

1 AN ACT relating to branch budget recommendations.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) Kentucky State University, recognized as a land-grant institution, shall be a*
6 *polytechnic institution that focuses on highly technical, industry-based applied*
7 *learning and offers programs aligned with the workforce needs of the*
8 *Commonwealth.*

9 *(2) The General Assembly declares that a state of financial exigency exists at*
10 *Kentucky State University for five (5) years from the effective date of this Act or*
11 *until such a date that the General Assembly affirmatively declares, based upon*
12 *the recommendation of the Council on Postsecondary Education, that the*
13 *university's finances are stable, whichever occurs first.*

14 *(3) (a) Kentucky State University shall not enter into any obligation or make any*
15 *expenditure costing five thousand dollars (\$5,000) or more without prior*
16 *approval of the Council on Postsecondary Education, including but not*
17 *limited to any purchase, contract, or increase due to a personnel action.*

18 *(b) Kentucky State University shall:*

19 *1. Provide a monthly report of university finances to the Council on*
20 *Postsecondary Education in the format requested by the council. The*
21 *council shall provide a quarterly update on the financial status of the*
22 *university to the Governor and the Legislative Research Commission;*

23 *2. Fully cooperate with the council in its exercise of the financial*
24 *oversight granted to the council under this subsection;*

25 *3. Timely provide all information and documentation deemed by the*
26 *council to be relevant to the financial oversight; and*

27 *4. Timely consult with the council on all major financial matters during*

1 the state of financial exigency declared in subsection (2) of this
2 section.

3 (c) The financial oversight granted to the council under this subsection shall
4 continue for the entire duration of the financial exigency declared in
5 subsection (2) of this section.

6 (4) Notwithstanding KRS 164A.560, beginning no later than July 1, 2027, all
7 financial transactions of Kentucky State University shall be reported and
8 reconciled no less than monthly in the Enhanced Management Administrative
9 Reporting System (EMARS).

10 (5) Kentucky State University shall not incur a budget deficit for the remaining
11 duration of the financial exigency declared in subsection (2) of this section.

12 (6) Any organization registered with the Kentucky Secretary of State or any member
13 or officer of any such organization having entered into a public-private lease
14 agreement with Kentucky State University shall not be eligible to transact any
15 business or enter into any contract with Kentucky State University or any other
16 agency or instrumentality of the Commonwealth or subdivision thereof after the
17 effective date of this Act. Any such contract purported to be executed or renewed
18 with any such organization or individual after the effective date of this Act shall
19 be null and void.

20 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
21 READ AS FOLLOWS:

22 (1) The Kentucky State University board of regents, in consultation with the Council
23 on Postsecondary Education, shall conduct a thorough review of all academic
24 programs for long-term viability, financial stability, alignment with the
25 university's mission as a polytechnic institution, the requirements of subsection
26 (4) of this section, and other criteria determined by the board and the council,
27 and determine the academic programs that the institution proposes to maintain.

- 1 No later than June 1, 2026, the board shall submit to the council for approval:
- 2 (a) A list of the programs the board proposes to maintain; and
- 3 (b) A list of the programs the board recommends to submit to the Southern
- 4 Association of Colleges and Schools Commission on Colleges (SACSCOC)
- 5 for closure or other substantive change and the corresponding proposed
- 6 teach-out plan or teach-out arrangement for each program recommended.
- 7 (2) The Council on Postsecondary Education shall review the proposals and any
- 8 teach-out plan and teach-out agreement submitted by the Kentucky State
- 9 University board in accordance with subsection (1) of this section and may direct
- 10 the board to amend any portion thereof prior to submitting a substantive
- 11 change for the review and approval of SACSCOC. Any substantive change
- 12 request necessary under this section shall be submitted for the review and
- 13 approval of SACSCOC no later than July 1, 2026.
- 14 (3) Kentucky State University shall close each program approved for closure by the
- 15 SACSCOC and implement the corresponding teach-out plan or teach-out
- 16 agreement as approved by that accrediting body.
- 17 (4) Beginning with the 2026-2027 academic year and continuing for five (5)
- 18 academic years thereafter, Kentucky State University shall offer no more than ten
- 19 (10) academic areas of study, excluding any program that is:
- 20 (a) Exclusively online;
- 21 (b) In the college of education; and
- 22 (c) Determined by the Council on Postsecondary Education to be necessary to
- 23 the university's mission as a polytechnic institution.
- 24 (5) Notwithstanding any statute or Kentucky State University policy to the contrary,
- 25 the president of Kentucky State University shall have the authority to terminate
- 26 employment of any university employee, including tenured employees, upon thirty
- 27 (30) days' notice for the entire duration of the financial exigency declared in

1 Section 1 of this Act. During this time, the university shall retain only the faculty
2 and staff necessary to support the enrollment of one thousand (1,000) in-person
3 students and the programs maintained by the university in accordance with
4 subsections (1) and (4) of this section. Faculty and staff employed in programs
5 closed in accordance with this section shall be terminated but shall not be
6 prohibited from applying for other positions available at the university.

