

**TITLE:** Interim Capital Project Requests – KCTCS

**RECOMMENDATION:** Staff recommends that the Finance Committee approve the five proposed interim capital projects from KCTCS and request final approval by the Council at its November 17, 2023, meeting.

**STAFF CONTACT:** Shaun McKiernan, Executive Director of Finance and Budget, CPE

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**COMMITTEE REVIEW & APPROVAL**

The Finance Committee reviewed and approved the interim capital project requests from the Kentucky State University during its October 23, 2023, meeting.

**SUPPORTING INFORMATION**

On October 5, 2023, KCTCS officials requested CPE approve five interim capital projects. These projects were reviewed and approved by the KCTCS Board of Regents on September 22, 2023.

- 1. Big Sandy CTC - Pikeville Nursing Renovation - \$1,500,000.**  
This federal funded project will upgrade facilities for the Pikeville Regional Technology Center nursing program. The project will allow Big Sandy CTC to renovate classrooms and labs that will house the college's Nursing Education Program after its relocation from the Summit Building at Pikeville Medical Center. The renovation will also improve and expand the Emergency Management Technical/Paramedic and Nurse Aid training programs' capacity from 30 to 75 students.
- 2. Southcentral CTC - Franklin Simpson Center Roof Replacement - \$1,200,000.**  
This project will replace 41,300 square feet of roofing and will be funded with agency restricted funds.
- 3. Southcentral CTC - Signage - \$1,200,000.**  
This agency restricted fund project will construct a main campus sign to contain lettering and video boards. The project will include removal of the existing sign, site development, a decorative fence element, lighting, and landscaping.
- 4. Owensboro CTC - Mobile Healthcare Labs - \$2,000,000.**  
This project will be funded with federal grant funds and will purchase two mobile healthcare labs. The mobile healthcare simulation labs are a vital part of the

Commonwealth West Healthcare Workforce Innovation Center Initiative. The mobile labs will service sixteen counties in western Kentucky, providing access to education for students who may not choose to attend college due to location or life challenges. The mobile unit will maximize healthcare education training and recruitment opportunities for the following KCTCS institutions: Elizabethtown, Henderson, Hopkinsville, Madisonville, and Owensboro.

**5. Bluegrass CTC - Property Acquisition - \$4,000,000.**

This agency restricted funds project will allow the purchase of an existing 80,040 gross square foot building on 15.42 acres (804 parking spaces) that is near the BCTC Winchester campus. The nursing program on this campus is in need of expansion, and this project will allow the current faculty to teach more students. In addition, BCTC has plans in the near future to expand Dual Credit, Workforce Training, and Commercial Driver's Training in the Clark/Estill County Area, and this project will facilitate these expansions.

## **APPROVAL PROCESS**

House Bill 592 (2018) created a new provision in KRS 164A.575, which allows public postsecondary institutions to authorize capital projects not specifically listed in the state budget as long as the projects are funded with non-general fund appropriations, do not jeopardize funding for existing programs, and are reported by the institution to the Capital Projects and Bond Oversight Committee. The pertinent section of KRS 164A.575 is provided below:

- (15) Notwithstanding KRS 45.760, the governing board may authorize a capital construction project or a major item of equipment even though it is not specifically listed in any branch budget bill, subject to the following conditions and procedures:
  - (a) The full cost shall be funded solely by non-general fund appropriations;
  - (b) Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or re-allotted for expenditure on the project or major item of equipment. Moneys utilized shall not jeopardize any existing program and shall not require the use of any current general funds specifically dedicated to existing programs; and
  - (c) The institution's president, or designee, shall submit the project or major item of equipment to the Capital Projects and Bond Oversight Committee for review as provided by KRS 45.800.

The approval process for a capital project that exceeds \$1,000,000 is as follows:

- The project must be submitted to the Council on Postsecondary Education for review and action;
- If approved by the Council, projects at KCTCS and KSU are submitted to the Secretary of the Finance and Administration Cabinet for review and action, and subsequently submitted by the Secretary to the Capital Projects and Bond Oversight Committee for review;

- If approved by the Council, projects at ECU, MoSU, MuSU, NKU, UK, UofL, and WKU are submitted by the requesting institution to the Capital Projects and Bond Oversight Committee for review, and a copy is provided to the Finance and Administration Cabinet as information; and
- Following review and action by the appropriate agencies, the project may be initiated by the requesting institution.

Because these projects were not previously approved by the Council and were not authorized in the enacted 2022-24 budget, Council approval is now required to authorize these projects. KCTCS will not be debt financing any portion of these projects; therefore, provisions of KRS 45.763 do not apply.

### **NEXT STEPS**

Following Council action, staff will notify the president of KCTCS, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee of the Council's recommendation concerning these projects.