

INFORMATION ITEM

2026-2032 BUDGET OF THE COMMONWEALTH CAPITAL PROJECTS UPDATE

Summary

The Capital Planning Advisory Board's [2026-2032 Statewide Capital Improvements Plan](#), published in November 2025, detailed a comprehensive plan covering all state agencies, the judicial branch, and postsecondary institutions for use in the subsequent budget process and regular legislative session. The General Assembly delivered [House Bill 500](#), vetoed in part and amended by [Senate Bill 197](#) (Executive Branch Budget); [House Bill 504](#) (Judicial Branch Budget); and [House Bill 501](#) (Transportation Cabinet Budget) during the 2026 regular legislative session to collectively enact the 2026-2028 Capital Projects Budget.

The 2026-2032 capital plans submitted by executive branch state agencies, the judicial branch, and postsecondary institutions reported the need for 1,863 projects totaling approximately \$101.3 billion from all fund sources over the next six years. The enacted 2026-2028 Capital Projects Budget appropriated \$32.8 billion and \$863.3 million from all fund sources in FYs 27 and 28, respectively.

The following attachments address the [2026-2032 Capital Projects Budget](#) in light of the Board's published policy and project recommendations:

Attachment A – 2026-2028 Budget of the Commonwealth Capital Projects Summary

Attachment B – State Agency Maintenance Pools Update

Attachment C – Specific Project Recommendations Authorization Update

BOARD ACTION: Information only. No action is required.

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ATTACHMENT A: 2026-2028 BUDGET OF THE COMMONWEALTH CAPITAL PROJECTS SUMMARY

	Revised FY 2026	Enacted FY 2027	Enacted FY 2028
SOURCE OF FUNDS			
Executive Branch			
Restricted Funds		20,064,946,000	89,901,000
Federal Funds		775,334,000	50,915,000
Road Fund		5,500,000	5,500,000
Bond Funds		690,161,000	330,714,000
Agency Bonds		1,608,800,000	79,400,000
Investment Income		184,524,000	106,833,000
Other - Cash		669,700,000	0
Other - Third Party Financing	350,000,000	8,758,100,000	200,000,000
SOURCE OF FUNDS	350,000,000	32,757,065,000	863,263,000
APPROPRIATIONS BY CABINET			
Executive Branch			
General Government		413,003,000	88,952,000
Department of Education		9,216,000	1,100,000
Economic Development		15,000,000	15,000,000
Education and Labor		3,950,000	3,950,000
Energy and Environment		24,116,000	1,500,000
Finance and Administration		415,865,000	15,500,000
Health and Family Services		34,737,000	10,700,000
Justice and Public Safety		104,841,000	65,801,000
Personnel		9,848,000	130,869,000
Postsecondary Education	350,000,000	31,515,188,000	456,041,000
Tourism, Arts and Heritage		199,601,000	67,150,000
Transportation		11,700,000	6,700,000
TOTAL APPROPRIATIONS	350,000,000	32,757,065,000	863,263,000

Source: 2026-2028 Budget of the Commonwealth

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ATTACHMENT B: STATE AGENCY MAINTENANCE POOLS UPDATE

The Capital Planning Advisory Board's [2026-2032 Statewide Capital Improvements Plan](#) continued its long-standing recommendation that appropriating "**adequate amounts for agency miscellaneous maintenance pools [is] a top priority for funding in the biennial budget.**" State agencies use miscellaneous maintenance pools primarily for planned and unanticipated projects (maintenance, minor construction, etc.) costing less than the threshold requiring line-item authorization in the biennial budget bill (currently \$1 million).

The Board acknowledged the 2022 General Assembly's widespread policy of supplanting bond fund appropriations with traditional cash financing in the 2022 Regular Session Budget Bills, followed by a reversion to heavy use of bond-funded appropriations in the 2024 Regular Session Budget Bills. A recent history of these appropriations has been updated for the 2026-2028 authorizations:

Maintenance Pool Appropriations (\$ millions)

Biennium	Agency Bonds	Bond Funds	Cash	Federal Funds	Restricted Funds	Road Fund	Total
2014-2016		\$27.9	\$5.7		\$162.7	\$6.0	\$202.2
2016-2018		32.3	9.7		15.0	5.5	62.5
2018-2020		42.5	10.9		73.9	5.9	133.2
2020-2022	\$4.5	43.0	19.2		25.0	5.9	97.6
2022-2024	0.1	5.0	143.8		27.9	8.0	184.8
2024-2026	6.4	58.0	95.4	3.0	31.0	8.0	201.8
2026-2028			158.9	3.0	38.0	8.0	207.9

Notes: Figures include miscellaneous maintenance pools and do not reflect pools for specific needs such as chillers, handicapped access, life safety, roofs, or nonconstruction items such as equipment maintenance.