7 (6) Notwithstanding subsections (4) and (5) of this section, Kentucky State University
8 shall abide by all instructions provided by SACSCOC that are required to
9 maintain institutional accreditation.

10 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
11 READ AS FOLLOWS:

12 (1) Kentucky State University shall not admit a new applicant unless the applicant
13 has:

14 (a) Attained a cumulative unweighted high school grade point average of no
15 less than two point five (2.5) on a four (4) point scale; and

16 (b) Achieved a composite ACT score of no less than eighteen (18) or an
17 equivalent score on the SAT or another nationally recognized college
18 readiness examination approved by the Council on Postsecondary
19 Education.

20 (2) Any individual with an outstanding balance to Kentucky State University in
21 excess of one thousand dollars (\$1,000) due and owing for more than thirty (30)
22 days shall not be admitted or readmitted to the university or permitted to enroll or
23 continue in any online or in-person course, seminar, or program at the
24 university.

25 (3) Except as otherwise provided in this section and notwithstanding any statute to
26 the contrary, the president of Kentucky State University shall have sole discretion
27 as to the admission, readmission, or enrollment of any student or former student

1 of the university who otherwise meets the university's admission and enrollment
2 criteria for the entire duration of the financial exigency declared in Section 1 of
3 this Act.

4 (4) (a) Kentucky State University shall submit a quarterly report to the Council on
5 Postsecondary Education in the format requested by the council that details
6 each outstanding balance in excess of one thousand dollars (\$1,000) that
7 has been due and owing to the university for more than thirty (30) days and
8 the efforts of the university to collect those debts.

9 (b) The council shall provide an annual update on the debts and collection
10 efforts reported under paragraph (a) of this subsection to the Governor and
11 the Legislative Research Commission.

12 (c) The quarterly reporting required in paragraph (a) of this subsection shall
13 continue for the entire duration of the financial exigency declared in
14 Section 1 of this Act and may continue at the discretion of the council at a
15 frequency determined by the council thereafter.

16 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
17 READ AS FOLLOWS:

18 (1) Kentucky State University shall:

19 (a) Diligently attempt to collect debts and refer all debts in excess of one
20 thousand dollars (\$1,000) that have been due and owing for more than sixty
21 (60) days to the Department of Revenue for collection in accordance with
22 KRS 45.238;

23 (b) Have the unfettered right to intercept federal income tax refunds and state
24 income tax refunds, pursuant to applicable federal regulations and KRS
25 131.560 to 131.595, to satisfy any debts; and

26 (c) Intercept any federal income tax refunds and state income tax refunds to
27 satisfy any debt in excess of one thousand dollars (\$1,000).

1 (2) Notwithstanding KRS 131.565 or any other statute to the contrary, the
2 Department of Revenue shall not decline the withholding of individual income
3 tax refunds for debts referred to the department by Kentucky State University.

4 ➔Section 5. KRS 164.290 is amended to read as follows:

5 ~~{(1)}~~The state colleges formerly designated as Eastern Kentucky State College,
6 Morehead State College, Murray State College, Western Kentucky State College,
7 Northern Kentucky State College, and Kentucky State College may be known and
8 recognized as Eastern Kentucky University, Morehead State University, Murray State
9 University, Western Kentucky University, Northern Kentucky University, and Kentucky
10 State University.}

11 ~~(2) Kentucky State University located at Frankfort, Kentucky, is a land grant state~~
12 ~~institution and, as such, all the provisions of KRS Chapter 164 shall likewise apply~~
13 ~~to Kentucky State University. It is the intent of the General Assembly that~~
14 ~~Kentucky State University shall serve as a four (4) year residential institution~~
15 ~~emphasizing a program of liberal studies appropriate to its size and resources.}~~

16 ➔Section 6. No later than July 1, 2026, each fraternity or sorority shall reapply to
17 Kentucky State University for official recognition of the organization's charter. If the
18 board of regents of Kentucky State University does not reaffirm the charter by August 1,
19 2026, recognition of the organization's charter shall be revoked.

20 ➔Section 7. Whereas Kentucky State University is in a state of financial exigency
21 that needs to be remedied, an emergency is declared to exist, and this Act takes effect
22 upon its passage and approval by the Governor or upon its otherwise becoming a law.