

COUNCIL ON POSTSECONDARY EDUCATION FINANCE COMMITTEE MEETING



September 2, 2021 – 2:00 PM, EST

ZOOM teleconferencing for Finance Committee members

Livestream: <https://www.youtube.com/c/KentuckyCouncilOnPostsecondaryEducationFrankfort>

I.	Call to Order and Roll Call	
II.	Approval of the Minutes – June 23, 2021 minutes	2
III.	Update from CPE President, Aaron Thompson	
	A. Commission on Race and Access to Opportunity	5
	B. Capital Planning Advisory Board Presentation	22
IV.	Biennial Budget Development Update	48
V.	COVID-19 Related Costs and Foregone Revenue	50
VI.	Adjournment	
	<i>Next Committee meeting: October 28, 2021 @ 10am ET</i>	

DRAFT MINUTES
Council on Postsecondary Education

Type: Finance Committee Meeting
Date: June 23, 2021
Time: 10:00 a.m. ET
Location: Virtual Meeting by ZOOM Webinar; Public viewing hosted on CPE YouTube Page

CALL TO ORDER

The Finance Committee met Wednesday, June 23, 2021, at 10:00 a.m., ET. The meeting occurred virtually via ZOOM teleconference. Members of the public were invited to view the livestream on the CPE YouTube page.

Committee Chair Lucas Mentzer presided.

ATTENDANCE

Committee members in attendance: Eric Farris, Lucas Mentzer, Richard Nelson, and Robert Staat.

Committee members not in attendance: Colby Birkes and Carol Wright.

Other Council members in attendance: Doris Thomas and Madison Silvert.

Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

APPROVAL OF THE MINUTES

The minutes of the May 11, 2021 Finance Committee meeting were approved as distributed.

CAMPUS TUITION AND MANDATORY FEE PROPOSALS

Dr. Bill Payne, CPE's Vice President of Finance and Administration, reminded the Committee of the Tuition and Mandatory Fee parameters approved at the May 13 Council meeting, which were:

Resident undergraduate tuition and mandatory fee ceilings for academic years 2021-22 and 2022-23 that equate to:

- A maximum base rate increase of no more than 3.0 percent over two years, and a maximum increase of no more than 2.0 percent in any one year, for public research and comprehensive universities.
- A maximum base rate increase of no more than \$5.⁰⁰ per credit hour over two years, and a maximum increase of no more than \$3.⁰⁰ per credit hour in any one year, for students attending KCTCS institutions.

Public institutions may also be allowed to submit for Council review and approval:

- Nonresident undergraduate tuition and fee rates that comply with the Council's *Tuition and Mandatory Fees Policy*, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution.
- Market competitive tuition and fee rates for graduate and online courses.

Dr. Payne then stated each of the postsecondary institutions submitted tuition and fee proposals for academic year 2021-22 to the Council. Those proposals were reviewed for every degree level, residency, and attendance status and determined that they comply with Council approved ceilings.

Staff recommended the Committee approve the Finance Committee approve, and endorse to the full Council, the following tuition and mandatory fee proposals for academic year 2021-22.

MOTION: Dr. Staat moved to approve the staff recommendation. Mr. Nelson seconded the motion.

Before voting, Committee members held a discussion regarding declining campus enrollments; increasing costs due to a number of factors including personnel expenses, maintenance and operations costs, and retirement plans; and continuing budget cuts from the legislature.

VOTE: The motion passed.

INTERSTATE TUITION RECIPROCITY AGREEMENTS

Mr. Shaun McKiernan, CPE's director of Finance and Budget, presented tuition reciprocity renewal agreements with the states of Ohio, Indiana, and West Virginia. All

three agreements were set to expire on June 30, 2021. Staff worked with officials from those states and participating Kentucky institutions to renegotiate the agreements in compliance with policies adopted by the Council. The proposed renewals had only minimal changes from the agreements currently in place.

