

# **CAPITAL PLANNING ADVISORY BOARD**

## **Minutes of the 3rd Meeting of the 2021 Calendar**

**July 26, 2021**

### **Call to Order and Roll Call**

The 3rd meeting of the Capital Planning Advisory Board was held on Wednesday, July 21, 2021, at 1:00 PM, in Room 171 of the Capitol Annex. Representative Bobby McCool, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Adrienne Southworth, Co-Chair; Representative Bobby McCool, Co-Chair; Senator Phillip Wheeler, Representative Derek Lewis; Rocky Adkins, Charles Byers, Jacqueline Coleman, Carole Henderson, John Hodgson, Patsy Jackson, Holly Johnson, Mark Overstreet, and Katie Shepherd.

Guests: Ruth Day, Chief Information Officer, Commonwealth Office of Technology; Brigadier General Haldane Lamberton, Adjutant General, Kentucky National Guard; Corey Jackson, Legislative Liaison and Policy Specialist, Department of Military Affairs; Mike Hayden, Executive Director, Kentucky Communications Network Authority; Chris Reece, Executive Director, Office of Finance, Tourism, Arts, and Heritage Cabinet; Robin Brewer, Executive Director, Office of Budget and Fiscal Management, Transportation Cabinet; Ryan Green, Executive Director of Budget and Financial Planning, Dr. Bryan Makinen, Assistant Vice President, Public Safety and Facility Management Ethan Witt, Assistant Vice President, Government and Community Relations, Eastern Kentucky University; Andy Casebier, Director of Major Projects, Facilities Support Services, Sandy Adkins, Director of Capital Projects Budgeting, Facilities Support Services, Kentucky Community and Technical College System; Paul Cable, Director of Capital Projects and Facilities Management, Dr. Beverly Schneller, Vice Provost for Academic Affairs, Kentucky State University; Kim Hunt Oatman, Assistant Vice President for Facilities and Operations, Morehead State University; Dr. Robert Jackson, President, Jackie Dudley, Vice President, Finance and Administrative Services, Jordan Smith, Executive Director Governmental and Institutional Relations, Jason Youngblood, Director of Facilities Management, Murray State University; Michael Hales, Interim Vice President for Administration and Finance and Chief Financial Officer, Mary Paula Schuh, Senior Director, Planning, Design and Construction, Syed Zaidi, Assistant Vice President, Facilities Management, Carmen Hickerson, Assistant Vice President, Economic Engagement and Government Relations, Northern Kentucky University; Mary Vosevich, Vice President for Facilities Management, Chief Facilities Officer, Angela Martin, Vice President for Financial Planning and Chief Budget Officer, University of

Kentucky/University of Kentucky Hospital; Mark Watkins, Chief Operating Officer, Vice President, Operations and Administration, Meg Campbell, Executive Director of Planning, Design and Construction, University of Louisville; Bryan Russell, Chief Facilities Officer, and Jennifer Smith, Special Assistant to the President for Government and Community Relations, Western Kentucky University.

LRC Staff: Shawn Bowen, Korey Sallee, and Jennifer Luttrell.

### **Approval of Minutes**

A motion to approve the minutes of the June 23, 2021 meeting was made by Senator Southworth, seconded by Representative Lewis, and approved by voice vote.

### **Information Items**

Ms. Bowen said five information items were included in the meeting materials in response to questions raised at the board's June 23 meeting regarding proposed capital projects for the Commonwealth Office of Technology, the Department of Military Affairs, the Kentucky Communications Network Authority, the Tourism, Arts, and Heritage Cabinet, and the Transportation Cabinet.

### **Amended Capital Plans**

The capital planning system is open for a period of ten days after the monthly board meeting. During that time, agencies may amend their capital plans as needed. The Department of Veterans Affairs has added one new federally funded project - The Kentucky Veterans Cemetery West - Expansion of Lawn Crypts project. The project will cost \$2.6 million and is planned for the 2022-24 biennium.

### **Review of Agency Capital Plans – Postsecondary Institutions**

The Capital Planning Advisory Board received testimony regarding 10 state agency capital plans: Eastern Kentucky University, Kentucky Community and Technical College System, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, University of Kentucky, University of Kentucky Hospital, University of Louisville, and Western Kentucky University. The testimony included discussion of capital construction, information technology, and equipment needs for the period 2022-2028.

#### Eastern Kentucky University

Ethan Witt, Assistant Vice President, Government and Community Relations, and Ryan Green, Executive Director of Budget and Financial Planning, discussed the university's capital needs. The university's capital plan, for the six-year period, included 39 proposed projects totaling \$1,030,155,000. There were no questions regarding the university's plan.

#### Kentucky Community and Technical College System (KCTCS)

Andy Casebier, Director of Major Projects, Facilities Support Services, and Sandy Adkins, Director of Capital Projects Budgeting, Facilities Support Services, gave a brief overview of the KCTCS capital plan. For the six-year period, the KCTCS capital plan included 118 proposed projects totaling \$1,038,300,000.

In response to questions from Mr. Hodgson and Representative McCool regarding the Renovate and/or Replace Hartford Building Phase 1 JCTC project (\$15 million general funds), Mr. Casebier stated that many studies have been done; and a study, which should be available in November, is being conducted to compare renovation costs with replacement costs. If the building can be renovated for \$15 million or less, KCTCS will do that, however, this option may reduce lab space in the building. If KCTCS builds a replacement facility, it will be a low-rise building with more efficient use of space.

