

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

May 21, 2026

Call to Order and Roll Call

The May meeting of the Capital Projects and Bond Oversight Committee was held on May 21, 2026, at 1:00 PM ET/12:00 PM CT, in Room 131 of the Capitol Annex. Senator Shelley Funke Frommeyer, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Shelley Funke Frommeyer, Co-Chair; Representative Shawn McPherson, Co-Chair; Senators Rick Girdler and Scott Madon; Representatives Jason Petrie, Sarah Stalker, and Walker Thomas.

Guests: Jake Stover, Associate Vice President for Finance, UK HealthCare; Craig Collins, Senior Vice President/Chief Financial Officer, UK HealthCare; Shannan Stamper, Deputy General Counsel for Academics, Finance, Students, and Athletics, University of Kentucky; Rob Edwards, Vice President and Chief Strategy and Government Affairs Officer, University of Kentucky/UK HealthCare; Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, University Budget Office, University of Kentucky; Kevin Cardwell, Deputy State Budget Director, Office of State Budget Director; Wayne Simpson, Branch Manager, Department of Aviation, Kentucky Transportation Cabinet; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Kylee Palmer, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development; and, Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management.

LRC Staff: Katherine Halloran, Savannah Fritsch, and Spring Emerson.

Approval of Minutes

Senator Madon moved to approve the minutes of the April 27, 2026 meeting. The motion was seconded by Representative Stalker, and the minutes were approved without objection by voice vote.

Information Items

Ms. Halloran presented the information items as A. KRS 45.760(5) Postsecondary Medical Equipment Purchases - University of Kentucky; B. KRS 45.760(6) Postsecondary Fund Source Revision (No Aggregate Appropriation Increase) - University of Kentucky - Utilities Infrastructure Improvements; C. KRS 45.812(1) School District Debt Issues - New Projects/ Tax and Revenue Anticipation Notes for 1. Clark County, 2. Fayette County TRANs, 3. Hardin

County, 4. Lawrence County, 5. Mercer County, 6. Nicholas County, 7. Spencer County, and 8. Walton-Verona Independent (Boone County); D. KRS 45A.180(2) Postsecondary Notices of Intent to Use Alternative Construction Contracting Project Delivery Method - University of Kentucky - Construction Management-At-Risk for 1. Improve Medical Facility 1 - King's Daughters Medical Center (Various Projects - Main Campus), 2. Construct West End Zone Club Space, 3. Improve Clinical/Ambulatory Services Facilities (Pediatric ENT Clinic), 4. Improve Willard Medical Education/Science Building (Replace Mechanical Equipment), and 5. Improve UK HealthCare Facilities - UK Chandler Hospital (Maternal Fetal Medicine Clinic); E. House Bill 6 (2024 Regular Session) Reporting - Kentucky Communications Network Authority Capital Projects; and, F. Postsecondary Lump Sum Leased Property Improvements - University of Kentucky.

Chair Funke Frommeyer commented that Item E. House Bill 6 (2024 Regular Session) Reporting for Kentucky Communications Network Authority Capital Projects is currently under review by the Information Technology Oversight Committee.

Report from the Postsecondary Institutions - University of Kentucky

Jake Stover, Associate VP for Finance, UK HealthCare; Craig Collins, Senior Vice President/Chief Financial Officer, UK HealthCare; Shannan Stamper, Deputy General Counsel for Academics, Finance, Students, and Athletics, University of Kentucky; Rob Edwards, Vice President and Chief Strategy and Government Affairs Officer, University of Kentucky/UK HealthCare; and Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, University Budget Office, University of Kentucky, presented a project report for Public-Private Partnership - Utilities Infrastructure Improvements, which required action.

In response to Chair Funke Frommeyer, Mr. Stover said availability payments will be made with funding from UK HealthCare.

In response to Co-Chair McPherson, Ms. Baker said the existing infrastructure is being optimized and modernized, with a Central Utility Plant being replaced.

Senator Madon moved to approve the P3 agreement. The motion was seconded by Senator Girdler, and the agreement was approved without objection by roll call vote.

Ms. Baker also presented information on a lease report for a Lease Renewal - UK College of Medicine, Warren County, PR-8399.

Co-Chair McPherson moved to approve the lease renewal. The motion was seconded by Senator Girdler, and the renewal was approved without objection by roll call vote.

Project Report from the Finance and Administration Cabinet

Kevin Cardwell, Deputy State Budget Director, Office of State Budget Director presented information on a new project requiring action and 2 pool allocations requiring no action. The new project requiring action was for Transportation Cabinet, Department of Aviation - Two Medium Box Hangars Capital City Airport.

In response to Chair Funke Frommeyer, Mr. Simpson said the \$950,000 in restricted funds is from the jet fuel tax with a cap of \$1 million annually for each company.

In response to Representative Petrie, Mr. Simpson said that the current restricted fund balance is approximately \$20 million. These funds are used as a match to draw down federal funding.

In response to Representative Stalker, Mr. Simpson said the 6% is based on the current sales tax rate and any amount over the \$1 million cap would be tracked by the Department of Revenue.

In response to Chair Funke Frommeyer, Mr. Simpson said his department receives a monthly report from the Department of Revenue of deposits made into that fund. Most of the general aviation community uses Titan Fuel as the wholesaler for jet fuels. Other income sources are hangar rents as well as fuel sales.

Senator Madon moved to approve the new project. The motion was seconded by Senator Girdler, and the project was approved without objection by roll call vote.

Mr. Cardwell continued with the Pool Allocations - Finance and Administration Cabinet, Department for Facilities and Support Services, which required no action.