Kentucky/Indiana New Term: July 1, 2021 – June 30, 2025

Kentucky/West Virginia New Term: July 1, 2021 – June 30, 2023

Kentucky/Ohio New Term: July 1, 2021 – June 30, 2023
(3 separate agreements)

MOTION: Mr. Nelson moved to approve all five agreements. Mr. Farris seconded the motion.

VOTE: The motion passed.

COMMITTEE MEETING DATES FOR 2021

Council staff proposed upcoming Finance Committee meeting dates of September 2 and October 28. Both meetings are tentatively planned to take place at the Council offices in Frankfort, and will have a teleconferencing option.

ADJOURNMENT

The Finance Committee adjourned at 10:25 a.m., ET.

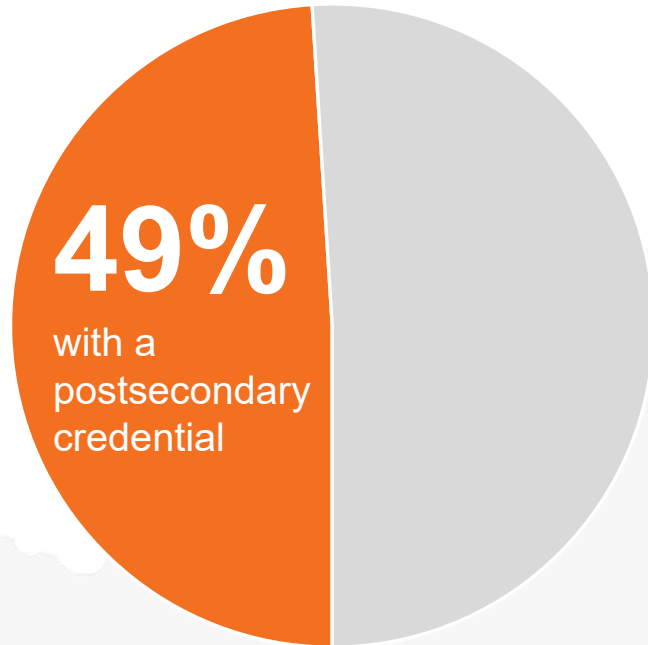


Update on Closing Kentucky's Opportunity Gaps

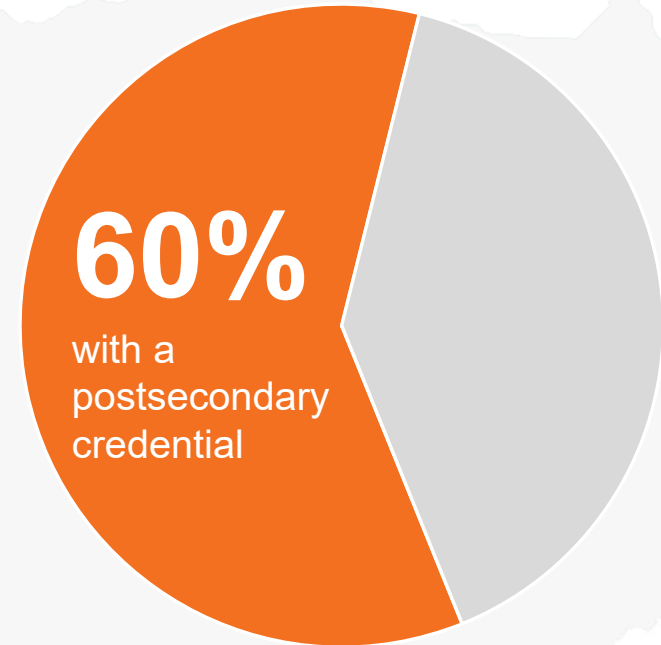
President Aaron Thompson
Kentucky Council on Postsecondary Education
Aug. 18, 2021