Under a long-standing executive and legislative policy, capital construction investment income has also funded agency maintenance pools. Investment income is cash from interest earned on the investment of money appropriated to capital construction accounts, trust and agency accounts, and trust and agency revolving accounts that are not otherwise dedicated. The "Cash" totals above include use of either General Fund or investment income.

As shown in the chart below, most agency miscellaneous maintenance pool allocations were funded at or near their requested level, using a combination of investment income, federal funds, restricted funds, or a combination thereof.

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Agency Miscellaneous Maintenance Pools FY 2026-28 Authorizations

State Agency	2026-2032 Capital Plan Request – First Biennium	2026-28 Budget	Difference in Appropriation and Requested Amount (\$ millions)
Department of Education	\$3,162,000	\$3,100,000	0.06
Department of Military Affairs (DMA) Armory Installation Facility	\$12,000,000	\$8,000,000	4.0
DMA Bluegrass Station Facility	\$2,000,000	\$2,000,000	
DMA Youth Challenge Academies	\$2,000,000	\$2,000,000	
Department of Veterans Affairs	\$3,510,000	\$2,000,000	1.51
Education and Labor/General Admin.	\$5,300,000	\$4,000,000	1.3
Education and Labor/KET	\$2,000,000	\$1,500,000	0.5
Education and Labor/KET Capitol Production Center	\$1,000,000	\$1,000,000	
Education and Labor/Workforce Dev	\$3,600,000	\$1,400,000	2.2
Energy and Environment Cabinet	\$1,000,000	\$1,000,000	
Finance and Administration Cabinet (FAC) – Facilities and Support Services	\$17,500,000	\$15,000,000	2.5
Cabinet for Health and Family Services	\$21,443,000	\$21,400,000	0.04
Justice and Public Safety/Criminal Justice Training	\$9,000,000	\$9,000,000	
Justice and Public Safety/Corrections	\$48,000,000	\$40,000,000	8.0
Justice and Public Safety/Juvenile Justice	\$14,400,000	\$14,400,000	
Justice and Public Safety/State Police	\$13,000,000	\$13,000,000	
Eastern Kentucky University	\$20,000,000	\$20,000,000	
<i>Kentucky River Authority*</i>	<i>\$4,000,000</i>	<i>\$4,000,000</i>	
Morehead State University	\$24,216,000	\$0	24.22
Tourism/Artisan Center	\$1,000,000	\$1,000,000	
Tourism/Center for the Performing Arts	\$1,100,000	\$1,100,000	
Tourism/Dept of Parks	\$40,000,000	\$20,000,000	20.0
Tourism/Fish and Wildlife Resources		\$6,000,000	-6.0
Tourism/Horse Park Commission	\$5,000,000	\$3,000,000	2.0
Tourism/State Fair Board	\$11,000,000	\$6,000,000	5.0
Transportation Cabinet	\$19,000,000	\$8,000,000	11.0
Total	\$284,231,000	\$207,900,000	76.33

This chart does not reflect pools for specific categories of needs (e.g., chillers, deferred maintenance pools, handicapped access, school improvements, parking garages, roofs) or nonconstruction items (e.g., aircraft, equipment maintenance).

**Denotes new maintenance pool.*

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ATTACHMENT C: SPECIFIC PROJECT RECOMMENDATIONS AUTHORIZATION UPDATE

Regarding projects proposed for financing from state General Funds in the 2026–2028 Executive Budget, board members recommended 45 specific projects in three areas: construction (maintenance/renovation), construction (new), and information technology. The Board's project recommendations by project category, with the corresponding budget authorization and fund source, where applicable, are identified below:

Maintenance/Renovation Projects

Project Title	State Agency	Capital Plan Request Fund Source Total	Budget Authorization	Fund Source
2026-2028 Asset Preservation Pool	Northern Kentucky University	\$50,000,000	\$16,951,000	BF
2026-2028 Asset Preservation Pool Phase 3	Eastern Kentucky University	\$75,000,000	\$18,189,000	BF
2026-2028 Asset Preservation Pool	Murray State University	\$47,200,000	\$17,073,000	BF
Asset Preservation Pool	University of Kentucky	\$250,000,000	\$34,330,000	BF
Asset Preservation Projects Pool	Kentucky State University	\$40,000,000	\$12,360,000	BF
Capital Renewal and Maintenance Pool (E&G)	Morehead State University	\$9,264,000	\$15,065,000	BF
Capital Renewal Pool	Western Kentucky University	\$10,000,000	\$19,158,000	BF
Cabinet for Human Resources Renovation Construction Phase 2	Dept for Facilities & Support Services	\$8,000,000	\$8,000,000	II
Eastern Kentucky Correctional Complex HVAC Replacement Phase 2 Additional	Department of Corrections	\$6,750,000		
Kentucky State Penitentiaries' Utilities Infrastructure Replacement College Safety and Security Pool	KY Community and Technical College System	\$30,000,000		
Kentucky State Penitentiaries' Utilities Infrastructure Replacement Additional	Department of Corrections	\$15,758,000	\$15,758,000	II
Radcliff Veterans Center HVAC System Replacement Additional	Department of Veterans Affairs	\$16,000,000	\$16,000,000	BF
Resort Park Upgrades and Repairs	Department of Parks	\$149,380,000		
State Schools Dorm and Cottage Renovation Phase 2	Department of Education	\$3,264,000		
Western State Nursing Facility Renovation Phase 2	Department for Behavioral Health Developmental Disability	\$6,621,000	\$6,621,000	II

