



Commonwealth of Kentucky
Finance and Administration Cabinet
OFFICE OF THE SECRETARY
Room 383, Capitol Annex
702 Capital Avenue
Frankfort, KY 40601-3462
(502) 564-4240
Fax (502) 564-6785

Matthew G. Bevin
Governor

William M. Landrum III
Secretary

February 5, 2019

The Honorable Rick Girdler, Co-Chairman
The Honorable Walker Thomas, Co-Chairman
Capital Projects and Bond Oversight Committee
Legislative Research Commission
Frankfort, Kentucky 40601

Dear Senator Girdler, Representative Thomas, and Members of the Capital Projects and Bond Oversight Committee:

In accordance with the provisions of KRS 45.750-800, the Finance and Administration Cabinet is reporting the attached actions involving:

Reporting of Equipment Purchase in Excess of \$200,000

Kentucky Career and Technical College System (KCTCS), Elizabethtown Community and Technical College, Mobile Training Unit in the amount of \$243,000 from the 2018-20 KCTCS Equipment Pool.

Approval of Equipment Purchase in Excess of \$200,000

Transportation Cabinet, Department of Highways, Asset Collection Vans in the amount of \$2,325,000 funded with Road and Federal Funds.

New Project – Restricted Funds

Kentucky State University, Mold Remediation and Mechanical Repairs-the Halls in the amount of \$2,100,000.

Sincerely,

William M. Landrum III
Secretary

Attachments



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Matthew G. Bevin
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William M. Landrum III
Secretary

January 23, 2019

Wendell Followell
Vice President for Finance
Kentucky Community and Technical College System
300 North Main Street
Versailles, KY 40383

Dear Mr. Followell:

This letter is to inform you that your request to report an equipment purchase in excess of \$200,000 from the 2018-2020 KCTCS Equipment Pool is approved. The project is acquisition of a mobile training unit for Elizabethtown Community and Technical College in the amount of \$243,000.

This action will be on the agenda of the Capital Projects and Bond Oversight Committee currently scheduled for February 19, 2019 at 1:00 p.m. in Room 169, Capitol Annex. Please have a representative familiar with this project in attendance for any related questions the committee may have.

Sincerely,

William M. Landrum III
Secretary

Date: February 5, 2019
Agency: KCTCS
Project: Mobile Training Unit – Elizabethtown CTC
Account Number: To Be Determined
Type of Action: Reporting of Equipment Purchase in Excess of \$200,000

The Secretary of the Finance and Administration Cabinet is reporting an appropriation from the 2018-2020 KCTCS Equipment Pool in the amount of \$243,000 for the purchase of a mobile training unit for Elizabethtown Community and Technical College. The mobile training unit will be primarily utilized by the College's Workforce Solutions program to support short-term, employer requested training.

300 North Main Street
Versailles, KY 40383
Telephone: (859) 256-3100
Website: kctcs.edu

January 7, 2019

Mr. William M. Landrum III, Secretary
Finance and Administration Cabinet
Room 383, Capitol Annex
702 Capitol Avenue
Frankfort, KY. 40601

Re: Report of Major Equipment
Kentucky Community and Technical College System

Dear Secretary Landrum:

In accordance with House Bill 200, Part II,(4), the Kentucky Community and Technical College System (KCTCS) respectfully request the reporting to the Capital Projects and Bond Oversight Committee of the purchase of equipment in excess of \$200,000 from the KCTCS Equipment Pool within the 2018-2020 enacted budget. KCTCS will be acquiring a mobile training unit for Elizabethtown Community and Technical College. The total cost of the acquisition is \$242,997.

Should you have any questions, please feel free to contact myself at 859-256-3375.

Sincerely,



Wendell Followell
Vice President

cc: President Jay Box
Sandy Adkins
Ken Marks
Shaun McKeirnan
Carla Wright
Juston Pate





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Matthew G. Bevin
Governor

William M. Landrum III
Secretary

February 4, 2019

Robin Brewer
Executive Director
Kentucky Transportation Cabinet
200 Mero Street
Frankfort, KY 40601

Dear Ms. Brewer:

This letter is to inform you that approval has been given pursuant to KRS 45.760(7) for a new major item of equipment in the amount of \$2,325,000 for Asset Collection Vans for the Department of Highways. The appropriation of \$2,325,000 will be funded with \$2,173,600 in Federal funds and \$151,400 from the Road Fund, toll credits will be used for the remainder of the match.