Kentucky's Educational Attainment Goal

2019 Educational Attainment

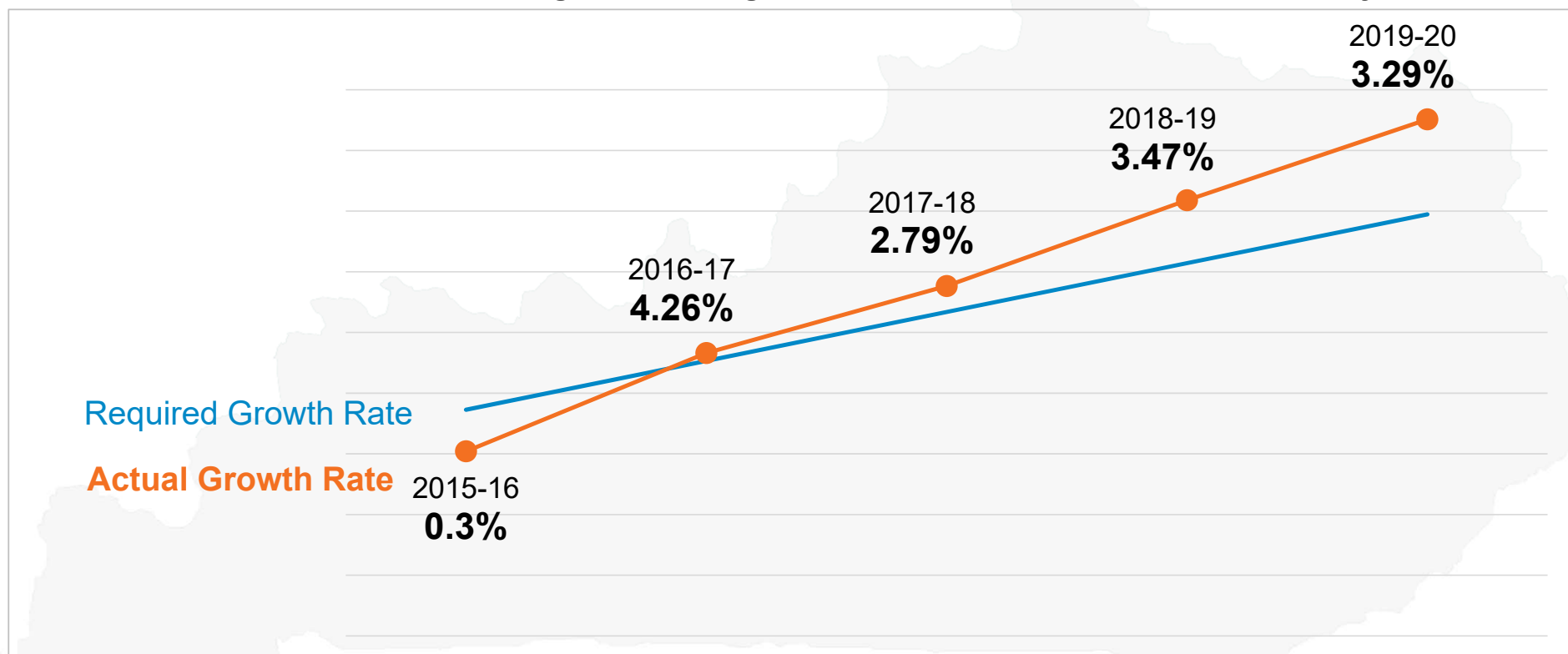


2030 Educational Attainment



Kentucky continues to surpass growth rate needed to reach the state 60x30 goal

Increases in the Number of Undergraduate Degree and Credential Holders in Kentucky



