

Council on Postsecondary Education
 2024-2026 Capital Investment Recommendation

November 2, 2023

For the 2024-2026 biennium, the Council on Postsecondary Education (CPE) requests state funding for asset preservation and funds to help cover construction cost increases experienced by the institutions.

Asset Preservation – CPE requests asset preservation pool funds of \$700 million for the 2024-2026 biennium, representing a second installment of funding needed to address considerable deferred maintenance and renovation and renewal needs of Kentucky public postsecondary campuses. The allocation below is based on each institution's share of total Category I and II square footage. Debt service for this request is estimated at \$14,078,000 for 2024-25 and \$42,233,000 in 2025-26.

2024-2026 Asset Preservation Pool

	Fiscal Year 2024-25	Fiscal Year 2025-26	Biennial Total
University of Kentucky	\$84,351,000	\$84,351,000	\$168,702,000
University of Louisville	42,084,000	42,084,000	84,168,000
Eastern Kentucky University	28,637,000	28,637,000	57,274,000
Kentucky State University	8,310,000	8,310,000	16,620,000
Morehead State University	17,632,000	17,632,000	35,264,000
Murray State University	24,641,000	24,641,000	49,282,000
Northern Kentucky University	24,229,000	24,229,000	48,458,000
Western Kentucky University	32,792,000	32,792,000	65,584,000
KCTCS	87,324,000	87,324,000	174,648,000
	<u>\$350,000,000</u>	<u>\$350,000,000</u>	<u>\$700,000,000</u>

Construction Cost Increases – To address escalating construction costs, the Council recommends \$162.4 million in funding to allow institutions to offset unprecedented inflationary cost increases on individual capital projects authorized in the 2022-24 biennium and requests these funds be appropriated in 2024-25 to facilitate completion of projects already underway. Debt service for this request is estimated at \$6,532,000 in 2024-25 and \$13,064,000 in 2025-26. The requested allocation is shown below.

Allocation of Construction Cost Increase Request

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