Report from the Office of Financial Management

Kentucky Infrastructure Authority - Sandy Williams, Executive Director, presented information on a sewer loan increase and 5 Cleaner Water Program grant reallocations requiring action and various grants requiring no action. Senator Girdler moved to roll the 6 action items into a single roll call vote. The motion was seconded by Co-Chair McPherson, and the votes were rolled into 1 without objection by voice vote.

The action items included 1. Clean Water State Revolving Fund (Fund A) Program Loan - Increase - City of Springfield (Washington County), A24-016S; 2. Cleaner Water Program Grant Reallocations for a. Round One (Senate Bill 36 - 2021 Regular Session) - Water (Two - County Pool); and, b. Round Two (House Bill 1 - 2022 Regular Session) - Water (Three - County Pool).

In response to Co-Chair McPherson, Ms. Williams said most of the projects get the funding approved, followed by the design work and any design changes and approvals, then an environmental review before going out to bid. This process could possibly take up to 2 years.

Senator Girdler moved to approve the action items. The motion was seconded by Representative Walker Thomas, and the items were approved without objection by roll call vote.

Ms. Williams continued with the items requiring no action, which included 3. House Bill 1 (2022 Regular Session) Line-Item Water Grants (Regional Water Supply Improvements); and, 4. House Joint Resolution 81(2026 Regular Session) Kentucky Water and Wastewater Assistance for Troubled or Economically Restrained Systems Grants.

Cabinet for Economic Development - Kylee Palmer, Deputy Commissioner, Department for Financial Services, presented information on 12 Economic Development Fund grants requiring action. Representative Petrie moved to roll the 12 grants into a single roll call vote. The motion was seconded by Co-Chair McPherson, and the votes were rolled into 1 without objection by voice vote.

The grants included 1. Hazard-Perry County Economic Development Alliance; 2. Kentucky Product Development Initiative - 2024 Round 2 for a. Pendleton County Fiscal Court on behalf of the Pendleton County Industrial Development Authority; b. City of Elizabethtown on behalf of the Elizabethtown-Hardin County Industrial Foundation; c. McCreary County Fiscal Court on behalf of the McCreary County Industrial Development Authority; d. One East Kentucky on behalf of the Floyd County Fiscal Court; e. Marion County Fiscal Court on behalf of Marion County Industrial Foundation; f. Fleming County Fiscal Court on behalf of the Flemingsburg-Fleming County Industrial Development Authority; g. Graves County Fiscal Court on behalf of the Graves County Economic Development; h. City of Eddyville (Lyon County) on behalf of the Eddyville Riverport and Industrial Development Authority; i. Caldwell County Fiscal Court on behalf of the Princeton-Caldwell County Industrial Development Authority; j. Mercer County Fiscal Court on behalf of the Harrodsburg-Mercer County Industrial Development Authority; and, k. One East Kentucky on behalf of the Johnson County Fiscal Court.

In response to Chair Funke Frommeyer, Ms. Palmer said the amount of matching local funds required from the Industrial Development Authority is determined by county population and is reviewed every 2 years. The current balance of the 2022 appropriation of \$100 million is approximately \$8 million. The entirety of the 2024 appropriation of \$70 million has already been assigned to projects.

In response to Representative Stalker, Ms. Palmer said the 75 new jobs provided by the Hazard-Perry County Economic Development Alliance must meet a minimum salary, and that is included in the agreement.

Representative Petrie moved to approve the grants. The motion was seconded by Co-Chair McPherson, and the grants were approved without objection by roll call vote.

Office of Financial Management - Steve Starkweather, Deputy Executive Director, Debt, presented 2 new debt issues and 3 SFCC debt issues requiring action and 2 previous debt issues requiring no action. Representative Walker Thomas moved to roll the 2 new debt issues into a single roll call vote. The motion was seconded by Representative Stalker, and the votes were rolled into 1 without objection by voice vote.

The 2 new debt issues requiring action included 1. New Debt Issues for a. Kentucky Housing Corporation Single Family Mortgage Revenue Bonds, 2026 Series C (Non-AMT) and 2026 Series D (Taxable); and, b. Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Baunta Apartments), Series 2026.

Senator Madon moved to approve the 2 new debt issues. The motion was seconded by Senator Girdler, and the 2 debt issues were approved without objection by roll call vote.

Mr. Starkweather continued with the Action Item - School District Debt Issues with School Facilities Construction Commission Debt Service Participation - New Projects. Representative Stalker moved to roll the 3 SFCC debt issues into a single roll call vote. The motion was seconded by Senator Madon, and the votes were rolled into 1 without objection by voice vote.

The 3 new projects included 1. Campbell County, 2. Edmonson County, and 3. Perry County. Representative Stalker moved to approve the 3 debt issues. The motion was seconded by Senator Girdler, and the debt issues were approved without objection by roll call vote.

Remaining Calendar Year 2026 Meeting Dates

The remaining meeting dates for 2026 are scheduled for Thursdays at 3:00 PM ET/2:00 PM CT in Capitol Annex Room 131.

June 18 - Rep. McPherson, Chair (submissions due June 4)

July 16 - Sen. Funke Frommeyer, Chair (submissions due July 2)

Aug. 20 - Rep. McPherson, Chair (submissions due Aug. 6)

Sep. 17 - Sen. Funke Frommeyer, Chair (submissions due Sep. 3)

Oct. 15 - Rep. McPherson, Chair (submissions due Oct. 1)

Nov. 19 - Sen. Funke Frommeyer, Chair (submissions due Nov. 5)

Dec. 17 - Rep. McPherson, Chair (submissions due Dec. 3)

Adjournment

There being no further business before the committee, the meeting was adjourned at 2:01 PM ET/1:01 PM CT.