

TITLE: 2022-24 Budget Development Update – House Budget (HB 1)

DESCRIPTION: Staff provides a summary of postsecondary education provisions in the 2022-24 House Budget (HB 1)

PRESENTERS: Shaun McKiernan, Executive Director of Finance and Budget, CPE
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SUMMARY INFORMATION

House leadership (40 sponsors, including Speaker David Osborne) posted HB 1, their proposal for the state's 2022-24 Executive Branch budget on January 7, 2022. The timing was unprecedented, since the bill posted prior to the Governor's budget presentation on January 13, the eighth legislative day. The statutory deadline is the tenth day.

Highlights of the bill pertaining to postsecondary education include the following:

- \$50.0 million in new funding for the Postsecondary Education Performance Fund
- Maintenance of pension subsidies for KERS-participating institutions (EKU, KSU, MoSU, MuSU, WKU, and KCTCS) at 2021-22 level
- KSU land grant funding at requested levels in 2021-22 and in upcoming biennium
- \$700.0 million for asset preservation (\$350.0 million per year - cash funded) distributed based on education and general square footage, with a 25% match requirement for research institutions only
- \$30.0 million for Bucks for Brains (\$15.0 million each year in Bond Funds)
- \$2.2 million in 2022-23 and \$4.5 million in 2023-24 for the Workforce Development Trust Fund
- \$20.0 million in each year for the Healthcare Workforce Initiative

- \$1.0 million for Kentucky Regional Optical Network campus upgrades

In addition, the House budget provides \$6.1 million for UK agricultural extension employee salary adjustments and \$300,000 for UofL's Center for Military Connected Students in 2022-23 and 2023-24 and provides \$200,000 in 2022-23 for ECU's Center for the Arts.

As a reminder, CPE recommended \$67.5 million and \$90.0 million for Performance Funding for 2022-23 and 2023-24, respectively, and a 50% match for all institutions on state funds for Asset Preservation, with distribution of those funds based largely on VFA Study-identified need. CPE requested \$60.0 million for Bucks for Brains. The House Budget did not fund CPE's request for General Fund for staff related to expansion of duties, the Education Continuum, SREB Doctoral Scholars expansion, or CPE's Student Portal. See the attached tables for additional detail.