

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2016 REGULAR SESSION**

**MEASURE**

2016 BR NUMBER **1081**

**HOUSE** BILL NUMBER **265**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to postsecondary educational institution capital projects to be financed with university restricted funds.**

**SPONSOR** **Representative Clark**

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT     NO IMPACT     INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT:  STATE     LOCAL     FEDERAL

BUDGET UNIT(S) IMPACT: **Council on Postsecondary Education**

FUND(S) IMPACT:  GENERAL  ROAD  FEDERAL  RESTRICTED AGENCY \_\_\_\_\_  OTHER

**FISCAL SUMMARY**

FISCAL ESTIMATES	2015-2016	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
<b>REVENUES</b>				
<b>EXPENDITURES</b>				
<b>NET EFFECT</b>				

( ) indicates a decrease/negative

**MEASURE’S PURPOSE:** This act creates a new section of KRS 164A.550 to 164A.630 to authorize capital projects undertaken by institutions of higher education using a combination of cash restricted funds, federal funds, and private funds even though the projects are not specifically listed in a branch budget bill. The act also establishes conditions under which projects will be authorized.

**PROVISIONS/MECHANICS:** A new section of KRS 164A.550 to 164A.630 is created to provide that a postsecondary education institution may get a capital project authorized even though it is not listed in any branch budget bill. The project will be managed and owned by the institution. The institution’s governing board and the CPE must formally approve the project and both must communicate their approval to the Capital Projects and Bond Oversight Committee (CPBOC) of LRC. If the committee does not approve the project, the project shall not be undertaken unless the governing board of the institution revises the capital project to comply with the objections of the committee or notifies the committee in writing that it intends to proceed with the project as proposed, despite the objections of the committee, within 30 days of

the committee's refusal to approve the project.

The bill does not change the requirement for CPE to approve all capital projects and still requires projects to be presented to the Capital Projects and Bond Oversight Committee.

**FISCAL EXPLANATION:** There would be no fiscal impact to the state as the institutions' cash restricted funds, agency funds, or a combination of restricted funds, agency funds, federal funds, or private funds must cover one hundred percent of the actual cost. This must be certified to the CPBOC of LRC by the governing board of the institution. Moneys specifically budgeted and appropriated by the state for another purpose are not to be spent on the capital project and shall not jeopardize any existing program, nor require the use of any current general fund appropriation specifically dedicated to an existing program, and there is to be no request to the General Assembly for maintenance and operation of the project in subsequent fiscal years.

**DATA SOURCE(S):** Council on Postsecondary Education

**PREPARER:** Jennifer Krieger **NOTE NUMBER:** 50 **REVIEW:** JRS **DATE:** 1/29/2016