list is available upon request.
- At the research universities, the Council expects state and external matching funds to be substantially directed toward supporting research that leads to the creation, preservation, or attraction of businesses that will increase the number of good jobs in Kentucky. For these purposes, “good jobs” are defined as jobs that yield income at or above the national per capita income.
- The Council recognizes that strong research programs are clustered around related academic disciplines and encourages campus officials to create a critical mass of scholars who can influence the nation’s research and academic agendas.
- The Council recognizes that the boundaries of traditional disciplines are increasingly permeable and encourages the use of endowment funds for interdisciplinary, problem solving, or applied research activities.
- The Council recognizes the importance of cooperation between universities and corporations and encourages partnerships in the technologies, engineering, and applied sciences.
- Program funds cannot be used for positions that are primarily administrative. However, chairs, professors, or scholars with active research agendas who may have an appointment such as department chair, center director, or dean are eligible.

### Program Diversity

The Council on Postsecondary Education and participating universities are committed to ensuring the gender and ethnic diversity of Endowment Match Program faculty, professional staff, and financial aid recipients. The universities shall develop and implement plans to achieve reasonable diversity in the recruitment and retention of women, African Americans, and other underrepresented minorities for positions funded by the Endowment Match Program, including scholarship and fellowship recipients. In addition, the universities will report ~~annually by~~ **November 1 every odd numbered year** to the Council the race and gender of program faculty, professional staff, and financial aid recipients.

## **Reporting**

Institutions will provide a report to the Council by November 1 every odd numbered year (i.e., coinciding with the Council's biennial budget submission), documenting how state and campus matching funds were used. These reports will include such items as the number of endowed chairs, professorships, and research scholars created or expanded using program funds, the gender and race of program faculty, research staff, and financial aid recipients, and the impact of the program in terms of job creation, increases in sponsored research attributable to the program, and generation and profitable use of intellectual property.

The institutions will also continue to provide FD-21 reports as part of their **annual** Comprehensive Database submissions to the Council. CPE staff will work with campus officials to identify any additional information that should be included in reports provided to the Council.

- TITLE:** 2024-2026 Budget Development Update
- DESCRIPTION:** Staff provides an update on the 2024-2026 budget development process, including major components and funding amounts in the Council’s budget recommendation, in the Executive Budget, in the House Budget (as amended), and in the Senate Budget. Included as attachments are tables that facilitate comparisons across various iterations of the budget.
- PRESENTERS:** Bill Payne, Vice President for Finance and Administration, CPE  
Shaun McKiernan, Executive Director of Finance and Budget, CPE
- 

## **OVERVIEW**

The postsecondary education budget development process is an iterative undertaking that takes about eleven months to complete, involves multiple stakeholders and policy leaders, and allows multiple opportunities for deliberation, negotiation, and compromise along the way. It typically begins in summer of every odd-numbered year with Council staff engaging in conversations with campus presidents and chief budget officers to identify the most pressing resource needs of the postsecondary education community.

It continues with the Council exercising its statutory authority to approve a biennial budget recommendation for postsecondary education, which typically occurs in November every other year (although that approval took place in September for the 2024-2026 biennium). That recommendation was submitted to the Governor and General Assembly this past October and was followed in sequence by the Executive Budget in December, the House Budget in February, and the Senate Budget in March.

The next step in the process involves members of the Free Conference Committee agreeing on budget components and funding amounts to reconcile differences between the House and Senate versions of the budget. That is followed by a time period during which the Governor has an opportunity to make line-item vetoes, which can then be overridden (or not) by the General Assembly. Typically, the state has an enacted budget by April 15 in every even-numbered year.

In this agenda item, CPE staff provides an update on the budget development process for the upcoming 2024-2026 biennium. It contains and compares information obtained from the Council’s *2024-2026 Postsecondary Education Budget Recommendation*, the Executive Budget, House Budget (as amended), and Senate Budget.



## COUNCIL RECOMMENDATION

On September 19, 2023, the Council on Postsecondary Education fulfilled one of its primary statutory responsibilities, when it approved a biennial budget recommendation for postsecondary education. That recommendation, which encompasses fiscal years 2024-25 and 2025-26, included three main categories of requests: (1) postsecondary institution operating funds; (2) capital investment; and (3) CPE agency budget. Major components and funding amounts included in each category are provided below.

### *Postsecondary Institution Operating Funds*

CPE staff engaged in discussions with multiple stakeholders to identify funding components to include in the Council's 2024-2026 *Postsecondary Education Budget Recommendation* that would 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 were additional appropriations for an inflation adjustment, performance funding, and KSU's land-grant program.

A summary of the main components and funding amounts included in the Council's 2024-2026 Postsecondary Institution Operating Funds request is provided below.

- The Council's recommendation included a request for \$81.9 million in 2024-25 and \$109.2 million in 2025-26 for an inflation adjustment to help institutions offset some of the largest increases in higher education costs in two decades
- These funds represented across-the-board increases of 9% in 2024-25 and 12% in 2025-26 on each institution's 2023-24 net General Fund base
- The Council included a request for \$22.7 million in 2024-25 and \$22.7 million in 2025-26 for Performance Funding to provide ongoing incentives for institutions to increase student success and course completion outcomes and continue making progress toward the state's 60x30 college attainment goal
- If authorized, these funds would be added to \$97.3 million currently in the performance fund, bringing the total to \$120.0 million (i.e., 23% increase)
- Request for \$1.5 million in 2024-25 and \$1.5 million in 2025-26 to meet federal matching requirements on KSU's land grant program
- An appropriation of \$2.1 million in 2023-24 to address state matching funds deficits that occurred in 2022-23 (\$608,400) and 2023-24 (\$1,499,100)

### *Capital Investment*

The Council's Capital Investment recommendation typically includes requests for three funding components: new construction, asset preservation, and information technology and equipment. In recent biennia, due to sizable, accumulated needs for renovation and renewal of campus facilities, the Council has elected to prioritize asset preservation in its capital requests.

This focus was operationalized again for the 2024-2026 biennium by including a sizable request for asset preservation, while at the same time recommending no funding for new capital construction or expanded space projects, or information technology projects for the upcoming biennium. In addition to the asset preservation component, the Council's recommendation included a funding request in 2024-25 to help institutions offset unprecedented increases in construction costs on individual capital projects that had been authorized in the 2022-2024 biennium.

The main components and proposed funding levels of the Council's 2024-2026 postsecondary institution Capital Investment request are listed below.

- Request for \$162.4 million in bond funds in 2024-25 to offset construction cost increases on individual new and expanded space projects authorized in 2022-2024
- Allocated by applying a 20% cost factor to bond funds received by each institution for line-itemed capital projects in the enacted 2022-2024 budget
- Request for \$700 million in state bond funds (i.e., \$350 million each year) to finance asset preservation projects at postsecondary institutions
- With no required institutional match and language allowing funds to be used for renovation and renewal of state-owed residential housing
- In total, for both construction cost increase and asset preservation components, the Council's capital investment recommendation included requests for debt service of \$20.6 million in 2024-25 and \$55.3 million in 2025-26.

### *CPE Agency Budget*

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.

The Council's 2024-2026 Agency Budget request included recommended additional appropriations for agency operations and strategic initiatives. These funds support staff, operating funds, and grants to the postsecondary institutions to advance the Council's *2022-2030 Strategic Agenda for Kentucky Postsecondary Education*. This funding also includes support for continued oversight of Kentucky State University.

The Council's 2024-2026 recommendation included several relatively small requests for defined calculations, SREB doctoral scholars, and SREB dues.

- It requested funding to cover anticipated increases in the agency's retirement system and health insurance costs (i.e., defined calculations), and a 1.0% salary adjustment each year, as a placeholder
- It included a request for additional appropriations of \$50,000 in 2024-25 and \$100,000 in 2025-26 to support four additional SREB doctoral scholar's students in the first year and an additional four doctoral students in the second year
- In addition, the Council requested an additional \$10,000 each fiscal year to cover anticipated increases in SREB dues

The Council's 2024-2026 Agency Budget request also identified several high priority resource needs for the upcoming biennium, including two expansion requests.

- A request for \$3.0 million each year of the biennium to support higher education coordination and management
- If authorized, this funding would allow CPE to expand its role in connecting higher education and workforce and economic development, P-20 transitions, monitoring campus finances, and assessing academic programs
- This funding is needed to effectively respond to growth in CPE's statutory duties and responsibilities and expanded due diligence and oversight role
- The Council recommendation also included a request for \$20.0 million each year to support the *Fund for Higher Education and Economic Development*
- If authorized, this fund would provide incentive grants to campuses to increase educational attainment, strengthen workforce alignment, foster collaboration, improve efficiencies, and build a more streamlined P-20 pipeline

## EXECUTIVE BUDGET

Governor Beshear introduced his budget on December 18, 2023. It included inflation adjustment and fire and tornado insurance premium components for campus operating funds, construction cost increase and asset preservation components for capital investment, and defined calculations funding for the CPE agency budget. Additional information on postsecondary education budget components and funding amounts contained in the Executive Budget is provided below.

### *Postsecondary Institution Operating Funds*

- The Executive Budget included appropriations of \$44.8 million in 2024-25 and \$63.8 million in 2025-26 for an inflation adjustment
- These funds represented base increases of about 4.4% in 2024-25 and 6.3% in 2025-26 on each institution's 2023-24 net General Fund base
- The Governor's budget included \$15.1 million each year of the biennium to partially offset anticipated increases in Fire and Tornado Insurance Premium costs (i.e., about 50% of the expected increase)

- It also provided \$2,107,500 in 2023-24 (i.e., a current-year appropriation) and \$1,499,100 in both 2024-25 and 2025-26 to meet federal matching requirements for KSU's land grant program
- Finally, the Executive Budget included additional appropriations of \$10.1 million in 2024-25 and \$12.6 million in 2025-26 resulting from net changes in mandated program funding (excluding UK's Markey Cancer Center, KSU's land grant program, and pension subsidy reductions)
- Overall, these components represent increases in operating funds of 6.7% in 2024-25 and 8.7% in 2025-26 relative to the 2023-24 net General Fund base

### *Capital Investment*

The Executive Budget included debt service on state bond funds supporting two categories of capital projects, including funding to offset cost overruns on new and expansion projects authorized for the 2022-2024 biennium and asset preservation projects for the upcoming biennium. More information regarding these funding components is provided below.

- The Governor's budget included \$159.98 million in bond funds in 2024-25 to complete new capital construction and expansion projects that had been authorized in the *2022-2024 Budget of the Commonwealth*
- The intended use of these funds was to cover unprecedented increases in construction costs that occurred between the time the 2022-2024 budget was enacted, and institutions began undertaking authorized projects
- The Executive Budget also included \$400.0 million in bond funds for asset preservation projects, all of that amount appropriated in fiscal year 2024-25
- The asset preservation funds were allocated among institutions based on share of Category I and II Education and General Square feet
- There was no required institutional match, but the bill included language regarding maintenance of effort for asset preservation expenditures
- Included in the regular appropriation for each institution was debt service for both categories of capital projects (i.e., cost increases and asset preservation) totaling \$22.6 million in 2024-25 and \$45.1 million in 2025-26 for the system

### *CPE Agency Budget*

The Executive Budget did not include additional appropriations for CPE's two major expansion requests—namely, added funding to support higher education coordination and management and the *Fund for Higher Education and Economic Development*—but it did provide resources to offset expected increases in retirement and health insurance costs, SREB dues, and continuation funding for KSU oversight.

- The Governor's budget included a 6.0% salary increase for state workers in 2024-25 and an additional 4.0% in 2025-26, with an additional increment for long-serving state employees

- It provided funding to cover anticipated increases in the agency's retirement system and health insurance costs (i.e., defined calculations)
- It also provided \$10,000 each year to cover expected increases in SREB dues
- The Executive Budget appropriated \$750,000 each year for KSU oversight
- Finally, the Governor's budget included \$16.0 million in 2024-25 for Pikeville Medical Center's Psychiatry Residency Program (i.e., for four years of operation)

## **HOUSE BUDGET (AS AMENDED)**

The House Budget (HB 6) was released on January 16, 2024, was later amended, and passed the full House on February 1, 2024. The information provided below was obtained from the House Committee Substitute version of the bill (HB 6/HCS 1).

### *Postsecondary Institution Operating Funds*

The House Budget included several components supporting campus operations, including an inflation adjustment, funding to fully offset increases in Fire and Tornado Insurance Premium costs, KSU land-grant funding, and a small increase in the *Postsecondary Education Performance Fund*.

- Specifically, it included appropriations of \$35.8 million each year of the biennium for an inflation adjustment
- This level of funding represented an increase of about 3.6% on each institution's 2023-24 net General Fund base
- The House Budget also included \$31.3 million each year for Fire and Tornado Insurance Premium cost increases (or 100% of the expected increase)

In addition to these two major components, the House Budget included:

- Decreases in funding (of minus \$10.0 million) each year for the Markey Cancer Center at the University of Kentucky
- Appropriations of \$2,107,500 in the current year (i.e., fiscal year 2023-24) and \$1,499,100 each year of the biennium to fund state match payments required under federal law for KSU's land grant program
- Increases in funding of \$3,900,000 each year for the *Postsecondary Education Performance Fund* (i.e., bringing the total in the fund to \$101.2 million each year)
- Net decreases in mandated program funding (of minus \$50,000) in 2024-25 and (of minus \$350,000) in 2025-26 (excluding changes in UK's Markey Cancer Center, KSU's land grant program, pension subsidy reductions, and Fire and Tornado Insurance Premium funding)
- Overall, these components represent increases in operating funds of 5.6% in 2024-25 and 5.4% in 2025-26 relative to the 2023-24 net General Fund base

### *Capital Investment*

In terms of capital investment, the House Budget provided debt service on state bond funds supporting two categories of capital projects, including new capital construction and expansion projects and asset preservation projects for the upcoming biennium.

- The House Budget included \$970.1 million in bond funds in 2024-25 to support new capital construction or expansion projects
- It provided one new construction or expansion project at each institution
- The House Budget also included \$600.0 million in bond funds (i.e., \$300.0 million each year) for asset preservation projects
- Twenty-five percent (25%) of the asset preservation funds were allocated among institutions by assigning \$15 million to each university and \$30 million to KCTCS (i.e., \$15 million x 8 universities = \$120 million + \$30 million @ KCTCS = \$150 million, or 25% of \$600 million)
- The remaining seventy-five percent (75%) was allocated among institutions based on share of E&G square footage
- Language included in the bill required UK and UofL to match twenty-five percent (25%) of their respective allocations with other source funds
- Finally, the House Budget included \$51.1 million in 2024-25 and \$114.3 million in 2025-26 to pay debt service on state bonds supporting both new construction (or expansion) projects and asset preservation projects

### *CPE Agency Budget*

- The House Budget provided a 4.0% salary increase for state workers in 2024-25 and an additional 2.0% in 2025-26
- It included funding to offset anticipated increases in retirement system and health insurance costs (i.e., defined calculations)
- It did not include additional funding for either SREB dues or the SREB Doctoral Scholar's program
- It also reduced the agency's General Fund budget by \$272,400 each year of the biennium to reflect cuts in vacant positions
- The House Budget appropriated \$500,000 in 2024-25 and \$250,000 in 2025-26 (or \$750,000 over the biennium) for KSU oversight
- The budget provided \$7.0 million in 2024-25 and \$3.0 million in 2025-26 (or \$10.0 million over the biennium) for the Healthcare Workforce Investment Fund

### **SENATE BUDGET**

The Senate Budget (HB 6/PSS 1) passed the full Senate on March 13, 2024. The information provided below was obtained from that bill.