3

CPE's Guiding Framework to Meet the Goal



**Kentucky's
Performance
Funding Model**



**Kentucky's
Strategic Agenda
for Postsecondary
Education**



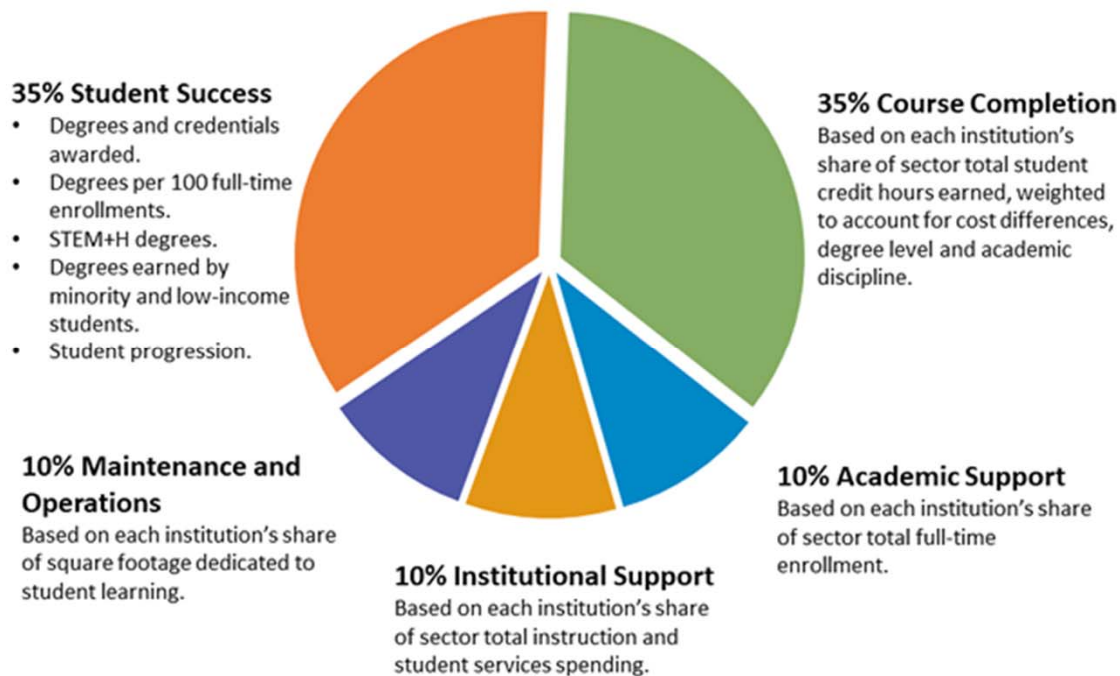
**CPE Policy for
Diversity, Equity
and Inclusion**

CONTINUOUS ACCOUNTABILITY AND PROGRESS

How Our Framework Works

- **Strategic agenda:** Sets goals and metrics aligned to the overall state goal (60x30) for all public campuses.
- **Diversity policy:** Helps campuses set and meet goals specifically targeted to increase the success of underserved and underrepresented populations.
 - *Kentucky is the first state in the nation to tie academic program approval to meeting diversity metrics.*
- **Performance funding model:** Rewards campuses for their progress in moving Kentucky toward goal completion.

How Performance Funding Incentivizes Student Success



The formula focuses campuses on

- Retention and timely completion.
- Undergraduate degrees and credentials.
- Degree and credential attainment by minority, low income and underprepared students.
- More degrees and credentials in fields that garner higher wages upon completion (STEM+H, high-demand, and targeted industries).

Example of How the Incentives Work

Performance Funding Model for the Public Universities
 Premiums for Minority, Low Income, and STEM+H Degree Production
 Fiscal Year 2021-22

