

**TITLE:** Update on 2022-2024 Asset Preservation Funding

**DESCRIPTION:** The Finance Committee received an update on the use of Asset Preservation Pool funds, as per the guidelines approved in June 2022.

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**COMMITTEE'S REVIEW**

The Finance Committee received this information update at their March 25, 2024, meeting. It will not be covered or presented in detail at the March 28 board meeting; however, staff will be available for questions.

**BACKGROUND INFORMATION**

In the 2022-2024 state budget (HB 1, 2022 RS), the General Assembly appropriated \$683.5 million in General Fund supported bond funds for asset preservation projects on postsecondary education campuses. When combined with a \$16.5 million stand-alone project for KCTCS, total funding for asset preservation for the biennium was \$700.0 million.

Allocation of the funding among institutions was based on each institution's share of Education and General (Category 1 and 2) square footage. Research universities are required to match each dollar of state funding with 30 cents of institution resources, while the comprehensive universities and KCTCS are required to match each state dollar with 15 cents. Asset Preservation funds may be used to address renovation and renewal needs of Education and General facilities and state-owned and operated residential housing.

On June 17, 2022, the Council approved Asset Preservation Pool Guidelines that provide information on the process used to obtain project approvals and request reimbursement of funds from the state. The guidelines also require CPE staff to periodically provide updates to the Council on the use of Asset Preservation Pool funds. As can be seen in Attachment A, as of February 29, 2024, Kentucky public postsecondary institutions have drawn down 20% of the \$683.5 million appropriated for asset preservation, or \$136.1 million. See Attachment B for a listing of postsecondary institution projects and the state funds drawn by project to date.