### *Postsecondary Institution Operating Funds*

- The Senate Budget appropriates \$35.8 million each year of the biennium for an inflation adjustment, representing an increase of about 3.6% on each institution's 2023-24 net General Fund base
- It includes \$31.3 million each year to cover planned increases in state Fire and Tornado Insurance Premiums (or 100% of the expected increase)
- It contains reductions in funding of \$10.0 million each year for the Markey Cancer Center at the University of Kentucky
- It includes appropriations of \$2,107,500 in 2023-24 and \$1,499,100 each year of the upcoming biennium for KSU's land grant program
- The Senate Budget provides additional appropriations of \$102.7 million each year for the *Postsecondary Education Performance Fund* (i.e., bringing the total in the fund to \$200.0 million each year)
- It includes net increases in mandated program funding of \$1,743,800 in 2024-25 and \$2,546,200 in 2025-26 (excluding changes in UK's Markey Cancer Center, KSU's land grant program, pension subsidy reductions, and Fire and Tornado Insurance Premium funding)
- Finally, it provides additional funding for several programs or initiatives that are line-itemed in the budget bill, totaling \$24.7 million in 2024-25 and \$2.2 million in 2025-26 (e.g., the largest single item in 2024-25 is \$20.0 million for expansion and enhancement of online programs at NKU)
- Overall, these components represent increases in operating funds of 18.0% in 2024-25 and 15.7% in 2025-26 relative to the 2023-24 net General Fund base

### *Capital Investment*

Like the House Budget, the Senate Budget (HB 6/PSS 1) included debt service on state bond funds supporting new capital construction and expansion projects and supporting asset preservation projects for the upcoming biennium. More information about these funding components is provided below.

- The Senate Budget appropriated bond funds of \$917.4 million in 2024-25 and \$105.0 million in 2025-26 (i.e., for a biennial total of \$1.022 billion) to support new capital construction or expansion projects at the postsecondary institutions
- It provided at least one new or expansion project for each institution (and two projects each at NKU and KCTCS)
- The Senate Budget also included \$608.2 million in state bond funds for asset preservation projects, \$324.7 million in 2024-25 and \$283.5 million in 2025-26
- While the allocation of asset preservation funds mirrored the assignment of funds in the House Budget for most institutions, the Senate made selected changes in the allocation for KSU and KCTCS
- The asset preservation allocation at KSU was increased from \$12.8 million each year of the biennium to \$37.5 million each year

- The allocation at KCTCS was decreased in the second year from \$71.1 million in the House Budget to \$30.0 million in the Senate Budget
- Language included in the bill required UK and UofL to match twenty-five percent (25%) of their respective allocations with other source funds
- Included in the regular appropriation for each institution was debt service for both new construction (or expansion) projects and asset preservation projects totaling \$50.0 million in 2024-25 and \$115.7 million in 2025-26 for the system

#### *CPE Agency Budget*

- The Senate Budget provides a 2.6% salary increase for state workers in 2024-25 and an additional 2.6% in 2025-26
- It funds anticipated increases in the agency's retirement system and health insurance costs (i.e., defined calculations)
- It also provides \$10,000 each year to cover expected increases in SREB dues
- The Senate Budget contains \$272,400 in vacant position cuts in CPE's agency budget each year of the biennium
- It appropriates \$750,000 each year for KSU oversight
- The Senate Budget appropriates \$2.0 million over the biennium for the Kentucky Healthcare Workforce Investment Fund (i.e., \$1.0 million each year)
- It also appropriates \$1.0 million in 2024-25 to conduct a feasibility study on expanding postbaccalaureate program offerings at comprehensive universities
- The Senate Budget appropriates \$16.0 million in 2024-25 for CPE to distribute to Appalachian Regional Healthcare to establish a psychiatric residency program to serve eastern Kentucky
- Finally, the budget provides \$300,000 in 2024-25 for CPE to pass through to the National Stem Cell Foundation to support a grant match

## **BUDGET COMPARISONS**

Attached for Council review are three tables that should facilitate comparisons across the various versions of the postsecondary education budgets. Attachment A presents Postsecondary Institution Operating Funds components and funding amounts included in the Council's budget recommendation, Governor's Budget, and House and Senate versions of the budget. Attachment B shows Capital Investment components across all iterations of the postsecondary education budgets. Attachment C contains information pertaining to the CPE Agency Budget across all versions of the budgets.



Council on Postsecondary Education  
 2024-2026 Budget of the Commonwealth  
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

ATTACHMENT A  
 March 25, 2020

Postsecondary Education Operating Funds

Funding Component	CPE Recommended		Executive Budget		House Budget (HB 6/HCS 1)		Senate Budget (HB 6/PSS 1)	
	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26
2023-24 Net General Fund	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100
• Base Adjustments								
KERS Subsidy Reductions	(4,415,700)	(6,623,500)	(4,415,700)	(6,623,500)	(6,181,000)	(8,254,500)	(6,872,200)	(8,254,500)
Markey Cancer Center	0	0	500,000	710,000	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
Adjusted Net General Fund	1,003,168,400	1,000,960,600	1,003,668,400	1,001,670,600	991,403,100	989,329,600	990,711,900	989,329,600
Additional Budget Requests								
• Inflation Adjustment	81,925,100	109,233,300	44,848,900	63,818,900	35,834,600	35,834,600	35,834,600	35,834,600
• Fire and Tornado Insurance	0	0	15,108,100	15,108,100	31,283,600	31,283,600	31,283,600	31,283,600
• KSU Land Grant Match	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100
• Mandated Programs	0	0	10,089,200	12,646,800	(50,000)	(350,000)	1,743,800	2,546,200
• Other Additions	0	0			0	0	24,700,000	2,200,000
• Performance Funding	22,692,900	22,692,900	0	0	3,900,000	3,900,000	102,692,900	102,692,900
Total Operating Funds	1,109,285,500	1,134,385,900	1,075,213,700	1,094,743,500	1,063,870,400	1,061,496,900	1,188,465,900	1,165,386,000
Dollar Change	101,701,400	126,801,800	67,629,600	87,159,400	56,286,300	53,912,800	180,881,800	157,801,900
Percent Change	10.1%	12.6%	6.7%	8.7%	5.6%	5.4%	18.0%	15.7%

Council on Postsecondary Education  
 2024-2026 Budget of the Commonwealth  
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

ATTACHMENT B  
 March 25, 2020

Capital Investment

Funding Component	CPE Recommended			Executive Budget			House Budget (HCS 1)			Senate Budget (PSS 1)		
	Fiscal 2024-25	Fiscal 2025-26	Biennial Total	Fiscal 2024-25	Fiscal 2025-26	Biennial Total	Fiscal 2024-25	Fiscal 2025-26	Biennial Total	Fiscal 2024-25	Fiscal 2025-26	Biennial Total
<b>New Construction</b>												
• 2022-24 Cost Increases	162,370,000	0	162,370,000	159,980,000	0	159,980,000	0	0	0	0	0	0
• 2024-26 Capital Projects	0	0	0	0	0	0	970,100,000	0	970,100,000	917,400,000	105,000,000	1,022,400,000
Subtotal	162,370,000	0	162,370,000	159,980,000	0	159,980,000	970,100,000	0	970,100,000	917,400,000	105,000,000	1,022,400,000
<b>Renovation and Renewal</b>												
• Asset Preservation <sup>3</sup>	350,000,000	350,000,000	700,000,000	400,000,000	0	400,000,000	300,000,000	300,000,000	600,000,000	324,658,000	283,521,000	608,179,000
<b>Debt Service</b>	20,610,000	55,297,000	75,907,000	22,572,000	45,134,000	67,706,000	51,126,500	114,342,500	165,469,000	49,999,500	115,653,500	165,653,000

Council on Postsecondary Education  
 2024-2026 Budget of the Commonwealth  
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

ATTACHMENT C  
 March 25, 2020

CPE Agency Budget

Funding Component	CPE Recommended		Executive Budget		House Budget (HCS)		Senate Budget (PSS 1)	
	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26
2023-24 General Fund <sup>1</sup>	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800
• Base Adjustment <sup>2</sup>								
KSU Oversight	750,000	750,000	750,000	750,000	500,000	250,000	750,000	750,000
Adjusted General Fund	15,646,800	15,646,800	15,646,800	15,646,800	15,396,800	15,146,800	15,646,800	15,646,800
Additional Budget Requests								
• Fund for Higher Education & Economic Development	20,000,000	20,000,000	0	0	0	0	0	0
• Higher Education Coordination & Management	3,000,000	3,000,000	0	0	0	0	0	0
• SREB Doctoral Scholars	50,000	100,000	0	0	0	0	0	0
• SREB Dues	10,000	10,000	10,000	10,000	0	0	10,000	10,000
• Defined Calculations	(122,600)	(58,900)	(385,200)	(355,800)	(93,000)	(48,800)	(93,000)	(48,800)
• Salary Increases	61,100	125,100	440,600	681,300	215,300	336,700	139,900	289,600
• Cut to Vacant Positions	0	0	0	0	(272,400)	(272,400)	(272,400)	(272,400)
• Healthcare Workforce Investment Fund	0	0	0	0	7,000,000	3,000,000	1,000,000	1,000,000
• Psychiatry Residency Program in Eastern Kentucky <sup>3</sup>	0	0	16,000,000	0	0	0	16,000,000	0
• National Stem Cell Foundation Pass-Through	20,610,000	55,297,000	0	0	0	0	0	0
• Postbaccalaureate Program Expansion Study at Comprehensives	0	0	0	0	0	0	1,000,000	0
Operating Funds	59,255,300	94,120,000	31,712,200	15,982,300	22,246,700	18,162,300	33,431,300	16,625,200
Dollar Change to Adjusted General Fund	43,608,500	78,473,200	16,065,400	335,500	6,849,900	3,015,500	17,784,500	978,400
Percent Change	278.7%	501.5%	102.7%	2.1%	44.5%	19.9%	113.7%	6.3%

Component Footnotes

<sup>1</sup> Includes base funding for Operations, Strategic Initiatives, Technology Trust Fund, SREB dues and doctoral scholars, and spinal cord, head injury and cancer research and screenings.

<sup>2</sup> Technically, KSU oversight funding was submitted as an additional budget request since it was a special appropriation for 2022-2024

<sup>3</sup> Governor's budget recommended funding for a psychiatry residency program at Pikeville Medical Center. House Bill 1 (24 RS) provides this funding for Appalachian Regional Healthcare to establish a psychiatric residency program in eastern Kentucky

**TITLE:** Update on 2022-2024 Asset Preservation Funding

**DESCRIPTION:** Staff will provide an update on the use of Asset Preservation Pool funds, as per the guidelines approved in June 2022.

**PRESENTERS:** Shaun McKiernan, Executive Director of Finance and Budget, CPE  
Ryan Kaffenberger, Associate Director of Finance and Budget, CPE

---

### **BACKGROUND INFORMATION**

In the 2022-2024 state budget (HB 1, 2022 RS), the General Assembly appropriated \$683.5 million in General Fund supported bond funds for asset preservation projects on postsecondary education campuses. When combined with a \$16.5 million stand-alone project for KCTCS, total funding for asset preservation for the biennium was \$700.0 million.

Allocation of the funding among institutions was based on each institution's share of Education and General (Category 1 and 2) square footage. Research universities are required to match each dollar of state funding with 30 cents of institution resources, while the comprehensive universities and KCTCS are required to match each state dollar with 15 cents. Asset Preservation funds may be used to address renovation and renewal needs of Education and General facilities and state-owned and operated residential housing.

On June 17, 2022, the Council approved Asset Preservation Pool Guidelines that provide information on the process used to obtain project approvals and request reimbursement of funds from the state. The guidelines also require CPE staff to periodically provide updates to the Council on the use of Asset Preservation Pool funds. As can be seen in Attachment A, as of February 29, 2024, Kentucky public postsecondary institutions have drawn down 20% of the \$683.5 million appropriated for asset preservation, or \$136.1 million. See Attachment B for a listing of postsecondary institution projects and the state funds drawn by project to date.

Public Postsecondary Institutions  
 2022-24 Asset Preservation Funds  
 As of February 29, 2024

Attachment A

	<u>Total State Funds</u>	<u>State Fund Portion of Active Project</u>	<u>Percent of Total</u>
UK*	\$ 154,196,000	\$ 151,414,957	98%
UofL	81,886,000	81,882,879	100%
EKU	54,806,000	51,480,320	94%
KSU	16,078,000	14,428,715	90%
MoSU	35,222,000	35,222,000	100%
MuSU	47,176,000	47,176,000	100%
NKU	46,794,000	43,212,382	92%
WKU	68,080,000	54,846,200	81%
KCTCS	179,262,000	167,920,197	94%
	<u>\$ 683,500,000</u>	<u>\$ 647,583,651</u>	95%

	<u>Total State Funds</u>	<u>State Funds Drawn Down</u>	<u>Percent of Total</u>
UK	\$ 154,196,000	\$ 23,679,879	15%
UofL	81,886,000	12,628,094	15%
EKU	54,806,000	13,502,102	25%
KSU	16,078,000	1,249,850	8%
MoSU	35,222,000	10,329,474	29%
MuSU	47,176,000	5,866,489	12%
NKU	46,794,000	7,766,190	17%
WKU	68,080,000	4,375,639	6%
KCTCS	179,262,000	68,551,936	38%
	<u>\$ 683,500,000</u>	<u>\$ 136,109,712</u>	20%

University of Kentucky  
Education and General Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed
UK - 2590.1	MDS Building 5th Floor Renovation	This project will improve, renovate and upgrade aging labs and vacant spaces on the fifth floor of the facility to create much needed classrooms, faculty and support space and other E&G space. The project will also include E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Multi-Disciplinary Science Bldg	\$ 13,000,000	\$ 9,999,938	\$ 3,000,062	766,582
UK - 2590.2	Improve White Hall Classroom Bldg	This project will initiate the design phase to improve, renovate and upgrade the aging Whitehall Classroom Building and will include classrooms and other E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Whitehall Classroom Bldg	\$ 82,000,000	\$ 63,076,532	\$ 18,923,468	1,501,158
UK - 2590.3	Improve Pence Hall	This project will improve, renovate and upgrade the aging Pence Hall and will include classrooms and other E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Pence Hall	\$ 32,000,000	\$ 24,615,232	\$ 7,384,768	1,447,566
UK - 2590.4	Improve Miller Hall	This project will improve, renovate and upgrade the second and third floors of the aging Miller Hall and will include classrooms and other E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Miller Hall	\$ 4,500,000	\$ 3,461,517	\$ 1,038,483	128,782
UK - 2590.5	Improve Patterson Office Tower	This project will improve, renovate and upgrade two floors of the aging Patterson Office Tower. It will include E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Patterson Office Tower	\$ 3,500,000	\$ 2,692,291	\$ 807,709	143,174
UK-2590.21	Improve 620 South Broadway (Burley Tobacco Co-op)	This project will make minor improvements to this building needed to house administrative/support programs near campus.	Burley Tobacco Co-op	\$ 300,000	\$ 230,768	\$ 69,232	