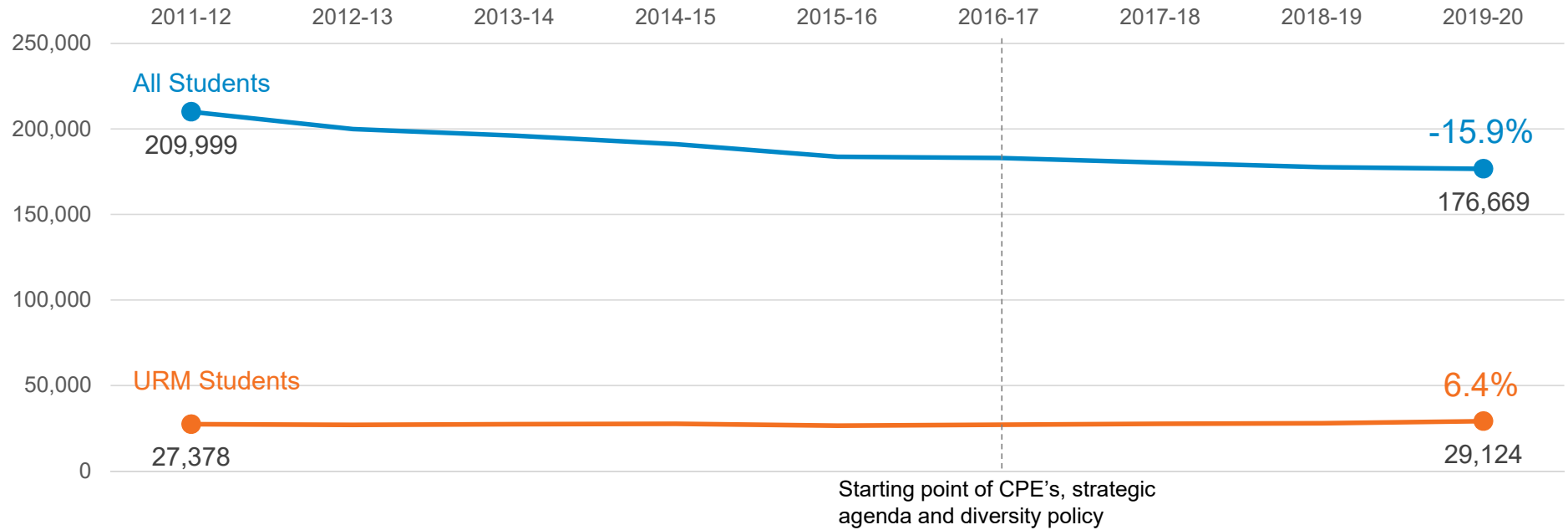
Component Category	Allocation Percent	Size of Pool	Weighted Degrees	State Funding per Degree	Funding Multiple
A → Bachelor's Degrees	9.0%	\$47,735,300	24,706	\$1,932	1.0
Bachelor's Degrees				\$1,932	
B → Minority Bachelor's	3.0%	\$15,911,800	2,872	5,540	
Minority Total				\$7,472	3.9
Bachelor's Degrees				\$1,932	
C → Low Income Bachelor's	3.0%	\$15,911,800	11,535	1,379	
Low Income Total				\$3,311	1.7
Bachelor's Degrees				\$1,932	
D → STEM+H Bachelor's	5.0%	\$26,519,600	8,277	3,204	
STEM+H Total				\$5,136	2.7
Degree Production Pool:	20.0%	\$106,078,500			



URM Progress at Our Public Institutions

Overview of Enrollment

While overall enrollment at public institutions has declined, URM enrollment has increased



Greatest need: Increase low-income URM enrollment

Public Universities Undergraduates

	Fall 2012	Fall 2019	Change
<i>All Students</i>	101,697	98,185	-3%
All URM Students	13,020	15,998	23%
URM Not Low-Income Students	5,415	8,214	52%
URM Low-Income Students	7,605	7,784	2%

KCTCS

	Fall 2012	Fall 2019	Change
<i>All Students</i>	108,302	78,484	-28%
<i>All URM Students</i>	14,358	13,126	-9%
URM Not Low-Income Students	5,402	6,773	25%
<i>URM Low-Income Students</i>	8,956	6,353	-29%
<i>All Low-Income Students</i>	48,325	29,700	-38.5%

Overall progress with retention rates, across populations

Public Universities

	Fall 2011 – Fall 2012	Fall 2019 – Fall 2020	Change
All Students	72.6%	80.6%	+8pp
All URM Students	64.8%	78%	+13.2pp
URM Not Low-Income Students	70.4%	80%	+9.6pp
URM Low-Income Students	66.5%	75.2%	+8.7pp

KCTCS

	Fall 2011 – Fall 2012	Fall 2019 – Fall 2020	Change
All Students	50.9%	57.1%	+6.2pp
All URM Students	40%	50.9%	+10.9pp
URM Not Low-Income Students*	36.8%	48%	+11.2pp
URM Low-Income Students	52.4%	52.2%	-0.2pp

*Data missing for Fall 2011 – Fall 2012; Number used is for Fall 2012 – Fall 2013.