In response to a question from Senator Southworth about the Renovate Laurel South Campus Phase 1 Somerset Community College project (\$6 million general funds), Mr. Casebier said a study concluded that it would be cheaper to renovate rather than construct a new facility. The project will now encompass three phases, and upon completion, the total project will cost \$27.5 million to renovate the laboratories and classrooms, as well as update the diesel technology, welding, electrical technology, automotive technology, industrial maintenance technology, air-conditioning technology, and construction technology programs.

#### Kentucky State University

Dr. Beverly Schneller, Acting Provost for Academic Affairs, and Paul Cable, Director of Capital Projects and Facilities Management, discussed the university's capital needs. The university's capital plan, for the six-year period, included 17 proposed projects totaling \$240,551,000.

In response to questions from Senator Southworth regarding the Construct New Residence Hall project (\$55.6 million long-term funding) and the Construct Health Sciences Center project (\$18.4 million general funds), Dr. Schneller said the new residence hall will help meet the increased enrollment needs of the university, and allow more students to live on campus. The new dorm will have modern multipurpose infrastructure, including classroom space and a dining hall to make it a living learning center. The classrooms in the new dormitory will serve as multi-purpose meeting spaces, and are not duplicative of any other classroom spaces on campus. The Construct Health Sciences Center project is an academic priority needed to bring the healthcare program up-to-date to meet the needs of rural and urban communities. Dr. Schneller said approximately 73 percent of students that complete their degrees at Kentucky State University stay in Kentucky and pursue employment in Kentucky.

In response to another question from Senator Southworth, Dr. Schneller responded that she did not know how the completion of the new dormitory/dining facility will impact

the university's enrollment figures (in-person and online). She said she would find out and provide a follow-up response to the board.

In response to questions from Dr. Jackson, Dr. Schneller replied that the Construct Health Sciences Center project includes a virtual hospital with high-fidelity simulators and multipurpose learning spaces. KSU will partner with healthcare professionals at the Frankfort Regional Healthcare Facility to mentor to students. The construction of this facility will have an economic impact on the local economy by attracting and graduating more students to serve the specific health care needs of the community.

#### Morehead State University

Kim Oatman, Assistant Vice President for Facilities and Operations, presented the university's capital plan. The university's capital plan, for the six-year period, included 43 proposed projects totaling \$553,347,000.

In response to questions from Representative Lewis about the future of the Space Systems Engineering program, Mr. Oatman stated that the program started in 2012 and continues to grow. Most students in this program graduate and work for NASA in placements across the United States.

#### Murray State University

Dr. Robert Jackson, President, and Jason Youngblood, Director Facilities Management, gave a brief overview of Murray State University's capital plan. The university's capital plan, for the six-year period, included 50 proposed projects totaling \$545,682,000. There were no questions regarding the university's plan.

#### Northern Kentucky University

Mike Hales, Interim Vice President for Administration and Finance and Chief Financial Officer, and Carmen Hickerson, Assistant Vice President, Economic Engagement and Government Relations, gave a brief presentation of Northern Kentucky University's six-year capital plan. The university's capital plan, for the six-year period, included 23 proposed projects totaling \$590,879,000.

In response to questions from Dr. Jackson, Mr. Hales replied that the university has experienced a 32 percent growth in admissions in the engineering technology program and the nursing program admissions have grown significantly as well.

#### University of Kentucky

Mary Vosevich, Vice President for Facilities Management, and Angela Martin, Vice President for Financial Planning and Chief Budget Officer, presented the capital plan for the University of Kentucky. The university's capital plan, for the six-year period, included 312 proposed projects totaling \$7,902,000,000. The University of Kentucky Hospital plan

contained a total of 80 proposed projects totaling \$5,902,000,000. There were no questions regarding the university's plan.

#### University of Louisville

Mark Watkins, Chief Operating Officer, Vice President, Operations and Administration, and Meg Campbell, Executive Director of Planning, Design and Construction, discussed the university's capital plan. The university's capital plan, for the six-year period, included 118 proposed projects totaling \$2,023,124,691.

In response to questions from Senator Southworth concerning the Construct College of Business Building project (\$40 million agency bonds and \$80 million private funds-cash), Mr. Watkins stated that the university has a donor interested in investing \$80 million or possibly more into a college building. If that amount increases above \$80 million, the \$40 million in agency bonds could be put to use on other projects.

Senator Southworth commented that she would like to see more detailed versions of the six-year capital plans to include a grand version, a budget-friendly version, and a shoestring/worst-case scenario budget version.

#### Western Kentucky University

Bryan Russell, Chief Facilities Officer, and Jennifer Smith, Special Assistant to the President for Government and Community Relations, discussed Western Kentucky University's capital plan. The university's capital plan, for the six-year period, included 50 proposed projects totaling \$813,100,000. There were no questions regarding the university's plan.

#### **Other Business**

Representative McCool said the next meeting is scheduled for Thursday, August 18, 2021, in Room 169 Annex starting at 1:00 p.m.

#### **Adjournment**

There being no further business, a motion to adjourn was made by Senator Southworth, seconded by Dr. Jackson, and approved by voice vote. The meeting was adjourned at 2:35 p.m.