University of Kentucky  
Education and General Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed
UK - 2590.22	Bosworth Hall Renovations	This project will renovate Bosworth Hall by adding a code compliant elevator to enable accessibility in the building as well as renovate portions of the approx. 19,000 sf building interiors for use by the university.	Bosworth Hall	\$ 5,400,000	\$ 4,153,820	\$ 1,246,180	282,505
UK-2590.25	Improve 640 South Broadway (Former Ag. Credit Union)	This project will make minor improvements to this building needed to house administrative/support programs near campus.	640 S. Broadway Building	\$ 250,000	\$ 192,307	\$ 57,694	95,674
UK-2590.26	640 South Broadway	This project will make needed IT Improvements to improve service to the campus network.	640 S. Broadway Building	\$ 200,000	\$ 153,845	\$ 46,155	110,488
UK-2590.27	Renovations for Office and Support Services	This project will renovate Patterson Office Tower, Blazer Dining, and WT Young Library to provide suitable space for Mathskeller, Wildcat Wardrobe, Classroom AV/IT, Ricoh, GIS Lab and other occupants.	Multiple	\$ 1,000,000	\$ 769,226	\$ 230,774	
UK-2590.28	Moloney Roof Replacement	This project will replace/repair the Moloney building roof.	Moloney Building	\$ 583,500	\$ 448,843	\$ 134,657	
UK-2590.32	Moloney Room Repairs	This project will make needed updates the interior space of the Moloney building.	Moloney Building	\$ 116,500	\$ 89,615	\$ 26,885	
<b>Campus Utility Infrastructure Projects</b>							
UK - 2590.7	Emergency Replacement of Sanitary Sewer Line - Funkhouser Drive	This project will replace the failed sanitary sewer piping underneath Funkhouser Drive. This includes reconstruction of the roadway once the line is replaced.	Utility Infrastructure	\$ 472,284	\$ 363,281	\$ 109,003	363,281
UK - 2590.8	Funkhouser Sewer Line Replacement Phase 2	The project will add two new manholes, remove ramps and walls beside McVey to install new sewer lines. Once the new sewer line is replaced, the contractor will pour new sidewalks and ramps, along with installing new handrails along the brick walls.	Utility Infrastructure	\$ 612,313	\$ 476,375	\$ 142,937	476,375
UK - 2590.11	Central Heating Dearator Tank	This project will remove the sawdust silo and add a new vertical Dearator Tank behind Central Heating Plant.	Utility Infrastructure	\$ 1,400,000	\$ 1,076,916	\$ 323,084	713,131
UK - 2590.19	Steam and Condensate	This project will include the steam and condensate replacement of the North Panama Canal	Utility Infrastructure	\$ 4,664,794	\$ 3,588,281	\$ 1,076,513	78,401

University of Kentucky  
Education and General Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed
UK - 2590.15	Hugelet & Washington Steam Infrastructure	This project was broken out from the Steam and Condensate project above to expedite the work as it relates to ongoing construction in the area. This project includes the demolition and repair of the Hugelet tunnel and replacement of steam servicing the Thomas Poe Cooper Facility as well as the restoration of Bowman Hall steamline redundancy.	Utility Infrastructure	\$ 2,335,206	\$ 1,796,301	\$ 538,905	818,574
UK - 2590.16	Medium Voltage Distribution Upgrades	This project will include the following: cleanup and cable work in vault 703; replace duct bank from 793 to 703-1 in Kroger Field Room 122, and new subsurface switch to replace manhole switch at 703-1. The project will also include cleanup and cable work in vault 910, and new circuit breaker in sub #3 with a new dedicated circuit.	Utility Infrastructure	\$ 3,200,000	\$ 2,461,523	\$ 738,477	127,970
UK - 2590.17	Shawneetown Stormwater Improvements	This project will implement stormwater improvements to the existing site adjacent to the Shanwneetown graduate family housing complex.	Utility Infrastructure	\$ 400,000	\$ 307,690	\$ 92,310	
UK - 2590.18	Medical Center Cooling Tower (Steelwork, Coating & Repair)	This project will analyze and repair the existing steel support structure in the Medical Center Heating and Cooling Plant to prolong the useful life of this facility.	Utility Infrastructure	\$ 1,000,000	\$ 769,226	\$ 230,774	3,249
UK- 2590.23	Memorial Coliseum (Steam/Chilled Water/Ductbank)	This project will connect steam and chilled water connections as well as an electrical ductbank adjacent to work that is occurring at Memorial Coliseum. This work will assist in providing redundancy for these systems.	Utility Infrastructure	\$ 3,120,000	\$ 2,399,985	\$ 720,015	119,992
2590.29	Asset Preservation - Central Heating Boiler Replacement	This project will replace two boilers within the Central Heating Plant #2.	Utility Infrastructure	\$ 20,000,000	\$ 15,384,520	\$ 4,615,480	
2590.31	Asset Preservation - Complete northern steam and chilled water loops	This project will install new steam and chilled water system piping below grade from the north end of the "Panama Canal" utility trench to existing piping located on the south side of Avenue of Champions between Singletary Center and Memorial Coliseum. These connections will complete steam and chilled water loops through campus north of Avenue of Champions for greater reliability of service and increased campus supply of steam and chilled water.	Utility Infrastructure	\$ 2,700,000	\$ 2,076,910	\$ 623,090	

**Building Systems Projects**



University of Kentucky  
Education and General Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed
UK - 2590.9	Breckinridge Hall Windows	This project will replace the window systems in Breckinridge Hall which have far outlived their useful life. The project will include replacement of 86 double hung windows and 10 casement exterior windows to improve energy efficiency and match existing profiles.	Breckinridge Hall	\$ 660,000	\$ 507,689	\$ 152,311	420,857
UK - 2590.12	Fine Arts Guignol Windows	This project will replace the window systems in Guignol Fine Arts which have far outlived their useful life. The project will include replacement of 166 exterior double hung and casement windows with matching windows for improved energy efficiency.	Fine Arts Guignol Building	\$ 1,319,105	\$ 1,014,690	\$ 304,415	785,083
UK - 2590.13	Memorial Coliseum Misc. Building Systems	This project will replace the building systems and improve ADA accessibility. The project includes replacement of Air Handling Units (AHU) and Variable Frequency Drives (VFD), Switchgear, Automatic Transfer Switches (ATS), an emergency generator and installation of a public elevator for ADA accessibility.	Memorial Coliseum	\$ 6,000,000	\$ 4,615,356	\$ 1,384,644	3,224,649
UK - 2590.14	Lafferty Hall Replace HVAC System and Fine Arts-Guignol Bldg. Install New HVAC System	This project will install a new AHU, VFDs, and motor control center along with fire sprinklers to meet code requirements in Lafferty Hall. In Fine Arts-Guignol Building, a new AHU and VFD will be installed to replace individual window air conditioners.	Lafferty Hall and Fine Arts Guignol Building	\$ 6,100,000	\$ 4,692,279	\$ 1,407,721	232,448
→ E&G Subtotal				\$196,833,702	\$151,414,957	\$45,425,745	11,839,940

Residential Housing Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed
→ Housing Subtotal				\$0	\$0	\$0	
Grand Total				<u>\$196,833,702</u>	<u>\$151,414,957</u>	<u>\$45,425,745</u>	<u>\$23,679,879</u>

University of Louisville

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
<b>Education and General Projects</b>								
J9000	Brook Street Overpass Bridge	Repairs to overpass bridge	Brook St Overpass	175,640	135,102	40,538	128,572	95.2%
J9001	Campus Lighting	Upgrade Campus lighting in and around parking lots - Phases 1 and 2	Belknap Campus Parking Lots	316,200	243,221	72,979	75,424	31.0%
J9026	CTR Deaerator Tank Sys Repl	CTR building - Deaerator failing and needs to be replaced	Center for Translational Research - CTR	206,600	158,917	47,683	162,307	102.1%
J9IEF	Infrastructure Equipment Replacement	Replacement of speciality equipment as needed in various buildings, which includes theatrical lighting and acoustical equipment upgrades.	Various Buidings	1,479,000	1,137,647	341,353	442,406	38.9%
J9LSS	Life Safety Systems	Upgrade and replacement of equipmment, such as fire alarms, elevators and building security systems.	Various Buildings	8,467,700	6,513,355	1,954,345	1,881,232	28.9%
J9BEM	Building Energy Management and Controls	Replacement of VFD equipment and upgrade of building automation control	Various Buildings	5,100,000	3,922,920	1,177,080	1,057,788	27.0%
J9ROOF	Roof Replacement	Replacement of roofs on various buildings	Various Buildings	5,657,317	4,351,608	1,305,709	605,222	13.9%
J9RRP	Refresh/Refurbishment Mult Bldgs - Phase implementation	Projects being implments in phases, because of needs in various building. Focus is on student facing spaces. Upgrades include finishes, ceilings, lights, signage.	Various Buildings	9,504,900	7,311,169	2,193,731	1,640,195	22.4%
J9ADA	ADA Updates	Projects being implemented in phases, because of needs in various buildings. Upgrades include door hardware, restrooms,	Various Buildings	2,218,840	1,706,732	512,108	43,580	2.6%

University of Louisville

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
		Projects will involve updating building systems in various buildings. Upgrades include air handling units, tunnel repairs, cooling towers, HVAC units, exhaust fans, heating, electrical systems						
J9HEP	HVAC / Electrical / Plumbing in Various Buildings.		Various building	71,675,803	55,133,028	16,542,775	6,499,974	11.8%
J9006	Schneider Hall - HVAC and Remediation	Remediation of space and replacement of HVAC system	Schneider Hall	1,650,000	1,269,180	380,820	91,395	7.2%
Grand Total				<u>\$106,452,000</u>	<u>\$81,882,879</u>	<u>\$24,569,121</u>	<u>12,628,094</u>	15.4%

Eastern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total	
<b>Education and General Projects</b>									
EKU001	Steam Line Upgrades	Campus wide steam line, vault, heat plant, boiler work - authorized as line item 21, 2022 Acts Chapter 199, Part II (HB 1)	Campus wide		\$10,000,000	\$8,696,000	\$1,304,000	\$2,280,745	26.2%
EKU002	Roof Replacement - Powell	New roof installation	Powell (student center)		\$825,489	\$717,845	\$107,644	\$717,845	100.0%
EKU003	Roof Replacement - Rowlette	New roof installation	Rowlette (nursing)		\$711,689	\$618,885	\$92,804	\$618,867	100.0%
EKU004	Coates Exterior/Interior Repairs	Extensive interior-exterior deferred maintenance and roof work	Coates (1920's main building - limestone falling)		\$5,000,000	\$4,348,000	\$652,000	\$145,728	3.4%
EKU005	Burrier Exterior Repairs	Extensive exterior deferred maintenance repairs	Burrier (stone façade falling - applied human science)		\$1,554,822	\$1,352,073	\$202,749	\$84,888	6.3%
EKU006	Plumbing systems, HVAC, water distribution systems, boiler/hot water systems, cooling tower and chiller systems repair/replacement, mechanical systems repair/renovation/replacement	Campus wide systems upgrades and improvements for air conditioning-cooling-heating, water delivery and related system components.	Campus wide		\$8,608,000	\$7,485,517	\$1,122,483	\$4,689,727	62.7%
EKU007	Elevator renovation/replacement/modernization	Campus wide elevator improvements.	Campus wide		\$4,000,000	\$3,478,400	\$521,600	\$1,964,048	56.5%
EKU008	Sidewalks, pathways, pedestrian entrances, egress, access accommodation, lighting improvements	Maintenance upgrades for campuswide mobility and access	Campus wide		\$2,200,000	\$1,913,120	\$286,880	\$1,030,375	53.9%
EKU009	Parking lot maintenance and improvements; exterior lighting improvements	Campus wide parking maintenance and improvements	Campus wide		\$2,000,000	\$1,739,200	\$260,800		0.0%
EKU010	Electrical system installation/renovation/improvements; electrical hardware components installation, improvements	Campus wide electrical distribution system improvements	Campus wide		\$5,000,000	\$4,348,000	\$652,000	\$118,115	2.7%

Eastern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
EKU011	Roof replacements and upgrades; structural renovations/upgrades; various/multiple buildings/facilities	Campus wide roof repair and replacement needs	per RG: Ramsey Heat Plant, Ashland, Cammack, Combs (preliminary)	\$7,000,000	\$6,087,200	\$912,800	\$331,009	5.4%
EKU012	Building interior renovations/repairs/upgrades	Campus wide building interior maintenance items	per RG: Commonwealth Business Tower, Whitlock, Adams, Combs	\$5,800,000	\$5,043,680	\$756,320	\$1,406,584	27.9%
EKU013	Begley Building Deferred Maintenance	Extensive deferred maintenance priorities include concrete repairs and rainwater mitigation improvements and entrance and egress repairs to multi-purpose, multi-use legacy E&G facility.	Begley	\$6,500,000	\$5,652,400	\$847,600	\$114,171	2.0%
→ E&G Subtotal				\$59,200,000	\$51,480,320	\$7,719,680	\$13,502,102	26%

Residential Housing Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match
→ Housing Subtotal				\$0	\$0	\$0
Grand Total				<u>\$59,200,000</u>	<u>\$51,480,320</u>	<u>\$7,719,680</u>

Kentucky State University

Project Number	Project Name	Project Description	Project Scope	State Funds	Campus Match	Expenditures	Notes	State Funds Portion of Funds Expended	Percent of Total
<b>Education and General Projects</b>									
KSU001	Demolition of vacant and blighted property	Russell Ct Apts, Burned house at College St. and Douglas Ave., Car wash on East Main	\$500,000	\$434,780	\$65,217	\$2,660	Bid came in lower than estimate	\$2,313	0.5%
			\$150,000	\$69,565	\$10,435				
KSU002	Campus wide Elevator Repairs, Modernization, and Emergency Call Stations	Consultation to assess, recommend and prioritize project management	\$500,000	\$434,780	\$65,217	\$0		\$0	
KSU006	Walkway Improvement and Safety/ADA Related Upgrades and Repairs	Will address railings and concrete repairs	\$500,000	\$434,780	\$65,217	\$0	Currently out for bid	\$0	
KSU006	Walkway Improvement and Safety/ADA Related Upgrades and Repairs	Increase project \$250,000	\$250,000	217,391	32,609	\$0		\$0	
KSU007	Jackson Hall Renovation	Repairs to roof and interior to mitigate safety hazard and bring back	1,500,000	1,304,349	195,651	\$0		\$0	
KSU008	Exum Center Renovations	Design and Exterior Envelope work	1,363,000	1,185,218	177,782	\$0		\$0	
KSU009	Bell Gym Stair (Egress) Replacement		150,000	130,435	19,565	\$138,992	Project complete, remaining encumbrance will be invoiced	\$120,863	92.7%
		Hume Hall Renovation	Building has extensive water infiltration issues. Project will stop water infiltration and fix the damage caused. Currently only funding desgin.	650,000	565,217	84,783			