Another need: Increasing low-income URM graduation rates at both the universities and KCTCS

Public Universities (Six-Year Rates)

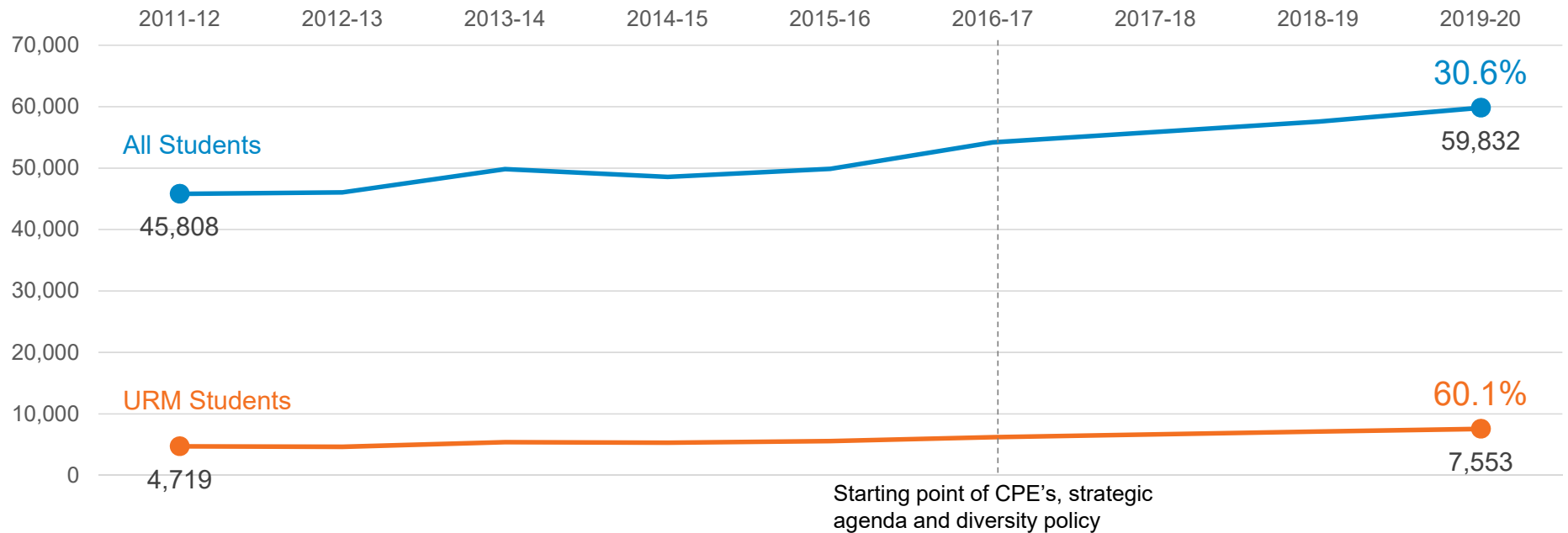
	AY 2012	AY 2019	Change
All Students	47.6%	56.4%	+8.8pp
All URM Students	33.6%	44%	+10.4pp
URM Not Low-Income Students	70.4%	74.6%	+4.2pp
URM Low-Income Students	66.5%	69.2%	+2.7pp

KCTCS (Three-Year Rates)

