

**INFORMATION ITEM**

Postsecondary Institutions Asset Preservation Pool

The board has made several recommendations to adequately and appropriately address state-owned facilities' major capital renewal, maintenance, and renovation needs, including those managed by postsecondary institutions. The Council on Postsecondary Education (CPE) commissioned a report by Vanderweil Facility Advisors Inc. (VFA) in 2007 on the condition and needs of the postsecondary facilities. VFA updated the report in 2013, indicating that between 2008 and 2021, \$7.3 billion would be required to bring existing education and general facilities up to good condition and modern standards. Since 2008, the state has funded \$262 million (approximately 3.6%) of the estimated asset preservation need.

[House Bill 1 Part II\(1\)](#), the executive branch budget bill that passed in the regular session of 2022, includes a \$683.5 million asset preservation pool in General Fund-supported bond funds. The asset preservation pool provides funding for individual asset preservation, renovation, and maintenance projects at Kentucky's public postsecondary institutions in Education, General, and state-owned and operated residential housing facilities. The CPE will oversee the use of the funds received from the asset preservation pool.

The \$683.5 million appropriation includes language requiring a 30% match of the funds from research institutions (UK and UofL), and a 15% match from all comprehensive institutions. Universities are capable of issuing agency bonds to finance the matching requirement while KCTCS must utilize restricted funds. The bill provides the necessary agency bond and restricted fund appropriation for the institutions to meet the match requirements.

<b>General Fund Supported Bond Fund Appropriation</b>			
	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>Total</b>
<b>EKU</b>	27,403,000	27,403,000	<b>54,806,000</b>
<b>Kentucky Community and Technical College System</b>	89,631,000	89,631,000	<b>179,262,000</b>
<b>Kentucky State University</b>	8,039,000	8,039,000	<b>16,078,000</b>
<b>Morehead State University</b>	17,611,000	17,611,000	<b>35,222,000</b>
<b>Murray State University</b>	23,588,000	23,588,000	<b>47,176,000</b>
<b>Northern Kentucky University</b>	23,397,000	23,397,000	<b>46,794,000</b>
<b>University of Kentucky</b>	77,098,000	77,098,000	<b>154,196,000</b>
<b>University of Louisville</b>	40,943,000	40,943,000	<b>81,886,000</b>
<b>Western Kentucky University</b>	34,040,000	34,040,000	<b>68,080,000</b>
<b>Total</b>	<b>341,750,000</b>	<b>341,750,000</b>	<b>683,500,000</b>

<b>Agency Bond Fund and Restricted Fund Appropriation</b>			
	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>Total</b>
<b>EKU</b>	4,111,000	4,111,000	<b>8,222,000</b>
<b>Kentucky Community and Technical College System</b>	13,445,000	13,445,000	<b>26,890,000</b>
<b>Kentucky State University</b>	1,206,000	1,206,000	<b>2,412,000</b>
<b>Morehead State University</b>	2,642,000	2,642,000	<b>5,284,000</b>
<b>Murray State University</b>	3,539,000	3,539,000	<b>7,078,000</b>
<b>Northern Kentucky University</b>	3,510,000	3,510,000	<b>7,020,000</b>
<b>University of Kentucky</b>	23,130,000	23,130,000	<b>46,260,000</b>
<b>University of Louisville</b>	12,283,000	12,283,000	<b>24,566,000</b>
<b>Western Kentucky University</b>	5,106,000	5,106,000	<b>10,212,000</b>
<b>Total</b>	<b>68,972,000</b>	<b>68,972,000</b>	<b>137,944,000</b>

**BOARD ACTION:** Information only. No action is required.