### Kentucky State University

Project Number	Project Name	Project Description	Project Scope	State Funds	Campus Match	Expenditures	Notes	State Funds Portion of Funds Expended	Percent of Total
	Bradford Hall Renovations	Repair/replace leaking windows. Address ADA issues with entries. Currently only funding design	1,500,000	1,304,348	195,652	\$0	Currently in Phase A design	\$0	
	KSU MEP Renovations	This project will replace failing infrastructure of mechanical, electrical and plumbing systems.	500,000	434,783	65,217	\$0		\$0	
→ E&G Subtotal			\$7,563,000	\$6,515,647	\$977,344	\$175,585		\$152,682	2.3%

### Residential Housing Projects

Project Number	Project Name	Project Description	Project Scope	State Funds	Campus Match	Expenditures	Notes	State Funds Portion of Funds Expended	Percent of Total
KSU004	Residence Hall Interior and Exterior Renovations	Architectural Design and Improvement Process - specifics to be defined	800,000	695,680	104,320	\$540,479	Work is complete, encumbrance will be invoiced	\$469,982	67.6%
KSU005	The Halls Residence Facility HVAC & Related	Includes piping main replacement to support removal and replacement of	\$500,000	\$434,780	\$65,217	\$0			
	Combs Hall Renovation	New mechanical, electrical and plumbing. As well as new windows, store fronts and all new finishes.	\$7,800,000	\$6,782,609	\$1,017,391	\$2,600	Currently out for bid	\$2,261	0.0%
→ Housing Subtotal			\$9,100,000	\$7,913,069	\$1,186,928	\$543,079		\$472,243	6.0%
Grand Total			<u>\$16,663,000</u>	<u>\$14,428,715</u>	<u>\$2,164,273</u>	<u>\$718,664</u>		<u>\$1,249,850</u>	8.7%

Morehead State University

Project Number	Project Name	Project Description	Building Name	Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
<b>Education and General Projects</b>								
65250001	Camden-Carroll Library HVAC/Electrical Project	HVAC and Electrical upgrade	Camden-Carroll Library	\$1,450,000	\$1,260,870	\$189,130	\$169,897	13.5%
65250002	Enrollment Services Roof	New Roof	Enrollment Services (new)	219,322	190,714	28,608	190,544	99.9%
65250003	Camden-Carroll Library Roof	New Roof	Camden-Carroll Library	154,168	134,059	20,109	133,669	99.7%
65250004	Academic-Athletic Center Roof	New Roof	Academic-Athletic Center	457,552	397,871	59,681	397,189	99.8%
65250005	Lappin Hall HVAC	HVAC upgrade	Lappin Hall	76,159	66,225	9,934	66,225	100.0%
65250005	Lappin Hall HVAC - phase 2	HVAC upgrade	Lappin Hall	52,028	45,241	6,787		0.0%
65250006	Kentucky Folk Art Center HVAC	HVAC upgrade	Ky Folk Art Center	40,000	34,783	5,217	21,067	60.6%
65250007	Howell McDowell & Claypool Young HVAC	HVAC upgrade	Multiple E&G and residential facilities	838,859	729,443	109,416	719,220	98.6%
65250008	Rader Hall HVAC	HVAC upgrade	Rader Hall	308,823	268,542	40,281	4,709	1.8%
65250010	Ginger Hall HVAC	HVAC upgrade	Ginger Hall	466,884	405,986	60,898	403,664	99.4%
65250011	HVAC Automation	Campus wide building automation system	Multiple E&G and residential facilities	400,000	347,826	52,174	309,738	89.0%
65250012	E&G Fire Alarm System - phase 1	Fire alarm system upgrade various E&G Buildings	Multiple E&G and residential facilities	13,101	11,392	1,709	11,392	100.0%
65250012	E&G Fire Alarm System - phase 2	Fire alarm system upgrade various E&G Buildings	Multiple E&G and residential facilities	200,097	173,997	26,100	25,006	14.4%
65250013	Water Treatment Plant Sediment Basin Design	Water Treatment Plant Sediment Basin design	Multiple E&G and residential facilities	113,040	98,296	14,744	85,283	86.8%
65250013	Water Treatment Plant Sediment Basin Design phase 2	Water Treatment Plant Sediment Basin design	Multiple E&G and residential facilities	2,800,000	2,434,783	365,217		
65250015	Breck HVAC	HVAC upgrade	Breckinridge Hall	301,233	261,942	39,291	2,791	1.1%
65250016	Enrollment Services HVAC	HVAC upgrade	Enrollment Services (new)	300,000	260,870	39,130	32,925	12.6%
65250017	Baird HVAC	HVAC upgrade	Baird Music Hall	815,000	708,696	106,304	462,451	65.3%
65250018	Button HVAC	HVAC upgrade	Button Auditorium	400,000	347,826	52,174	30,507	8.8%
65250021	MSU Farm roof and greenhouse repair	New Roof and repairs	Multiple E&G facilities	300,000	260,870	39,130	32,734	12.5%
65250022	Allie Young Roof	New Roof	Allie Young Hall	297,309	258,530	38,779	257,101	99.4%
65250024	Howell-McDowell repairs and HVAC	Repairs and additional HVAC work	Howell-McDowell Admi	147,625	128,369	19,256	42,174	32.9%
65250025	Campus Communications Infrastructure Upgrade phase 2	Building system controls infrastructure	Multiple E&G and residential facilities	3,620,000	3,147,826	472,174	766,570	24.4%
65250026	Ginger Hall 2nd Floor : Ginger Hall 2nd Floor	Renovation	Ginger Hall	259,843	225,950	33,893	13,388	5.9%
65250027	Laughlin Ext Repair/Utility : Laughlin Ext Repair/Utility	Exterior Repairs	Laughlin Health Bldg	26,380	22,939	3,441	10,873	47.4%
65250028	Camden-Carroll Library Renovation	Building Renovation	Camden-Carroll Library	1,150,000	1,000,000	150,000	13,043	1.3%
65250029	Academic-Athletic Center Life Safety	Life Safety upgrades	Academic-Athletic Center	1,000,000	869,565	130,435	-	
65250030	Ginger Hall Renovation	Building Renovation	Ginger Hall	1,750,000	1,521,739	228,261	6,770	0.4%
65250031	Educational Services Bldg Reno	Building Renovation	Education Services Bldg	100,000	86,957	13,043		
65250033	ADUC renovation	Building Renovation	Adron Doran Universi	250,000	217,391	32,609		
90050012	Campus Communications Infrastructure Upgrade	Upgrade wireless campus communication systems	Multiple E&G and residential facilities	2,750,000	2,391,304	358,696	2,329,737	97.4%
90050014	Heat Exchanger Replacements	Update Heat Exchangers in Campus Facilities	Multiple E&G and residential facilities	272,497	236,954	35,543	189,915	80.1%
→ E&G Subtotal				21,329,918	18,547,756	2,782,162	6,728,582	36.3%

Residential Housing Projects

Project Number	Project Name	Project Description	Building Name	Revised Scope	Revised State Funds	Revised Campus Match		
90050001	Fields Hall HVAC/Chiller	HVAC upgrade	Fields Hall	\$212,780	\$185,026	\$27,754	182,100	98.4%
90050002	Nunn Hall	New Roof	Nunn Hall	379,497	329,997	49,500	329,728	99.9%
90050003	Mays Hall HVAC	HVAC upgrade	Mays Hall Apts.	132,424	115,151	17,273	85,842	74.5%
90050004	West Mignon Hall HVAC	HVAC upgrade	West Mignon Hall	55,938	48,641	7,297	27,652	56.8%
90050005	East Mignon Hall HVAC & Related Roof /drainage	HVAC upgrade/Roof/Drainage	East Mignon Hall	226,062	196,576	29,486	175,430	89.2%
90050006	Alumni Tower Renovation	Floor Renovation	Alumni Tower	53,005	46,091	6,914	39,462	85.6%
90050007	Normal Hall HVAC	HVAC upgrade	Normal Hall Apts.	52,832	45,941	6,891	45,452	98.9%
90050008	Cartmell Hall Elevator	Elevator	Cartmell Hall	564,675	491,022	73,653	491,022	100.0%
90050009	Housing Fire Alarm Sys.	Life Safety upgrades	Alumni Tower	100,870	87,713	13,157		0.0%
90050010	Mignon Tower	New Roof	Mignon Tower	271,999	236,521	35,478	236,374	99.9%
90050011	Alumni Tower Steps & Concrete repairs	Steps	Alumni Tower	290,618	252,712	37,906	60,905	24.1%
				8,785,916	7,639,317	1,146,599		
90050013	Cooper Hall Phase 1	Modernization/Renovation	Cooper Hall				1,923,360	25.2%



Morehead State University

Project Number	Project Name	Project Description	Building Name	Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
90050013	Cooper Hall Phase 2	Modernization/Renovation	Cooper Hall	2,014,084	1,751,378	262,706		0.0%
90050015	Nunn Hall Renovation : Nunn Hall Renovation	Modernization/Renovation	Nunn Hall	3,200,000	2,782,609	417,391	3,565	0.1%
90050016	Mignon Complex Renovation	Renovation	Mignon Tower, East Mignon and West M	1,050,000	913,043	136,957		0.0%
90050017	Eagle Lake Apartments Renovation	Building Renovation	Eagle Lake Apts.	1,400,000	1,217,391	182,609		0.0%
90050018	To be determined Spring 2024 Project	TBD	TBD	<u>385,382</u>	<u>335,115</u>	<u>50,267</u>		0.0%
→ Housing Subtotal				19,176,082	16,674,244	2,501,838	3,600,892	21.6%
Grand Total				<u>40,506,000</u>	<u>35,222,000</u>	<u>5,284,000</u>	<u>10,329,474</u>	29.3%

## Murray State University Project Identification Schedule

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
<b>Education and General Projects</b>								
R20312	Curriss Center refresh, renovation and deferred maintenance project	Renovations to common areas , including restrooms, of the building to provide new flooring, paint, lighting and fixtures. Update of some areas to use for student recruitment and student activities.	Curriss Center	5,500,000	4,782,800	717,200	4,053,453	84.8%
A11055	CFSB Center Cooling Tower Replacements	Replacement of cooling tower	CFSB Center	625,000	543,500	81,500	477,232	87.8%
R20372	Hancock Biology Station HVAC	Replace the HVAC system for research center	Hancock Biology Station	1,700,000	1,478,320	221,680	89,184	6.0%
A11127	Price Doyle Fine Arts interior stairwell repairs	Replace handrails, stair treads and necessary maintenance to the interior stairwell. Includes surrounding plaster repairs.	Price Doyle Fine Arts	650,000	565,240	84,760	-	0.0%
R20366	Oakley Applied Science ADA and deferred maintenance	Updates for several ADA accommodations, mechanical and electrical deferred maintenance and classroom/public spaces updates where needed.	Oakley Applied Science-Agriculture	12,000,000	10,435,200	1,564,800	126,318	1.2%
R20365	Mason Hall ADA and deferred maintenance	Updates for several ADA accommodations, building mechanical and electrical deferred maintenance and classroom/public spaces updates where needed. This work will complement the Nursing programs and the new Nursing and Health Professions Building.	Mason Hall-Nursing	9,000,000	7,826,400	1,173,600	112,908	1.4%
	Electrical infrastructure repairs and upgrades	Architecture and engineering work to the electric substation and campus electrical infrastructure repairs and upgrades. Added amount will be requested once scope is available.	Infrastructure	300,000	260,880	39,120	-	0.0%
R20371	Price Doyle Fine Arts HVAC	New hot water boilers to disconnect from central steam lines, HVAC improvements, mixing boxes, air handling VFD drive replacememnts and BAS controls.	Price Doyle Fine Arts	1,900,000	1,652,240	247,760	19,337	1.2%
R20368	Pogue Library HVAC, mechanical and electrical improvements	New hot water boilers to disconnect from central steam lines, HVAC improvements, and BAS controls.	Pogue Library	6,000,000	5,217,600	782,400	56,144	1.1%
R20370	Old Fine Arts HVAC	New hot water boilers to disconnect from central steam lines, HVAC improvements, mixing boxes, air handling VFD drive replacememnts and BAS controls.	Old Fine Arts	2,400,000	2,087,040	312,960	33,981	1.6%

## Murray State University Project Identification Schedule

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
R20369	Stewart Stadium Water Intrusion	Architecture and engineering work to design repairs due to significant water intrusion issues. Added amount will be requested once scope is available.	Stewart Stadium	100,000	86,960	13,040	-	0.0%
R20367	CFSB Center	Architecture and engineering work to design the installation of a full building generator to enhance the need for this building to service the campus and community during emergency situations. Added amount will be requested once scope is available.	CFSB Center	100,000	86,960	13,040	-	0.0%
A11089	Carr Hall	Replace existing emergency generator and transfer switch.	Carr Hall	92,600	80,525	12,075	33,982	42.2%
R20384	Biology Building	Relocate the mechanical equipment from the roof top to ground level to prepare for a roof replacement and better accessibility to this equipment. This project will also replace the cooling towers and piping, which serves the entire Science Complex (3 buildings)	Biology Building	2,500,000	2,174,000	326,000	874	0.0%
R20354	Carr Hall	HVAC replacements and necessary electrical upgrades	Carr Health	3,121,492	2,714,449	407,043	-	0.0%
R20355	Racer Arena	Installation of roof top package units to provide heating and cooling for the area. The arena has never had air conditioning.	Racer Arena	1,995,708	1,735,468	260,240	-	0.0%
R20356	Waterfield Library	HVAC upgrades, phase II	Waterfield Library	603,403	524,719	78,684	-	0.0%
A11119	Carmen Pavillion	Replace roof top HVAC unit that has failed, set with crane and connect to existing power and duct work.	Carman Pavillion	80,000	69,568	10,432	41,688	59.9%
→ E&G Subtotal				\$48,668,203	\$42,321,869	\$6,346,334	5,045,100.88	11.9%

## University Owned Residence Halls Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match
----------------	--------------	---------------------	---------------	---------------	-------------	--------------

Murray State University Project Identification Schedule

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
B10246	Regents Hall replace closets/vanities	Replacement of building in closets and vanities for three floors in University owned residence hall	Regents Residence Hall	426,000	213,000	213,000	182,659	85.8%
T20131	White Hall boiler replacement	Replace boiler in University owned residence hall. Two summer phased project.	White Residence Hall	813,000	706,985	106,015	585,287	82.8%
T20132	White Hal hydronic piping replacement	Replace hydronic piping in University owned residence hall	White Residence Hall	1,426,000	1,240,050	185,950	26,785	2.2%
T20133	White Hall air handler replacement	Replace the air handler in University owned residence hall	White Residence Hall	500,000	434,800	65,200	26,657	6.1%
→ Housing Subtotal				<u>\$3,165,000</u>	<u>\$2,594,834</u>	<u>\$570,166</u>	<u>\$821,388</u>	31.7%
Grand Total				<u><u>\$51,833,203</u></u>	<u><u>\$44,916,704</u></u>	<u><u>\$6,916,499</u></u>	<u><u>\$5,866,489</u></u>	13.1%
Total Authorized				\$54,254,000	\$47,176,000	\$7,078,000		