This action will be on the agenda of the Capital Projects Bond Oversight Committee currently scheduled for February 18, 2019 at 1:00 pm in Room 169, Capitol Annex. Please have a representative familiar with this project in attendance for any related question the committee may have.

Sincerely,

William M. Landrum III
Secretary

Date: February 4, 2019
Agency: Transportation Cabinet
Project: Asset Collection Vans
Account Number: TBD
Type of Action: Approval of Equipment Purchase in Excess of \$200,000

The Secretary of the Finance and Administration Cabinet has approved the purchase of major items of equipment in the amount of \$2,325,000 for three Asset Collection Vans to be used by the Department of Highways. Of that total, \$2,173,600 will be Federal Funds and \$151,400 will be Road Funds, toll credits will be used for any remaining Federal match requirements. These vans utilize various pieces of technology to collect data on the condition of roadways. This data collection is a requirement of the Federal Highway Administration (FHWA) and is utilized by the Cabinet.



Matthew G. Bevin
Governor

**COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET**

Frankfort, Kentucky 40622
www.transportation.ky.gov/

Greg Thomas
Secretary

February 1, 2019

Secretary William M. Landrum III
Secretary of the Finance & Administration Cabinet
702 Capitol Avenue
Room 383, Capitol Annex
Frankfort, Kentucky 40601

Dear Secretary Landrum:

The Transportation Cabinet requests authorization for the acquisition of equipment (three asset collection vans) for the Department of Highways, each in excess of \$200,000, as capital projects which will be financed with over 50% in Federal Funds in accordance with KRS 45.760 (7)(a). Each fully-equipped van with technology will cost \$775,000 for a total amount of \$2,325,000. The purchase of the vehicles will be paid from Road Funds, and the equipment and technology on the vans will be paid from Federal Funds with toll credits covering the state match.

This asset collection equipment is used to gather road surface characteristics such as rutting, faulting, cracking, roughness, curve, grade, cross slope, asset images, and route line position. These vehicles will be equipped with AC power system, dual antenna GPS, Laser Crack Measurement System 2, 3 right-of-way cameras, inertial measurement unit, non-contact optical distance measurement units, in-motion vehicle tracking, collection and controlling computer systems, racks, mounts, cabling, and data collection software. These asset collection vehicles equipped with technology will provide data that will feed into the Cabinet's Pavement Asset Collection System. The Pavement Asset Collection System is an information technology system that consists of computer hardware, software, and data acquisition devices that allow the Cabinet to meet federal requirements associated with the Highway Performance Monitoring System and the Fixing America's Surface Transportation Act (FAST ACT) of 2015. Additionally, the system provides data that the Cabinet uses to prioritize highway asset management projects utilizing both state and federal funding. In addition, the data allows the Cabinet to more efficiently allocate funding to highway rehabilitation and preservation projects and also improves safety and pavement condition across the state by recommending the best pavement treatment for every road segment. The new equipment would modernize the almost decade old technology the Cabinet is currently using. Because the technology is becoming outdated and the vehicles have very high mileage, the Cabinet runs the risk of not being able to provide the critical data needed for the Federal Highway Administration (FHWA) which could jeopardize the Cabinet's federal funding in the future. Compliance with these federal requirements is necessary to allow Kentucky to continue receiving our full apportionment of federal highway funding (over \$700 million annually).



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Your consideration of this request is appreciated. Please let me know if you need additional information.

Sincerely,

A handwritten signature in cursive script that reads "Robin Brewer".

Robin Brewer
Executive Director
Office of Budget and Fiscal Management



Matthew G. Bevin
Governor

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William M. Landrum III
Secretary

January 22, 2019

M. Christopher Brown II, President
Kentucky State University
400 E. Main Street, Hume Hall Suite 201
Frankfort, KY 40601

Dear President Brown:

This letter is to inform you that approval has been given pursuant to KRS 164A.575(15) for a new capital project in the amount of \$2,100,000 for Mechanical Repairs at the Halls on the campus of Kentucky State University. The project will be funded entirely from restricted funds.

This action will be on the agenda of the Capital Projects Bond Oversight Committee currently scheduled for February 19, 2019 at 1:00 pm in Room 169, Capitol Annex. Please have a representative familiar with this project in attendance for any related question the committee may have.