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Information Technology Projects

Project Title	State Agency	Capital Plan Request Fund Source Total	Budget Authorization	Fund Source
AASHTOWARE	Kentucky Transportation Cabinet	\$2,400,000	\$2,400,000	RF
Capitol Production Center Maintenance Pool	Kentucky Educational Television	\$1,000,000	\$1,000,000	II
Department of Highways Technology Modernization	Kentucky Transportation Cabinet	\$2,400,000		
Education Finance Application Phase 3	Department of Education	\$5,610,000		
Emergency Radio System Replacement Additional	Kentucky State Police	\$107,427,000		
Enterprise Application and Artificial Intelligence Inventory System	Commonwealth Office of Technology	\$6,000,000	\$6,000,000	II
Enterprise Human Resources Information System	Personnel Cabinet	\$151,069,000	\$140,716,000	BF
Legacy Modernization	Commonwealth Office of Technology	\$10,000,000		
New Adult Education and Family Literacy Management Information System	Dept of Workforce Development	\$3,675,000		
Sorna Software Replacement	Kentucky State Police	\$2,500,000		
State Labor Exchange System for Workforce Development	Dept of Workforce Development	\$3,938,000		
Telecommunicator Technology Upgrade Phase 2	Kentucky State Police	\$3,500,000		
Upgrade Information Technology Infrastructure	Western Kentucky University	\$6,000,000		
Upgrade Information Technology Infrastructure Jefferson CTC	KY Community and Technical College System	\$6,000,000		
Upgrade Technology	Attorney General	\$600,000		

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Other Construction/New

Project Title	State Agency	Capital Plan Request Fund Source Total	Budget Authorization	Fund Source
Competition Arenas	Kentucky Horse Park	\$6,000,000		
Construct Ballard County Maintenance Facility and Salt Structure Additional	Kentucky Transportation Cabinet	\$500,000		
Construct Female Detention Facility West	Department of Juvenile Justice	\$45,000,000		
Construct Female Detention Facility Central*	Department of Juvenile Justice	\$45,000,000	\$4,500,000	BF
Construct Health Sciences Center	Kentucky State University	\$54,000,000		
Construct High Acuity Mental Health Facility	Department of Juvenile Justice	\$35,000,000		
Construct Readiness Center Somerset Additional	Department of Military Affairs	\$6,531,000		
Construct Whitley County Maintenance and Salt Facility Additional	Kentucky Transportation Cabinet	\$400,000		
Construction of Central Lab	Department for Public Health	\$259,450,000		
Eastern Kentucky Correctional Complex Façade and Structural Repairs and Replacement Additional	Department of Corrections	\$6,750,000		
Northpoint Training Center Exterior DORMS Masonry Tuckpoint and Repair Additional	Department of Corrections	\$11,787,000	\$11,787,000	BF
Northpoint Training Center Restricted Housing Unit Renovations Additional	Department of Corrections	\$3,500,000	\$3,500,000	II
Posts 7 (Richmond) and 10 (Harlan) Construction Additional	Kentucky State Police	\$8,586,000	\$8,586,000	II
State-Owned Dam Repair Pool	Dept for Environmental Protection	\$21,060,000	\$21,060,000	BF
State Superfund Sites	Dept for Environmental Protection	\$6,000,000	\$2,000,000	II

*Authorization for "Construct Female Detention Facility Central" is for the design phase of the project.

Abbreviation Key:

AB: Agency Bonds (debt service supported by agency revenues)
 BF: Bond Funds (debt service supported by the General Fund)
 RF: Road Fund
 FF: Federal Funds
 GF: General Fund (Cash)
 II: Investment Income (Cash)
 OT: Other Funds

For the Board's recommendations, Agency Bonds, Federal Funds, and Other Funds were not classified as state funds.