Northern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
<b>Education and General Projects</b>								
22-0287	Renew/Renovate Fine Arts Phase II (AP)	Demolish & rebuild approx. 16k SF heaved floor area. Replace HVAC & fire alarm systems. Added scope to replace finishes in Corbett Theater.	Fine Arts Center		\$ 14,820,000	\$ 12,887,472	\$ 1,932,528	1,912,361 14.8%
22-0294	Renew/Renovate Nunn Hall (AP)	Demolish & rebuild approx. 8k SF heaved floor area. Replace RRs and HVAC system components. Fix foundation leak.	Nunn Hall		\$ 9,600,000	\$ 8,348,160	\$ 1,251,840	1,547,297 18.5%
22-0278	Power Plant Boiler Controls Upgrade (AP)	Replace obsolete controls, linkages and valves on boilers 2 & 3 at Power Plant.	New Power Plant		\$ 380,000	\$ 330,448	\$ 49,552	323,756 98.0%
22-0295	Fine Arts Freight Elevator Modifications (AP)	Modernization of the Fine Arts freight elevator	Fine Arts Center		\$ 524,000	\$ 455,670	\$ 68,330	12,522 2.7%
22-0272	BC & MP Bldgs Fire Alarm Modernization (AP)	Upgrade BC & MP fire alarm systems to smart devices, and bring system up to current building code.	Business Academic Center, Mathematics-Education-Psychology Center		\$ 540,000	\$ 469,584	\$ 70,416	372,879 79.4%
23-0298	Campbell / Upgrade Return System (AP)	Upgrade HVAC return system to equalize air flow and temperature & improve energy efficiency	Campbell Hall		\$ 450,000	\$ 391,320	\$ 58,680	35,512 9.1%
22-0279	Rebuild Cooling Towers /Power Plant (AP)	Rebuild 6 cooling towers; replace fill media, clean and seal towers; and, replace VFD.	New Power Plant		\$ 532,344.09	\$ 462,926	\$ 69,418	452,025 97.6%
22-0274	Maint Bldg Replace Rooftop Units (AP)	Replace HVAC system in Maintenance Building	Maintenance Building & Storage Facility (attached)		\$ 175,000	\$ 152,180	\$ 22,820	63,095 41.5%
22-0276	Nunn Hall Façade Repairs (AP)	Clean, repair and seal exterior concrete façade	Louie B. Nunn Hall		\$ 450,000	\$ 391,320	\$ 58,680	10,856 2.8%
23-0304	RH-Bleachers & Floor Repl (AP)	Replace bleachers and flooring	Regents Hall		\$ 539,478.11	\$ 469,130	\$ 70,348	469,130 100.0%
22-0277	FY 2023 Replace Flooring Main Campus (AP)	Replace damaged flooring in E&G bldgs	Multiple buildings		\$ 150,000	\$ 130,440	\$ 19,560	71,749 55.0%
22-0275	Refurbish Interior Landrum Stairwells (AP)	Remove ceilings; replace doors, lights & HVAC; and paint	Charles O. Landrum Academic Center		\$ 108,361.10	\$ 94,231	\$ 14,130	94,231 100.0%
23-0308	Main. Bldg Restore Roof (AP)	Restore roof	Maintenance Building & Storage Facility (attached)		\$ 381,296.78	\$ 331,576	\$ 49,721	331,576 100.0%
23-0309	Nunn Hall Restore Roof (AP)	Restore roof	Louie B. Nunn Hall		\$ 440,000	\$ 382,624	\$ 57,376	
23-0310	Renew/Renovate Steely PH I (AP)	Replace HVAC, fire alarm, emer. Generator and elec. switchgear	W. Frank Steely Library		\$ 5,000,000	\$ 4,348,000	\$ 652,000	153,586 3.5%

Northern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
23-0302-71000009204	Signage Replacement Pool (AP)	Deteriorated exterior signage will be replaced or refurbished	Multiple exterior locations on campus	\$ 80,214	\$ 69,754	\$ 10,460	32,089	46.0%
23-0323	Steely Glass Elev Modernization (AP)	Modernize Glass Elevator	W. Frank Steely Library	\$ 395,000	\$ 343,492	\$ 51,508	237,662	69.2%
23-0311	Regents Generator & Switchgear (AP)	Replace generator and electrical switchgear	Regents Hall	\$ 642,000	\$ 558,283	\$ 83,717	56,723	10.2%
23-0312	Univ Center Replace Switchgear (AP)	Replace electrical switchgear	University Center	\$ 600,000	\$ 521,760	\$ 78,240	38,436	7.4%
23-0315	Concrete Sidewalk/Plaza Repairs (AP)	Replace deteriorated concrete sidewalks, curbs, and plaza areas	Multiple exterior locations on campus	\$ 500,000	\$ 434,800	\$ 65,200	61,239	14.1%
23-0320	Replace Exterior Light Poles (AP)	Replace poor condition light poles	Multiple exterior locations on campus	\$ 610,000	\$ 530,456	\$ 79,544		
23-0324	Roadway Pavement Repairs (AP)	Replace deteriorated pavement areas	Multiple exterior locations on campus	\$ 700,000	\$ 608,720	\$ 91,280	130,907	21.5%
23-0321	Water Valve Replacement (AP)	Replace poor condition underground water valves	Multiple exterior locations on campus	\$ 225,000	\$ 195,660	\$ 29,340	100,687	51.5%
23-0316	Fire Alarm Cabling Upgrades (AP)/Campus	Upgrade fiber infrastructure between and in buildings to increase reliability and redundancy on campus	Bus Academic Ctr (330), Univ Ctr (340), Student Union (341), Griffin Hall (131), Maintenance Bldg (310), & Norse Commons (377), (and connecting b/w these bldgs)	\$ 58,215.99	\$ 50,624.62	\$ 7,591.37	50,625	100.0%
23-0322	Replace Steel Gas Lines (AP)	Replace aged steel gas lines	Multiple exterior locations on campus	\$ 500,000	\$ 434,800	\$ 65,200	24,234	5.6%
23-0313	Steely Original Elev Modernization (AP)	Modernize passenger elevator	W. Frank Steely Library	\$ 350,000	\$ 304,360	\$ 45,640		
24-0328	Civic Center Systems Replacement (AP)	Replace HVAC, plumbing, electrical, and other building systems	(Former) Highland Hts Civic Center	\$ 3,700,000	\$ 3,217,520	\$ 482,480	87,973	2.7%
	Fine Arts Smoke Vent/Skylight Repairs (AP)	Eliminate leaks, complete life cycle repairs	Fine Arts Center	\$ 320,000	\$ 278,272	\$ 41,728		
24-0331	Lake Infrastructure Repairs (AP)	Replace failed pumps, complete life cycle repairs	Loch Norse (located b/w Fine Arts and Business)	\$ 350,000	\$ 304,360	\$ 45,640	99,754	32.8%
23-0303	Exterior Caulk & Seal - BC Building (AP)	Clean, replace caulk & seal concrete façade	Business Academic Center	\$ 265,000	\$ 230,444	\$ 34,556	176,134	76.4%
24-0334	Misc University Center Upgrades (AP)	Space modernization, RR renov., elevator cab renov	University Center	\$ 2,000,000	\$ 1,739,200	\$ 260,800	30,424	1.7%
24-0330	Admin Center Plumbing Infrastructure (AP)	Replace plumbing infrastructure & RR finishes	Lucas Administrative Center	\$ 1,750,000	\$ 1,521,800	\$ 228,200		
24-0332	Campbell Hall Restore Roof (AP)	Restore roof	Campbell Hall	\$ 790,000	\$ 686,984	\$ 103,016	225,658	32.8%

Northern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
	FY 2024 Replace Flooring Main Campus (AP)	Replace damaged flooring in E&G bldgs	Multiple buildings	\$ 150,000	\$ 130,440	\$ 19,560		
23-0302-7100009201	Opportunity House Sewer Line Repair (AP)	Repairs to sanitary sewer line serving Brown Bldg (now Oppor. House)	Brown Building (now named "Opportunity House")	\$ 28,085.00	\$ 24,423	\$ 3,662	24,423	100.0%
23-0302-7100009203	Repair Lawn Areas (AP)	Lawn Repairs on West Side of Campus	Campus exterior	\$ 6,217.53	\$ 5,407	\$ 811	5,407	100.0%
23-0302-7100009205	Three Mile Road Sewer (AP)	Repairs are needed to Univ-owned sewer line	Campus exterior	\$ 50,000	\$ 43,480	\$ 6,520	9,479	21.8%
23-0302-7100009206	Data Center Drainage Repairs (AP)	Install new floor drains below raised floor	Lucas Administrative Center	\$ 4,000	\$ 3,478	\$ 522	3,478	100.0%
23-0302-7100009208	Regrade AC South Lawn/Drainage (AP)	Waterproof below grade areas of Admin Ctr in vicinity of leak, drainage to drain away from bldg, regrade lawn away from bldg	Campus Grounds improvement to stop leak in Administrative Center	\$ 30,000	\$ 26,088	\$ 3,912	6,826	26.2%
23-0302-7100009207	Steely Planter Waterproofing (AP)	Install waterproofing in planter to prevent leaks into library space	W. Frank Steely Library	\$ 24,950	\$ 21,697	\$ 3,253	21,697	100.0%
23-0302-7100009210	Landrum Interior Survey (AP)	Complete survey of interior of Landrum to establish baseline for future floor heaving repairs	Landrum Academic Center	\$ 15,914.90	\$ 13,840	\$ 2,075	12,767	92.3%
23-0302-7100009211	Business Academic Ctr Interior Survey (AP)	Complete survey of interior of BC Bldg to establish baseline for future floor heaving repairs	Business Academic Center	\$ 23,127.50	\$ 20,112	\$ 3,016	20,112	100.0%
7100009214	MP 332 Painting Studio Renovation (AP)	Convert space to painting studio to facilitate Fine Arts Renovation	Mathematics-Education-Psychology Center	\$ 20,118.63	\$ 17,495	\$ 2,623		
7100009213	LA 333 Suite Renov/Drawing Studio	Convert space to drawing studio to facilitate Fine Arts Renovation	Landrum Academic Center	\$ 11,836.19	\$ 10,293	\$ 1,543		
7100009202	MP 200 Wallcovering Repair (AP)	Remove moisture-damaged wallcovering and paint.	Mathematics-Education-Psychology Center	\$ 3,000	\$ 2,609	\$ 391		
7100009209	MP Condensate Tank Replacement (AP)	Replace deteriorated condensate tank	Mathematics-Education-Psychology Center	\$ 22,000	\$ 19,131	\$ 2,869		
71000011601	Flooring Replacement Health Center/CRC (AP)	Replace deteriorated flooring	Albright Health Center	\$ 55,932.31	\$ 48,639	\$ 7,294		
71000011604	Repl Campbell Hall Water Heater	Replace water heater	Campbell Hall	\$ 11,900	\$ 10,348	\$ 1,552		
→ E&G Subtotal				\$48,382,992	\$42,073,850	\$6,309,142	7,307,309	17.4%

Northern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
<b>Residential Housing Projects</b>								
22-0292	Replace Norse Commons Rooftop HVAC (AP)	Replace rooftop HVAC units	Norse Commons	\$ 317,223.29	\$ 275,857	\$ 41,366	241,129	87.4%
23-0307	KY/CW Emergency Generator (AP)	Replace generator; it serves three buildings as noted	Kentucky Hall, Cumberland Hall and Commonwealth Hall	\$ 105,000	\$ 91,308	\$ 13,692	7,569	8.3%
23-0319	KY Hall Transformer (AP)	Replace electrical transformer and water heater	Kentucky Hall	\$ 111,971	\$ 97,370	\$ 14,601		
23-0305	US Caulking/Façade Repairs (AP)	Replace caulking, correct settlement issue, tuckpointing, waterproofing	University Suites	\$ 347,556.27	\$ 302,235	\$ 45,321	155,885	51.6%
23-0302-71000009212	Northern Terrace Ext. Ceiling Repair (AP)	Remove peeling paint and repaint underside of 2nd floor balcony slab	Northern Terrace	\$ 9,000	\$ 7,826	\$ 1,174	7,826	100.0%
71000011801	Norse Hall Cabling/Thermostats	Cabling to connect new smart thermostats to the campus network	Norse Hall	\$ 100,000	\$ 86,960	\$ 13,040		
71000011802	Commonwealth Hall/Monitoring System	Repl system which monitors the building's control system & thermostats	Commonwealth Hall	\$ 32,000	\$ 27,827	\$ 4,173		
23-0316	Fire Alarm Cabling Upgrades (AP)/Housing	Upgrade fiber infrastructure between and in buildings to increase reliability and redundancy (in residence halls)	Norse Commons	25,093.93	\$ 21,822	\$ 3,272	21,822	100.0%
211010025	Callahan Door Closers	Install fire marshal-required door closers on suite doors in Callahan residence hall	Callahan Hall	23,730	\$ 20,636	\$ 3,094		
24-0338	Univ Suites Boiler/Thermostat	Replace boiler and thermostats	University Suites	77,685.49	\$ 67,555	\$ 10,130	24,650	36.5%
71000011804	Univ Suites Shower Repairs	Replace deteriorated flooring near showers, replace drains to prevent leaks	University Suites	160,000	\$ 139,136	\$ 20,864		
→ Housing Subtotal				\$1,309,260	\$1,138,532	\$170,728	458,881	40.3%
Grand Total				<u>\$49,692,252</u>	<u>\$43,212,382</u>	<u>\$6,479,870</u>	7,766,190	18.0%