Sincerely,

William M. Landrum III
Secretary

Date: February 5, 2019
Agency: Kentucky State University
Project: Mold Remediation and Mechanical Repairs – the Halls
Account Number: 435-C8XN
Type of Action: New Project – Restricted Funds

Pursuant to KRS 164A.575(15), the Secretary of the Finance and Administration Cabinet has approved a new capital project, Mold Remediation and Mechanical Repairs – the Halls, in the amount of \$2,100,000 to be funded entirely from Kentucky State University's Restricted Funds. The project will make repairs to the 319-bed residence hall so that it will be ready for occupancy for the Fall 2019 term.



OFFICE OF THE PRESIDENT

January 18, 2019

Mr. William M. Landrum III, Secretary
Finance and Administration Cabinet
Room 383, Capitol Annex
702 Capitol Avenue
Frankfort, KY 40601

RE: Interim Authorization Request
Kentucky State University

Dear Secretary Landrum:

In accordance with KRS 164A.575(15), Kentucky State University respectfully requests interim authorization for the Mechanical Repair of The Halls with a total budget of \$2,100,000. This project will be funded with agency restricted funds.

The funds will be used to repair the heating and cooling system in a 319 bed residence hall. The design and construction of the project will be pursued through the Finance and Administration Cabinet as a capital project.

Kentucky State University's Board of Regents approved the project on September 6, 2018 and the Council for Postsecondary Education approved it on September 21, 2018.

Should you have any questions, please feel free to contact Douglas Allen at 502-597-5075 or Greg Rush at (502) 597-5945.

Sincerely,

M. Christopher Brown II, Ph.D.
Eighteenth President

Cc: Carla Wright
Douglas Allen
Greg Rush
Shaun McKiernan

Interim Capital Projects Kentucky State University

ACTION: Staff recommends that the Council approve KSU requests for two interim capital projects: (1) renovation of Hunter Hall (\$2,296,500 - federal funds); and (2) mechanical repair of Old Young Hall (\$2,100,000 - agency restricted funds).

Kentucky State University (KSU) officials request authorization for two interim capital projects, including renovation of Hunter Hall (\$2,296,500 - federal funds) and mechanical repair of Old Young Hall, also known as “The Halls” (\$2,100,000 - agency restricted funds). As required by statute, the Finance and Administration Cabinet will oversee the design and implementation of these projects. The projects were approved by the KSU Board of Regents on September 6.

House Bill 592 (2018) created a new provision in KRS 164A.575 which allows public postsecondary institutions to authorize capital projects not specifically listed in the state budget, as long as, the projects are funded with non-general fund appropriations, do not jeopardize funding for existing programs, and are reported by the institution to the Capital Projects and Bond Oversight Committee. The pertinent section of KRS 164A.575 is provided below.

- (15) Notwithstanding KRS 45.760, the governing board may authorize a capital construction project or a major item of equipment even though it is not specifically listed in any branch budget bill, subject to the following conditions and procedures:
- (a) The full cost shall be funded solely by non-general fund appropriations;
 - (b) Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or reallocated for expenditure on the project or major item of equipment. Moneys utilized shall not jeopardize any existing program and shall not require the use of any current general funds specifically dedicated to existing programs; and
 - (c) The institution's president, or designee, shall submit the project or major item of equipment to the Capital Projects and Bond Oversight Committee for review as provided by KRS 45.800.

The renovation of Hunter Hall will convert the 24,700 square foot dormitory to office, classroom, and laboratory space, which will be occupied by KSU's land grant program. Hunter Hall was closed last year due to maintenance issues. This project will be funded with \$2,296,500 of federal funds and is expected to take 18 months to complete.

The mechanical repair project for Old Young Hall, is estimated to require \$2,100,000 of agency restricted funds to complete. The project will focus on the heating, ventilation, and air conditioning system and the fire alarm system. This 319-bed, 61,400 square foot dormitory was closed in 2013 due to concern for residents' health and safety, but with these repairs should be re-opened for the 2019 fall semester. Lack of bed space has restricted enrollment in the current year and will not allow KSU to meet its enrollment targets unless addressed. This project will increase the number of available beds from 603 to 922 and will allow renovations of other residence halls to take place in the future as needed.

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

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

Because these projects were not previously approved by the Council and they were not authorized in the enacted 2018-20 budget (HB 200), Council approval is now required to authorize these projects. KSU will not be debt financing any portion of these projects; therefore, provisions of KRS 45.763 do not apply.

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