



Office of the President

218 Wells Hall
Murray, KY 42071-3318
270-809-3763
270-809-3413 fax

March 5, 2019

Capital Projects and Bond Oversight Committee
Legislative Research Commission
Capitol Annex, Room 34
702 Capital Avenue
Frankfort, KY 40601

ATTN: Senator Rick Girdler, Co-Chair
Representative Walker Thomas, Co-Chair

RE: New Capital Project – Blackburn Science Building Renovation Project

Dear Senator Girdler and Representative Thomas:

Pursuant to Kentucky Revised Statute (KRS) 165A.575(15) Murray State University is requesting review by the Capital Projects and Bond Oversight Committee to begin a new project, Blackburn Science Building Renovation. This \$3,116,000 project was approved by the Murray State University Board of Regents on December 7, 2018. The project was approved by the Council on Postsecondary Education at its February 22, 2019, meeting.

Murray State University has committed to renovate 146,764 square feet of interior space for International Programs, Experiential Learning, Study Abroad and the Veterans Affairs offices. Renovations will include major HVAC upgrades, variable volume controls for energy efficiency, updated elevator lobbies, main building entrances and refreshing of the office and classroom spaces for the new occupants. Most of these programs have been housed in Woods Hall, which is scheduled to be razed during the Spring 2019 semester. The cost of bringing Woods Hall to current standards and code requirement is prohibitive under the current fiscal environment.

The action and support documentation from the Council on Postsecondary Education is attached to this letter.

Should you or members of the Committee have questions, Murray State University representatives will be in attendance at your scheduled March meeting.

Sincerely,

Robert L. Jackson, Ed.D.
President

Attachment

cc: Jackie Dudley
Jordan Smith
Bill Payne
Katherine Halloran

murraystate.edu



Kentucky Council on Postsecondary Education

Matthew G. Bevin
Governor

1024 Capital Center Drive, Suite 320
Frankfort, Kentucky 40601
Phone: 502-573-1555
Fax: 502-573-1535
<http://www.cpe.ky.gov>

Aaron Thompson
President

February 27, 2019

President Robert L. Jackson
Murray State University
218 Wells Hall
Murray, Kentucky 42071

RE: CPE Approval of Murray State University Project – Renovation of Blackburn Science Building

Dear President Jackson,

The Council on Postsecondary Education met on February 22, 2019, and, per KRS 164.020 (11), approved a capital project for Murray State University: the renovation of Blackburn Science Building, financed with \$3,116,000 in agency restricted funds. A copy of the Council's agenda item is attached for your information. As you know, the Murray State University Board of Regents approved this project at their December 7, 2018 meeting.

If you have questions or require additional information, please contact me at (502) 892-3052 or Shaun McKiernan at (502) 892-3039.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. Payne".

William Payne, PhD
Vice President for Finance and Administration

C: Jackie Dudley, MuSU
Janice Tomes, OSBD
Carla Wright, OSBD
Katherine Halloran, LRC

TITLE: Interim Capital Project Request from Murray State University

RECOMMENDATION: Staff recommends that the Council approve Murray State University's request for interim authorization of a capital project to partially renovate Blackburn Science Building using \$3,116,000 in agency restricted funds.

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

SUPPORTING INFORMATION

Murray State University (MuSU) officials request authorization for an interim capital project to partially renovate Blackburn Science Building. The project will require \$3,116,000 in institutional resources (agency restricted funds). MuSU personnel will oversee the design and implementation of the project. The project was approved by MuSU's Board of Regents on December 7, 2018.

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 re-allotted 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 Blackburn Science Building was built in 1950. In 1969, a major addition brought the total square footage to its present 147,000 square feet. In the early 2000's, the Biology and Chemistry departments were moved to the new Science Complex. More recently, the Institute of Engineering moved to a new Engineering and Physics building. Blackburn currently houses the TRiO Programs, ROTC, the Earth and Environmental Sciences department, and the Mapping Applications Resource Center. Projects to renovate this space have been included in MuSU's Capital Plan for the past several biennia, but were not included in the enacted budgets.

The renovations of Blackburn Science Building will include major HVAC upgrades to supply fans, updated elevator lobbies and main building entrances, asbestos abatement in some areas, and the renewal of classroom and office space for the building's new occupants: International Programs, Experiential Learning, Study Abroad, and Veterans Affairs. These programs have been housed in Woods Hall, which will be razed during the 2019 spring semester. According to MuSU officials, the cost of bringing Woods Hall to current standards and code requirements is prohibitive.

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 EKV, MoSU, MuSU, NKU, UK, UofL, and WKU are submitted by the requesting institution to the Capital Projects and Bond Oversight Committee for review, and a copy is provided to the Finance and Administration Cabinet as information; and
- Following review and action by the appropriate agencies, the project may be initiated by the requesting institution.

Because this project was not previously approved by the Council and it was not authorized in the enacted 2018-20 budget (HB 200), Council approval is now required to

authorize this project. MuSU 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 MuSU, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee of the Council's recommendation concerning this project.