Western Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
929898	Steam Line Repairs 2022	Steam Line Replacement (8 locations) to the Main Distribution System.	Central Heating Plant	\$1,310,549	\$1,139,653	\$170,896	\$643,604	56.5%
929946	Steam Line Repairs 2023	Continued Steam Line Distribution repairs and replacement	Central Heating Plant	\$1,600,000	\$1,391,360	\$208,640	\$1,291,883	92.9%
929907	Recoat IEB Roof	Remove and replace known failed roof areas. Coat entire roof and provide 12 year warranty.	Industrial Education Building	\$137,834	\$119,860	\$17,974	\$115,846	96.7%
929916	High Voltage Underground Electric	Replace 4160 volt with 12,470 volt system eliminating remaining 4,160 Substation	University Wide High Voltage Distribution System	\$3,000,000	\$2,608,800	\$391,200	\$17,088	0.7%
929942	Interior Renovation	Replace interior finishes that have exceeded their useful life.	Industrial Education Building	\$75,000	\$65,220	\$9,780		0.0%
929899	Cherry Hall Renovation	Evaluate the existing building envelope, structure, and infrastructure with the aim of improvements that will preserve the asset, extend the useful life, and renovate the structure. HVAC systems, plumbing systems and devices, electrical systems, data systems, roof, and accessibility to support the academic programs.	Henry Hardin Cherry Hall	\$30,000,000	\$26,088,000	\$3,912,000	\$156,547	0.6%
929939	Roof Project (Section 18)	Remove and Replace Roof Section 18	Center for Research and Development	\$285,000	\$247,836	\$37,164	\$228,487	92.2%
929940	Roof Project MMTH	Roofing Project to extend useful life; 20 year warranty; thermal scan completed; fully reinforced roof restoration	Jody Richards Hall (JRH) formally Mass Media & Technology Hall (MMTH)	\$995,000	\$865,252	\$129,748	\$865,252	100.0%
929937	Roof Project South Campus	Roofing Project to extend useful life; 20 year warranty; thermal scan completed; fully reinforced roof restoration	South Campus (SC)	\$570,000	\$495,672	\$74,328	\$479,470	96.7%
929893	FAC Roof Repair/Replacement	Roof Repair/Replacement	Ivan Wilson Fine Arts Center (FAC)	\$150,000	\$130,440	\$19,560		0.0%
191833	Replace Generator STH	Replace Generator - Life Safety	Science & Technology Hall (STH), (New name; College High Hall, (COHH))	\$70,000	\$60,872	\$9,128	\$54,433	89.4%
929859	Replace AHU #1 FAC	Replace AHU #1 at FAC	Ivan Wilson Fine Arts Center (FAC)	\$225,000	\$195,660	\$29,340	\$183,464	93.8%
929877_929941	Replace EST Air Handler(s)	Replace Air Handling Units #1 & #2	Environmental Science & Technology (EST)	\$530,000	\$460,888	\$69,112	\$62,232	13.5%
929952	Refurbish, upgrade and Replace Phoenix System	Upgrade Phoenix System valves and pneumatic controls	Engineering & Biological Sciences Bldg. (EBS)	\$550,000	\$478,280	\$71,720		0.0%
929935	Upgrade and Replace Natural Gas Line	Replace existing gas line	Gary Ransdell Hall (GRH)	\$85,000	\$73,916	\$11,084	\$69,091	93.5%
929938	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Engineering & Biological Sciences Bldg. (EBS)	\$325,000	\$282,620	\$42,380	\$115,610	40.9%

Western Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
929936	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Snell Hall (SH)	\$145,000	\$126,092	\$18,908	\$92,634	73.5%
929964	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Mass Media & Technology Hall (MMTH), (New Name; Jody Richards Hall (JRH))	\$150,000	\$130,440	\$19,560		0.0%
929965	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Florence Schneider Hall (FS), (New Name; Academy for Mathematics and Sciences of KY (FS))	\$95,000	\$82,612	\$12,388		0.0%
929963	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Health Services Center (HS)	\$140,000	\$121,744	\$18,256		0.0%
929962	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Cravens Library (RCL)	\$150,000	\$130,440	\$19,560		0.0%
929966	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Science & Technology Hall (STH), (New name; College High Hall, (COHH))	\$30,000	\$26,088	\$3,912		0.0%
929961	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Academic Complex (AC)	\$105,000	\$91,308	\$13,692		0.0%
929960	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Wetherby Administration Bldg (WAB)	\$230,000	\$200,008	\$29,992		0.0%
929958	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	South Campus (SC)	\$200,000	\$173,920	\$26,080		0.0%
929959	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Agricultural Exposition Center (AEC)	\$85,000	\$73,916	\$11,084		0.0%
To be Assigned	Renovate Kentucky Building	Evaluate the existing building , interior with the aim of improvements that will preserve the asset, extend the useful life, and renovate the structure to meet some specific programatic needs.	KENTUCKY LIBRARY & MUSEUM	\$450,000	\$391,320	\$58,680		0.0%
To be Assigned	Exterior Renovation Kentucky Building	Evaluate the exterior envelope of the structure to scope needed renovation to protect the asset. Roof renewal, structural and exterior elements.	KENTUCKY LIBRARY & MUSEUM	\$275,000	\$239,140	\$35,860		0.0%
929879	Renovation of MMTH	Renovation of interior space to modernize areas such as the 24/7 Computer Lab and other space as needed	Jody Richards Hall (JRH) formally Mass Media & Technology Hall (MMTH)	\$2,000,000	\$1,739,200	\$260,800		0.0%
929978	Renovation of Center for Research and Development	Renovation of interior and exterior space to modernize and protect the asset.	Center for Research and Development	\$2,000,000	\$1,739,200	\$260,800		0.0%

Western Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
929970	Van Meter Hall Interior Renovation	Interior Renovation as needed to protect the asset	Van Meter Auditorium	\$150,000	\$130,440	\$19,560		0.0%
929969	Campus Wide E&G Access Control	Renovate existing E&G Building Exterior egress doorway systems to include adding Electronic Access Control.	Various E&G Building Across Campus	\$2,000,000	\$1,739,200	\$260,800		0.0%
To be Assigned	Renovation Gordon Wilson Hall	Functional renovation primarily to improve ADA accessibility, modernize restrooms and possible the addition of an elevator	Gordon Wilson Hall	\$2,000,000	\$1,739,200	\$260,800		0.0%
To be Assigned	Roof Project Academic Athletic BLDG.1 (E.A. Diddle Arena)	Roofing project to extend the useful life of this facility	Academic Athletic BLDG.1 (E.A. Diddle Arena)	\$4,000,000	\$3,478,400	\$521,600		0.0%
929968	Replace Electric Boiler Feed-Water Pumps	Replace two (2) electric feed-water pumps	Central Heating Plant	\$160,000	\$139,136	\$20,864		0.0%
929981	Roofing Project - WAB	This project is to replace and recoat existing roof to extend its useful life	Wetherby Administration Building	\$100,000	\$86,960	\$13,040		0.0%
929982	Roofing Project - EBS	This project is to replace and recoat existing roof to extend its useful life	Engineering & Biological Sciences Bldg. (EBS)	\$390,000	\$339,144	\$50,856		0.0%
929950	Renovation HCIC Patio	Remove and replace water damaged building envelope sections. Repair is design to ensure the integrity of the envelope and extend useful life	Honors College & International Center	\$75,000	\$65,220	\$9,780		0.0%
929974	Elevator Replacement- EST	Remove and replace existing elevator.	Environmnetal Science & Technology	\$350,000	\$304,360	\$45,640		0.0%
929949	Generator Replacement - AEC	Replace 40 year old generator to improve efficiency, reliability, safety and environmental impact.	Agricultural Exposition Center (AEC)	\$100,000	\$86,960	\$13,040		0.0%
929975	Replace pneumatic Controls to digital - EST	Replacing pneumatic controls with digital controls to provide efficiency, accuracy resulting in overall building performance	Environmnetal Science & Technology (EST)	\$175,000	\$152,180	\$22,820		0.0%
929951	Convert Theater Lighting to LED	Convert Russell H. Miller Theatre lighting to LED	Ivan Wilson Fine Arts Center (FAC)	\$100,000	\$86,960	\$13,040		0.0%
929970	Renovation of Van Meter Auditorium	Remove and replace water damaged building materials to protect the asset. This work is specifically targeting the plaster work original to the stucture	Van Meter Auditorium	\$150,000	\$130,440	\$19,560		0.0%
191862	Duct Work Study	Perform an assessment and analysis of the ductwork system in various E&G buildings. The goal of the study is to evaluate the efficiency and performance to identify the potential problems or areas for improvement.	Various E&G Building Across Campus	\$100,000	\$86,960	\$13,040		0.0%
929947	Gary Ransdell Hall Renovation	Life Safety improvement of existing fire shutter door	Gary Ransdell Hall	\$900,000	\$782,640	\$117,360		0.0%
929932	AP-Boiler Renovation	Modernaztion of Controls	Central Heating Plant	\$170,000	\$147,832	\$22,168		0.0%

Western Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
To be Assigned	AP_Air Handling Units Renewal_Academic Complex	Renewal of (2) Air handling units to improve operational efficiency.	Academic Complex (AC)	\$362,250	\$315,013	\$47,237		0.0%
929973	AP - Jones Jagers HVAC upgrade	Replace failed HVAC systems and controls.	JONES JAGGERS HALL (Education Complex: Lab School)	\$50,000	\$43,480	\$6,520		0.0%
To be Assigned	AP-College High Hall Renovation	Evaluate the existing building mechanical systems and infrastructure with the aim of improvements that will support the academic programs.	Science & Technology Hall (STH), (New name; College High Hall, (COHH))	\$100,000	\$86,960	\$13,040		0.0%
To be Assigned	AP_Academic Athletic BLDG.1 Mechanical Upgrade	Upgrade Mechanical Equipment to address IAQ improvement and domestic hot water.	Academic Athletic BLDG.1 (E.A. Diddle Arena)	\$625,000	\$543,500	\$81,500		0.0%
929977	AP - Elimination of Pneumatics JRH	Replacing pneumatic controls with digital controls to provide efficiency, accuracy resulting in overall building performance	Jody Richards Hall (JRH) formally Mass Media & Technology Hall (MMTH)	\$225,000	\$195,660	\$29,340		0.0%
929976	AP - Elimination of Pneumatics in EBS and IEB	Replace all pneumatic controls with electronic controls to provide efficiency, accuracy resulting in overall building performance to improve indoor air quality.	Engineering & Biological Sciences Bldg. (EBS) and Industrial Education Building	\$155,000	\$134,788	\$20,212		0.0%
To be Assigned	AP_Elevator Renewal-Academic Complex	Modernize and renew Academic Complex elevator #1	Academic Complex (AC)	\$220,000	\$191,312	\$28,688		0.0%
To be Assigned	Fire Safety Modernization	Replace end of life fire alarm devices and panels in various campus E&G Facilities		\$200,000	\$173,920	\$26,080		0.0%
To be Assigned	AP - CRD Roof Project	Various roofing area improvements and/or replacements	Center for Research and Development	\$800,000	\$695,680	\$104,320		0.0%
To be Assigned	AP-CRD HVAC Improvements	Replacement/Upgrades to various HVAC systems	Center for Research and Development	\$300,000	\$260,880	\$39,120		0.0%
To be Assigned	AP-OSHA Fall Protection Upgrades	Upgrades to existing E&G facilities needed Fall Protection	Academic Complex (0047), Environmental Science &	\$225,000	\$195,660	\$29,340		0.0%
To be Assigned	Steam Line Repairs 2024	Steam Line Replacement to the Main Distribution System.	Central Heating Plant	\$950,000	\$826,120	\$123,880		0.0%
To be Assigned	AP_Service Supply Elevator Renewal	Modernize and renew SSB elevator to improve reliability	Service Supply Building	\$350,000	\$304,360	\$45,640		0.0%
929987	AP_MMTH Data Center Upgrades	Upgrade the Data Center HVAC and Backup Systems to improve the reliability of the infrastructure.	Jody Richards Hall (JRH) formally Mass Media & Technology Hall (MMTH)	\$998,000	\$867,861	\$130,139		0.0%
To be Assigned	AP_Renewal of 12 Air Handler Units	Renewal of (12) Air handling units to improve operational efficiency.	Ivan Wilson Fine Arts Center (FAC)	\$501,975	\$436,517	\$65,458		0.0%
929988	AP_Concrete Restoration_Academic Athletic BLDG.1	Remove and replace failed concrete joints and concrete to protect the plant.	Academic Athletic BLDG.1 (E.A. Diddle Arena)	\$125,000	\$108,700	\$16,300		0.0%
<b>Total</b>				<b>\$63,070,607</b>	<b>\$54,846,200</b>	<b>\$8,224,407</b>	<b>\$4,375,639</b>	<b>8.0%</b>

KCTCS - Education and General Projects

Fund Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
CAET	Renovate and/or Construct Transportation Training Center - Ashland CTC	Renovate buildings at the Roberts Drive Campus. Based on a study, the project may be modified to construct a new facility at the Technology Drive Campus if it is found to be more cost efficient.	Workforce Solutions Autobody/Mechanics Diesel Technology	12,000,000	10,435,200	1,564,800	\$2,460,968	23.6%
CAWE	Renovate Main Building Phase II - Ashland CTC	Update electrical and security system, plumbing, lighting, restrooms, windows and doors.	Main Building	11,400,000	9,913,440	1,486,560	\$776,466	7.8%
CAWZ	Roof Replacements - Ashland CTC	Replace roof on two buildings.	Goodpaster Technology Drive	1,598,000	1,389,621	208,379	\$1,389,621	100.0%
CAP1	Roof Replacements - Big Sandy CTC	Roof repairs and replacements on six buildings.	Hager Hill Mayo Building E Mayo Building F Pikeville Regional Tech Prestonsburg Student Center Prestonsburg Johnson Building	3,363,500	2,924,900	438,600	\$2,924,900	100.0%
CAWY	Renovate Administration Building - Bluegrass CTC	Renovate plumbing and restroom upgrades, masonry and window repairs, elevator and student services addition.	Administration Building	9,700,000	8,435,120	1,264,880	\$717,730	8.5%
CAXU	Renovate Science Building Labs - Elizabethtown CTC	Upgrade interior flooring, ceiling, technology and equipment in labs.	Science Building	6,400,000	5,565,440	834,560	\$556,544	10.0%
CAFG	Student Center Roof - Elizabethtown CTC	Replace Student Center roof.	Student Center	308,000	267,837	40,163	\$267,837	100.0%
CAPB	Site Development - Elizabethtown CTC	Improvements to interior roadways, adding roundabouts, adding pedestrian walkways and walking paths, additional lighting and greenspace.	N/A	999,000	868,730	130,270	\$123,483	14.2%
CB2E	Parking Lot Paving - Elizabethtown CTC	Paving parking lots on the Main Campus.	N/A	999,000	868,730	130,270	\$0	0.0%
CAP9	Roof Replacements - Gateway CTC	Replacement of two roofs at Gateway.	Student Services Center - Edgewood	1,574,762	1,369,413	205,349	\$1,369,413	100.0%
CAEW	Mechanical Equipment and Controls - Gateway CTC	Upgrade and replace boilers, chillers, pumps and air handlers and heating, ventilation and air conditioning control upgrades.	Various	4,500,000	3,913,200	586,800	\$3,047,010	77.9%
CAP3	Renovate Jolly Classroom Center - Hazard CTC	Renovation will include flooring, HVAC, plumbing and roof replacement.	Jolly Center	6,300,000	5,478,480	821,520	\$504,368	9.2%
CAWH	HVAC Upgrades - Hazard CTC	Replace or upgrade HVAC equipment and controls in various facilities.	Various	4,700,000	4,087,120	612,880	\$284,359	7.0%
CAXV	Student Center Relocation & Demolition - Henderson CC	Relocate services in the Student Center to other buildings and demolish the Student Center.	Student Center	1,000,000	869,600	130,400	\$333,579	38.4%
CAP8	Administration -Replace Doors and Windows - Henderson CC	Replacement of doors and windows.	Administration Building	991,014	861,786	129,228	\$861,786	100.0%
CADL	Renovate Academic Building - Hopkinsville CC	Renovate building including flooring, windows, restroom and HVAC upgrades.	Academic Building	14,900,000	12,957,040	1,942,960	\$1,815,725	14.0%

