

TITLE: Interim Capital Project – UofL Ekstrom Library Expansion

RECOMMENDATION: Staff recommends that the Finance Committee approve an \$8,000,000 privately funded interim project at the University of Louisville to expand the Ekstrom Library and recommend the Council provided final approval at its June 9, 2023, meeting.

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

SUPPORTING INFORMATION

University of Louisville officials requested CPE approval for an interim capital project to expand the Ekstrom Library (currently, about 324,600 total square feet) using \$8,000,000 in private donations. The project will add 1,800 square feet to three floors (basement, first and second) on the south side of the building, and will provide additional space for study and collaboration, offices, and university archives. It will also allow existing space to be repurposed to better meet the needs of the university.

The UofL Board of Trustees approved this project on April 20, 2023. If approved, UofL officials anticipate construction to start November 2023 and to be completed July 2025. State general fund appropriations will not be used for this project, and no funds appropriated for another purpose will be used to complete this project.

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 this project was not previously approved by the Council and it was not authorized in the enacted 2022-24 budget, Council approval is now required to authorize this project.

NEXT STEPS

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