KCTCS - Education and General Projects

Fund Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
CAX0	Renovate and/or Replace Hartford Building Phase I - Jefferson CTC	Based on a study, it was determined that it would be more cost efficient to replace the Hartford Building with two low rise energy efficient buildings. This project is the first phase constructing a new laboratory building.	Hartford Hall	25,000,000	21,740,000	3,260,000	\$21,566,080	99.2%
CAWF	Renovate Science Labs - Jefferson CTC	Renovate six laboratories at the Southwest Campus. Replace or renovate exhaust hoods, equipment and fixtures.	Science Building	3,000,000	2,608,800	391,200	\$38,436	1.5%
CAWG	Renovate Technical Campus - Madisonville CC	Upgrade plumbing, boilers, lighting, window and electrical requirements.	Office Building Academic Building Occupation Building Simulated Mine	3,700,000	3,217,520	482,480	\$269,576	8.4%
CA80	Renovate Aviation - Madisonville CC	Renovation includes roof replacement, internal reconfiguration, HVAC upgrades, parking lot, lighting and drainage.	Aviation Center	1,278,903	1,112,134	166,769	\$1,108,797	99.7%
CA6L	Glema Mahr Roof Replacement - Madisonville CC	Replace Glema Mahr Center for the Arts roof.	Glema Mahr Center for the Arts	1,188,000	1,033,085	154,915	\$1,033,085	100.0%
CARF	Roof Replacements - Maysville CTC	Replace two roofs at the Maysville Campus - Administration and Denham Buildings.	Administration Academic Denham Tech Building	658,220	572,388	85,832	\$572,388	100.0%
<u>CB7X</u>	Parking Lot Repairs - Maysville CTC	Repair parking lots Campuswide.	N/A	999,000	868,730	130,270	\$88,654	10.2%
CABR	Window Leak Mitigation Various Bldgs. - Maysville CTC	Repair window and other related leaks at the Maysville, Mt Sterling and Rowan Campuses.	Various	3,700,000	3,217,520	482,480	\$1,542,023	47.9%
CAPO	Upgrade Fire Alarms - Maysville CTC	Create a campuswide interconnected fire alarm system that provides monitoring control from a central location.	Various	1,500,000	1,304,400	195,600	\$1,152,730	88.4%
CAP2	Replace HVAC System Phase I Main Campus - Owensboro CTC	First Phase of a three phase project, which will retrofit the HVAC System on the Main Campus.	Various	4,521,420	3,931,827	589,593	\$3,931,827	100.0%
C9G8	Exterior Repairs - Owensboro CTC	Repair sidewalks, skylight and exterior railings.	Various	542,501	471,759	70,742	\$471,759	100.0%
CANZ	Southeast Roof Repairs - Owensboro CTC	Repair roof at the Southeastern campus.	Southeastern Campus	847,000	736,551	110,449	\$736,551	100.0%
CAP4	Upgrade Life and Fire Safety - Owensboro CTC	Upgrade fire alarm, sprinkler and safety systems at all campuses.	Various	2,400,000	2,087,040	312,960	\$1,339,149	64.2%
CAP5	Life Safety Upgrades - Somerset CC	Upgrade sprinkler, fire alarms and safety systems.	Various	4,300,000	3,739,280	560,720	\$1,202,092	32.1%
CAFW	Upgrade HVAC South Campus - Somerset CC	Upgrade HVAC System at the South Campus.	Building 1 - Community WF Building 2 Business Building 3 Administration Building 4 Cosmetology Building 5 Diesel	2,143,900	1,864,335	279,565	\$1,864,335	100.0%
CAXT	Upgrade ADA - Somerset CC	Upgrade restrooms on all campuses and parking lot requirements for ADA requirements.	Various	1,600,000	1,391,360	208,640	\$194,790	14.0%

KCTCS - Education and General Projects

Fund Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
CAXW	Replace Windows & Doors - Somerset CC	Replace windows and doors at five buildings.	Building 1 - Community WF Building 2 Business Building 3 Administration Stoner Building Meece Building	1,200,000	1,043,520	156,480	\$146,093	14.0%
CAX1	Renovate Main Campus Buildings - Southcentral CTC	Renovate four buildings on the Main Campus to more effectively service student, faculty, staff and the community needs.	Building A Building D Building J Building H	12,000,000	10,435,200	1,564,800	\$908,732	8.7%
CAPA	Roof Replacements - Southeast KY CTC	Replace three roofs on the Cumberland and Middlesboro Campuses.	Chrisman Hall Administration Building Classroom Building	2,419,000	2,103,562	315,438	\$2,103,562	100.0%
CAFX	Mechanical Equipment Upgrades - Southeast KY CTC	Upgrade and replace boilers, chillers, pumps and air handlers and heating, ventilation and air conditioning control upgrades.	Various	7,000,000	6,087,200	912,800	\$691,767	11.4%
CB4F	Renovate Pineville Campus - Southeast KY CTC	Upgrade HVAC, flooring and roof replacement.	Health Tech Center	2,500,000	2,174,000	326,000	\$260,880	12.0%
CAP6	Renovate Main Campus Buildings - West KY CTC	Replace roofs and switchgear on the Main Campus.	Student Center Matheson LRC Building Carson Hall Athletics Building	5,744,888	4,995,755	749,133	\$4,995,755	100.0%
CAP7	Parking Lots and Sidewalks - West KY CTC	Paving and sidewalk repairs.	N/A	2,801,150	2,435,880	365,270	\$2,435,880	100.0%
CAF5	Fire Alarm Upgrades Group 1 - KCTCS West Colleges	Upgrade fire alarm panels in the western colleges.	Various	1,600,000	1,391,360	208,640	\$439,635	31.6%
CAF4	Fire Alarm Upgrades Group 2 - KCTCS East Colleges	Upgrade fire alarm panels in the eastern colleges.	Various	1,600,000	1,391,360	208,640	\$151,722	10.9%
CAPP	Renovate Valley Oak Buildings - Somerset CC	Upgrade HVAC System, exhaust system, electrical, and ADA issues. Replace drywall, insulation, and flooring.	VO610 Building VO580 Building	999,000	868,730	130,270	\$815,072	93.8%
CASK	Chiller Replacement -Madisonville CC	Chiller Replacement for the Postsecondary Education Building.	Steve Beshear Center for Postsecondary Education Building	238,200	207,139	31,061	\$207,139	100.0%
CAVV	Stoner HVAC Controls Upgrade - Somerset CC	Upgrade HVAC System and controls in the Stoner Hall.	Stoner Hall	379,044	329,617	49,427	\$329,617	100.0%
CAY5	McCreary Center Roof Replacement - Somerset CC	Replace the roof on the McCreary Center.	McCreary Center	213,000	185,225	27,775	\$185,225	100.0%
CAZY	Mechanical Equipment & Upgrades - Henderson CC	Upgrade mechanical equipment and controls at the Henderson Community College.	Various	1,500,000	1,304,400	195,600	\$56,524	4.3%
CB2D	Upgrade Campus Security -		Various	999,000	868,730	130,270	\$0	0.0%

KCTCS - Education and General Projects

Fund Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
	Henderson CC	Upgrade security cameras on the Henderson Main Campus.						
CB2F	Roof Replacements - Bluegrass CTC	Replace the roofs on the Leestown Campus Building S and the Newtown Campus Megowan Building.	Megowan Building Building S	1,400,000	1,217,440	182,560	\$21,392	1.8%
CBB2	Fire Alarm Upgrades - Big Sandy CTC	Replace the fire panel systems at all Big Sandy CTC locations.	Various	2,700,000	2,347,920	352,080	\$0	0.0%
CB8L	HVAC Replacements - Bluegrass CTC	Replace the HVAC units at the Leestown Campus in Buildings B and S and at the Newtown Campus in the Megowan Building.	Megowan Building Building B Building S	2,500,000	2,174,000	326,000	\$35,654	1.6%
CB84	Edgewood Renovation - Gateway CTC	Renovate the Edgewood Campus to include an elevator replacement, new flooring, restroom and classroom upgrades.	Student Services Center	3,500,000	3,043,600	456,400	\$0	0.0%
CB7W	Replace Switchgear Downtown Campus - Owensboro CTC	Replace the switchgear at the Downtown Campus.	Downtown Campus	2,800,000	2,434,880	365,120	\$221,226	9.1%
CB5A	Chiller Replacement- Big Sandy CTC, Pikeville Campus	Replace the chiller at the Pikeville Campus.	Pikeville Regional Technology Center	895,000	778,292	116,708		
	Grand Total			193,100,502	167,920,197	25,180,305	68,551,936	40.8%





## Council on Postsecondary Education Finance Committee Meeting

Bill Payne, Vice President for Finance and Administration  
Shaun McKiernan, Executive Director of Finance and Budget  
Ryan Kaffenberger, Associate Director of Finance and Budget  
March 25, 2024



# Overview



- Tuition Setting for 2024-25
- KSU Tuition and Fee Proposal
- Endowment Match Program Guidelines
- Budget Development Update
- Asset Preservation Update



# Tuition Setting for 2024-25

# Tuition Setting for 2024-25

## *What parameters did the Council adopt?*

On March 31, 2023, the Council approved resident undergraduate tuition and fee ceilings for 2023-24 and 2024-25 that equated to:

- Maximum base rate increases 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 increases of no more than \$7.<sup>00</sup> per credit hour over two years, and no more than \$4.<sup>00</sup> per credit hour in any one year, for KCTCS

It also approved a recommendation that allows institutions to submit:

- Nonresident undergraduate tuition and fees that comply with the Council's *Tuition and Mandatory Fees Policy*, or an existing MOU between the Council and an institution
- Market competitive tuition and fee rates for graduate and online courses

# Tuition Setting for 2024-25

## *What were the maximum base rates by institution?*

Kentucky Public Postsecondary Institution Table 1  
Maximum Base Rate Increases for Resident Undergraduates  
Academic Year 2023-24

Institution	2022-23 Base Rates <sup>1</sup>	Maximum 2023-24 Base Rates	One-Year Dollar Change	One-Year Percent Change
UK	\$12,859	\$13,245	\$386	3.00%
UofL	12,324	12,694	370	3.00%
EKU	9,544	9,830	286	3.00%
KSU	8,654	8,914	260	3.00%
MoSU	9,308	9,587	279	3.00%
MuSU	9,432	9,715	283	3.00%
NKU	10,208	10,514	306	3.00%
WKU	\$10,912	\$11,239	\$327	3.00%
KCTCS (per credit hour)	\$182.00	\$186.00	\$4.00	2.20%
KCTCS (per credit hour x 30)	\$5,460	\$5,580	\$120	2.20%

<sup>1</sup> Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart fee at KCTCS.

Kentucky Public Postsecondary Institution Table 2  
Maximum Base Rate Increases for Resident Undergraduates  
Academic Year 2024-25

Institution	2022-23 Base Rates	Maximum 2024-25 Base Rates <sup>2</sup>	Two-Year Dollar Change	Two-Year Percent Change
UK	\$12,859	\$13,502	\$643	5.00%
UofL	12,324	12,940	616	5.00%
EKU	9,544	10,021	477	5.00%
KSU	8,654	9,087	433	5.00%
MoSU	9,308	9,773	465	5.00%
MuSU	9,432	9,904	472	5.00%
NKU	10,208	10,718	510	5.00%
WKU	\$10,912	\$11,458	\$546	5.00%
KCTCS (per credit hour)	\$182.00	\$189.00	\$7.00	3.85%
KCTCS (per credit hour x 30)	\$5,460	\$5,670	\$210	3.85%

<sup>2</sup> Maximum resident undergraduate base rates for academic years 2023-24 and 2024-25 were approved by the Council at their March 31, 2023 meeting.

# Tuition Setting for 2024-25

## *What rates did institutions adopt in 2023-24?*

- In 2023-24, campus adopted base rates complied with Council approved ceilings
- Rate increases at every university were at or below the 3.0% one-year cap
- KCTCS increased its base rate by \$4.00 per credit hour in 2023-24, or at the cap
- The system average increase was 2.8% for resident undergraduate students
- This followed four years where system average increases were the lowest in more than 20 years (i.e., 1.4% per year)

Kentucky Public Postsecondary Institution Table 3  
 Adopted Base Rate Increases for Resident Undergraduates  
 Academic Year 2023-24

Institution	2022-23 Base Rates	Adopted 2023-24 Base Rates <sup>3</sup>	Dollar Change	Percent Change
UK	\$12,859	\$13,212	\$353	2.75%
UofL	12,324	12,632	308	2.50%
EKU	9,544	9,830	286	3.00%
KSU	8,654	8,914	260	3.00%
MoSU	9,308	9,586	278	2.99%
MuSU	9,432	9,708	276	2.93%
NKU	10,208	10,512	304	2.98%
WKU	\$10,912	\$11,236	\$324	2.97%
KCTCS (per credit hour)	\$182.00	\$186.00	\$4.00	2.20%
KCTCS (per credit hour x 30)	\$5,460	\$5,580	\$120	2.20%

<sup>3</sup> Campus tuition and fee proposals for academic year 2023-24 were approved by the Council on June 9, 2023 or by the Finance Committee on June 28, 2023.

# Tuition Setting for 2024-25

## *What are allowable base rate residuals in 2024-25?*

- In 2023-24, every university increased its resident undergraduate base rate by 2.5 percent or more
- Due to the 5.0 percent two-year cap, percent residuals at every university will be below 2.5 percent in 2024-25
- KCTCS adopted a \$4.00 per credit hour increase in 2023-24, therefore their maximum increase next year is \$3.00
- At the maximum allowable base rates for 2024-25, the system average increase would be 2.0 percent

Kentucky Public Postsecondary Institution Allowable Base Rate Dollar and Percent Increase Residuals Academic Year 2024-25 Table 4

Institution	Maximum 2024-25 Base Rates	Adopted 2023-24 Base Rates	Allowable Dollar Residual <sup>4</sup>	Allowable Percent Residual
UK	\$13,502	\$13,212	\$290	2.19%
UofL	12,940	12,632	308	2.44%
EKU	10,021	9,830	191	1.94%
KSU	9,087	8,914	173	1.94%
MoSU	9,773	9,586	187	1.95%
MuSU	9,904	9,708	196	2.02%
NKU	10,718	10,512	206	1.96%
WKU	\$11,458	\$11,236	\$222	1.98%
KCTCS (per credit hour)	\$189.00	\$186.00	\$3.00	1.61%
KCTCS (per credit hour x 30)	\$5,670	\$5,580	\$90	1.61%

<sup>4</sup> Allowable base rate residuals for academic year 2024-25 are calculated by subtracting adopted 2023-24 base rates from maximum 2024-25 base rates.



# KSU Tuition and Fee Proposal



# KSU Tuition and Fee Proposal

- On March 7, the KSU Board approved tuition and fees for 2024-25 which were developed in coordination with CPE staff
- Base rate increase for 2024-25 for resident undergraduate students is **1.9%**, which takes KSU to the max. rate allowed (5% more than 2022-23).
- Base rate increase from 2022-23 to 2023-24 was 3%, which was the maximum increase for any one year
- Preliminary 2024-25 gross tuition & fee revenue for 2024-25 is \$24.7 M, **\$7.7 M more** than 2023-24, largely due to online program expansion
- KSU has an MOA with CPE that allows undergraduate tuition and fee revenue per student to fall below 130% of resident undergraduate rate <sup>9</sup>

# KSU Tuition and Fee Proposal (Cont'd)

- Council tuition policy allows institutions to charge market rates for graduate and online program students
- KSU's proposed rates for 2024-25 adhere to CPE's policies

KSU Proposed Tuition and Fee Base Rates 2024-25				
<u>Rate Category</u>	<u>Current 2023-24 Base Rates</u>	<u>Proposed 2024-25 Base Rates</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$8,914	\$9,087	\$173	1.9%
Nonresident	\$12,960	\$13,358	\$398	3.1%
Graduate				
Resident	\$583 pch	\$605 pch	\$22	3.8%
Nonresident	\$583 pch	\$605 pch	\$22	3.8%

Base rates for KSU do not include Special Use Fees of \$150.00 per semester, or \$300.00 per year for full-time students.

➤ *Staff recommends the Finance Committee approve KSU's 2024-25 tuition and fee proposal and endorse it for full Council approval*



# Endowment Match Guidelines

# Endowment Match Guidelines Revisions

## *Supporting Information*

- The Bucks for Brains program (i.e., Endowment Match Program) **matches public dollars with private donations on at least a dollar-for-dollar basis** to encourage research at Kentucky public universities
- In the 2022-2024 Budget of the Commonwealth (22 RS, HB 1), the General Assembly authorized **\$40.0 million** in state bond funds for Bucks for Brains:
  - **\$30.0 million** to support UK and UofL
  - **\$10.0 million** to support the comprehensive universities
- At its June 14, 2022, meeting, the Finance Committee approved the *2022-24 Endowment Match Program Guidelines*
- CPE staff has proposed revisions to the guidelines to:
  - Provide clarity and reduce confusion for institutions
  - Allow KSU to use federal funds awarded under Title III of the Higher Education Act (HEA) as matching funds

# Endowment Match Guidelines Revisions

## *Substantive Proposed Changes*

### Matching Requirements

Proposed change allows KSU to use federal funds awarded under Title III of the Higher Education Act (HEA) as matching funds

Federal guidelines under the Strengthening HBCUs Program allow up to 20% of Title III grant awards to be endowed provided they are matched dollar-for-dollar

- Gifts and pledges must be from external sources to be eligible for state match. External source contributions are those that originate outside the university and its affiliated corporations. Eligible sources of funding include, but are not limited to, businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals. Funds received from federal, state, and local government sources are not eligible for state match. **Federal funds awarded to Kentucky State University under Title III of the Higher Education Act (HEA) are an exception to this rule and are eligible for state match. Federal guidelines under the Strengthening HBCUs Program allow up to 20% of Title III grant awards to be endowed provided they are matched dollar-for-dollar.**

~~Red strikethrough~~ = eliminations

**Green font** = additions

# Endowment Match Guidelines Revisions

## *Substantive Proposed Changes (Cont'd)*

### Uses of Program Funds

Proposed change reorganizes the list of eligible uses of program funds into two categories corresponding to each sector's spending requirement to improve clarity

#### Research University Requirement:

- At least 70% for Category 1 uses; no more than 30% for Category 2 uses

#### Comprehensive University Requirement:

- At least 50% for Category 1 uses; no more than 50% for Category 2 uses

#### Category 1:

- Chairs
- Professorships
- Research Staff
- Research Infrastructure
- Research Scholars (**Research Universities**)

#### Category 2:

- Mission Support
- Graduate Fellowships
- Undergraduate Scholarships (**Comprehensives**)

# Endowment Match Guidelines Revisions

## *Substantive Proposed Changes (Cont'd)*

### Uses of Program Funds

Proposed change removes conflicting language requiring personnel expenditures for Mission Support activities to be directly related to an endowed chair or professor

- **Mission Support:** Program funds can be used to support research and graduate missions at all institutions, and programs of distinction or applied research programs approved by the Council at the comprehensive institutions. Consideration will be given to mission support activities such as: (1) expenditures that enhance the research capability of university libraries (i.e., books, journals, research materials, media, and equipment); (2) start-up costs, equipment, and supplies that support faculty, graduate student, or undergraduate student research activities; (3) funding for visiting scholars, lecture series, and faculty exchange; and (4) expenditures for the dissemination of research findings (i.e., nationally prominent publications and presentations at conferences, symposiums, seminars, or workshops). However, priority will be given to mission support expenditures that encourage the research related activities of faculty and students. ~~Expenditures for general personnel expenses that are not directly linked to an endowed chair or professor do not qualify as mission support activities.~~

~~Red strikethrough~~ = eliminations

Green font = additions

15

# Endowment Match Guidelines Revisions

## *Substantive Proposed Changes & Staff Recommendation*

### Reporting Schedule

Proposed change clarifies institutions' timeline for reporting detail information to align with general reports on program outcomes

- ...In addition, the universities will report ~~annually~~ by November 1 every odd numbered year to the Council the race and gender of program faculty, professional staff, and financial aid recipients.

➤ *Staff recommends the Finance Committee approve the proposed revisions to the 2022-24 Endowment Match Program Guidelines and endorse these changes for full Council approval*

~~Red strikethrough~~ = eliminations

Green font = additions





# Budget Development Update

# Budget Development Update

## *Postsecondary Institution Operating Funds*

The House Budget (HB 6/HCS 1) included:

- \$35.8 million each year of the biennium for an inflation adjustment
- \$31.3 million each year to cover Fire and Tornado Insurance cost increases (100% of expected increase)
- \$1.5 million each year for KSU's land grant program (plus \$2.1 M in the current year)
- \$3.9 million each year for the *Performance Fund* (bringing the total to \$101.2 million each year)
- These components represent increases of 5.6% in 2024-25 and 5.4% in 2025-26 relative to current base

The Senate Budget (HB 6/PSS 1) appropriates:

- \$35.8 million each year of the biennium for an inflation adjustment
- \$31.3 million each year to cover Fire and Tornado Insurance cost increases (100% of expected increase)
- \$1.5 million each year for KSU's land grant program (plus \$2.1 M in the current year)
- \$102.7 million each year for the *Performance Fund* (bringing the total to \$200.0 million each year)
- \$24.7 million in 2024-25 and \$2.2 million in 2025-26 for line-item programs or initiatives (e.g., the largest single item being \$20.0 million in 2024-25 for expansion and enhancement of online programs at NKU)
- These components represent increases of 18.0% in 2024-25 and 15.7% in 2025-26 over the current base

# Budget Development Update

## Postsecondary Institution Operating Funds (Cont'd)

Council on Postsecondary Education  
 2024-2026 Budget of the Commonwealth  
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

### Postsecondary Institution Operating Funds

Funding Component	CPE Recommended		Executive Budget		House Budget (HB 6/HCS 1)		Senate Budget (HB 6/PSS 1)	
	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26
2023-24 Net General Fund	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100
• Base Adjustments								
KERS Subsidy Reductions	(4,415,700)	(6,623,500)	(4,415,700)	(6,623,500)	(6,181,000)	(8,254,500)	(6,872,200)	(8,254,500)
Markey Cancer Center	0	0	500,000	710,000	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
Adjusted Net General Fund	1,003,168,400	1,000,960,600	1,003,668,400	1,001,670,600	991,403,100	989,329,600	990,711,900	989,329,600
Additional Budget Requests								
• Inflation Adjustment	81,925,100	109,233,300	44,848,900	63,818,900	35,834,600	35,834,600	35,834,600	35,834,600
• Fire and Tornado Insurance	0	0	15,108,100	15,108,100	31,283,600	31,283,600	31,283,600	31,283,600
• KSU Land Grant Match	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100
• Mandated Programs	0	0	10,089,200	12,646,800	(50,000)	(350,000)	1,743,800	2,546,200
• Other Additions	0	0			0	0	24,700,000	2,200,000
• Performance Funding	22,692,900	22,692,900	0	0	3,900,000	3,900,000	102,692,900	102,692,900
Total Operating Funds	1,109,285,500	1,134,385,900	1,075,213,700	1,094,743,500	1,063,870,400	1,061,496,900	1,188,465,900	1,165,386,000
Dollar Change	101,701,400	126,801,800	67,629,600	87,159,400	56,286,300	53,912,800	180,881,800	157,801,900
Percent Change	10.1%	12.6%	6.7%	8.7%	5.6%	5.4%	18.0%	15.7%

# Budget Development Update

## *Capital Investment*

The House Budget (HB 6/HCS 1) included:

- \$970.1 million in bond funds in 2024-25 to support new capital construction or expansion projects
- It provided one new construction or expansion project at each institution
- \$600.0 million in bond funds for asset preservation projects (i.e., \$300.0 million each year)
- Twenty-five percent (25%) of the asset preservation funds was allocated among institutions by assigning a \$15 million base to each university and a \$30 million base to KCTCS
- The remaining seventy-five percent (75%) was allocated based on share of E&G square footage
- Language in the bill would require UK and UofL to match twenty-five percent (25%) of their respective allocations with other source funds

The Senate Budget (HB 6/PSS 1) appropriates:

- \$917.4 million in 2024-25 and \$105.0 million in 2025-26 for new construction or expansion projects (i.e., for a biennial total of \$1.022 billion)
- It provides at least one new or expansion project for each institution (and two each at NKU and KCTCS)
- \$608.2 million for asset preservation projects (\$324.7 million in 2024-25 and \$283.5 million in 2025-26)
- Compared to the House Budget, it makes changes in the allocations for KSU and KCTCS

# Budget Development Update

## Capital Investment (Cont'd)

Council on Postsecondary Education  
 2024-2026 Budget of the Commonwealth  
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

### Capital Investment

Funding Component	CPE Recommended		Executive Budget		House Budget (HB 6/HCS 1)		Senate Budget (HB 6/PSS 1)	
	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26
<b>New Construction</b>								
• 2022-24 Cost Increases	162,370,000	0	159,980,000	0	0	0	0	0
• 2024-26 Capital Projects	0	0	0	0	970,100,000	0	917,400,000	105,000,000
Subtotal	162,370,000	0	159,980,000	0	970,100,000	0	917,400,000	105,000,000
<b>Renovation and Renewal</b>								
• Asset Preservation <sup>3</sup>	350,000,000	350,000,000	400,000,000	0	300,000,000	300,000,000	324,658,000	283,521,000
<b>Debt Service</b>	20,610,000	55,297,000	22,572,000	45,134,000	51,126,500	114,342,500	49,999,500	115,653,500

# Budget Development Update

## *Agency Budget*

### Council's Recommended Budget

- \$20.0 M per year for *Fund for Higher Education and Economic Development*
- \$3.0 M per year for expansion of higher education coordination and management
- KSU oversight at \$750,000 per year
- \$10,000 per year for SREB dues
- SREB Doctoral Scholars program - \$50,000 in 2024-25, \$100,000 in 2025-26

### Governor's Budget

- 6% salary increase for 2024-25, and an additional 4% increase for 2025-26
- Additional salary increase for longer-serving employees
- KSU oversight at \$750,000 per year
- \$10,000 per year for SREB dues
- \$16.0 M for Psychiatry Residency Program at Pikeville Medical Center (4 years of operations)

22

# Budget Development Update

## *Agency Budget (Cont'd)*

### House Budget

- 4% salary increase for 2024-25, and an additional 2% increase for 2025-26
- KSU oversight at \$500,000 in 2024-25, \$250,000 in 2025-26
- Cut related to vacant positions (\$272,400 per year)
- \$10.0 M for Healthcare Workforce Investment Fund (\$7.0M in 2024-25, \$3.0M in 2025-26)

### Senate Budget

- 2.6% salary increase each year
- KSU oversight at \$750,000 each year
- \$10,000 per year for SREB dues
- Cut related to vacant positions (\$272,400 per year)
- \$2,000,000 for Healthcare Workforce Investment Fund (\$1.0M in each year)
- \$1,000,000 in 2024-25 for postbaccalaureate program expansion study at Comprehensives
- \$16.0 for Psychiatry Residency Program in E. KY, \$300K for National Stem Cell Foundation<sup>23</sup>

# Budget Development Update

## Agency Budget (Cont'd)

### Comparisons of CPE Agency Budgets

	CPE Request		GOV		HOUSE		SENATE	
	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26
Base	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800
Defined Calculations	(124,200)	(65,200)	(385,200)	(355,800)	(93,000)	(48,800)	(93,000)	(48,800)
Compression (COLA)	-	-	91,700	90,900	-	-	-	-
Increment (COLA)	89,400	137,900	348,900	590,400	215,300	336,700	139,900	289,600
KSU Oversight	750,000	750,000	750,000	750,000	500,000	250,000	750,000	750,000
SREB Doctoral Scholars	50,000	100,000	-	-	-	-	-	-
SREB Dues Increase	10,000	10,000	10,000	10,000	-	-	10,000	10,000
Higher Ed Coordination and Mgmt	3,000,000	3,000,000	-	-	-	-	-	-
Fund for Higher Education & Economic Dev't	20,000,000	20,000,000	-	-	-	-	-	-
Psychiatry Residency Program in E. KY	-	-	16,000,000	-	-	-	16,000,000	-
National Stem Cell Foundation	-	-	-	-	-	-	300,000	-
Postbaccalaureate Program Expansion Study	-	-	-	-	-	-	1,000,000	-
Healthcare WF Inv Fd	-	-	-	-	7,000,000	3,000,000	1,000,000	1,000,000
Vacancy Cut	-	-	-	-	(272,400)	(272,400)	(272,400)	(272,400)
	38,672,000	38,829,500	31,712,200	15,982,300	22,246,700	18,162,300	33,731,300	16,625,200
Percent Increase Over Base	160%	161%	113%	7%	49%	22%	126%	12%
Salary Increase Proposed	1.0%	1.0%	6.0%	4.0%	4.0%	2.0%	2.6%	2.6%





# Asset Preservation Update

# Asset Preservation Update

Institutions have projects identified to use 95% of the \$683.5 M available for 2022-24

		Total State Funds	State Fund Portion of Active Projects	Percent of Total
UK	\$	154,196,000	\$ 151,414,957	98%
UofL		81,886,000	81,882,879	100%
EKU		54,806,000	51,480,320	94%
KSU		16,078,000	14,428,715	90%
MoSU		35,222,000	35,222,000	100%
MuSU		47,176,000	47,176,000	100%
NKU		46,794,000	43,212,382	92%
WKU		68,080,000	54,846,200	81%
KCTCS		179,262,000	167,920,197	94%
	\$	683,500,000	\$ 647,583,651	95%

# Asset Preservation Update (Cont'd)

- Half of the funds were available July 1, 2022, the other half July 1, 2023

- As of the end of February, 20% of the funds were drawn down

- Spending occurs after planning and design and installation/construction

- Market conditions have delayed some of the progress

	Total State Funds	State Funds Drawn Down	Percent of Total
UK	\$ 154,196,000	\$ 23,679,879	15%
UofL	81,886,000	12,628,094	15%
EKU	54,806,000	13,502,102	25%
KSU	16,078,000	1,249,850	8%
MoSU	35,222,000	10,329,474	29%
MuSU	47,176,000	5,866,489	12%
NKU	46,794,000	7,766,190	17%
WKU	68,080,000	4,375,639	6%
KCTCS	179,262,000	68,551,936	38%
	\$ 683,500,000	\$ 136,109,712	20%

# Questions?



Twitter: CPENews and CPEPres



Website: <http://cpe.ky.gov>



Facebook: KYCPE