	AY 2012	AY 2019	Change
All Students	24.9%	36.3%	+11.4pp
All URM Students	13.3%	24.3%	+11pp
URM Not Low-Income Students	36.8%	42.4%	+5.6pp
URM Low-Income Students	52.4%	48.1%	-4.3pp

Overview of Degree and Credential Attainment

URM undergraduate degree and credential progress is double that of all students



Bachelor's Degrees Awarded by Public Universities

Overall

	AY 2012	AY 2019	Change
All Students	16,244	19,147	18%
All URM Students	1,548	2,707	75%
URM Not Low-Income Students	524	1,082	106%
URM Low-Income Students	1,024	1,625	59%

STEM+H

	AY 2012	AY 2019	Change
All Students	4,500	6,643	48%
All URM Students	285	706	148%
URM Not Low-Income Students	128	349	173%
URM Low-Income Students	157	357	127%

Credentials Awarded by KCTCS

(Includes certificates, diplomas and associate degrees)

Overall

	AY 2012	AY 2019	Change
All Students	28,545	29,291	3%
All URM Students	3,085	4,679	52%
URM Not Low-Income Students	637	1,484	133%
URM Low-Income Students	2,448	3,195	31%

STEM+H

	AY 2012	AY 2019	Change
All Students	10,271	13,787	34%
All URM Students	957	1,782	86%
URM Not Low-Income Students	222	603	172%
URM Low-Income Students	735	1,179	60%

How Campuses Are Facilitating Change and Progress

1. **Redefining the way they look at student success**, taking a more holistic, institution-wide look at student success through inter-departmental teams and strategic focus on data and predictive analytics.
2. **Targeted recruiting practices**, focusing more on URM and low-income students.
3. **Increasing outreach** via organizations and activities focused on these demographic groups.
4. **Shifting institutional financial aid** from merit to need-based and focusing on unmet need.
5. **Implementing high impact practices**, such as learning communities.
6. **Focusing on the transition to postsecondary** through academic readiness, bridge programming and early intervention strategies (such as early warning systems).
7. **Increased focus on advising.**
8. **Training** faculty and staff in cultural competency.

Questions?



Twitter: CPENews and CPEPres



Website: <http://cpe.ky.gov>



Facebook: KYCPE





Council on Postsecondary Education 2022-24 Capital Investment Priorities for Postsecondary Education

Capital Planning Advisory Board
August 18, 2021

Overview

- 1) Priorities for **Postsecondary Institutions**
 - a) Background
 - b) Draft 2022-24 Capital Request
 - c) Asset Preservation Projects
 - d) Information Technology Projects
- 2) Priorities for **CPE Agency Budget**
 - a) Background
 - b) Draft 2022-24 Capital Request



2022-24 Capital Investment Priorities for **Postsecondary Institutions**



Background

Who We Are?

- 8 public universities
- 16 community and technical colleges
- Over 28 million square feet in E&G facilities
- More than 30,000 faculty and staff
- Over 193,000 students
- 500,000+ alumni



Background *(Cont'd)*

Recent Progress

- CPE worked with campuses to adopt **lowest tuition increases** in over 20 years (0.7% in 2021; 1.1% in 2022)
- Great progress **closing achievement gaps** (URM bachelor's degrees up 40%; KCTCS credentials up 39% since 2014)
- Number of **STEM+H degrees and credentials** grew at unprecedented rates (STEM+H bachelor's degrees up 30%; KCTCS credentials up 21% since 2014)
- Number of **short-term certificates** increased by 9.5% in 2020
- Kentucky now has the highest number of certificate earners among surrounding states
- High school students taking **dual credit courses** increased 75% over the past six years (program expansions and scholarships helped this growth)



Background *(Cont'd)*

Enrollment Growth and Research Activity Drive Space Needs

Metric	1999	2020	% Change
KCTCS FTE Students	24,907	40,578	63%
University Undergraduate FTE	71,800	80,543	12%
University Graduate FTE Students	13,909	20,020	44%
Extramural Research (UK/UofL)*	\$124 M	\$364 M	194%

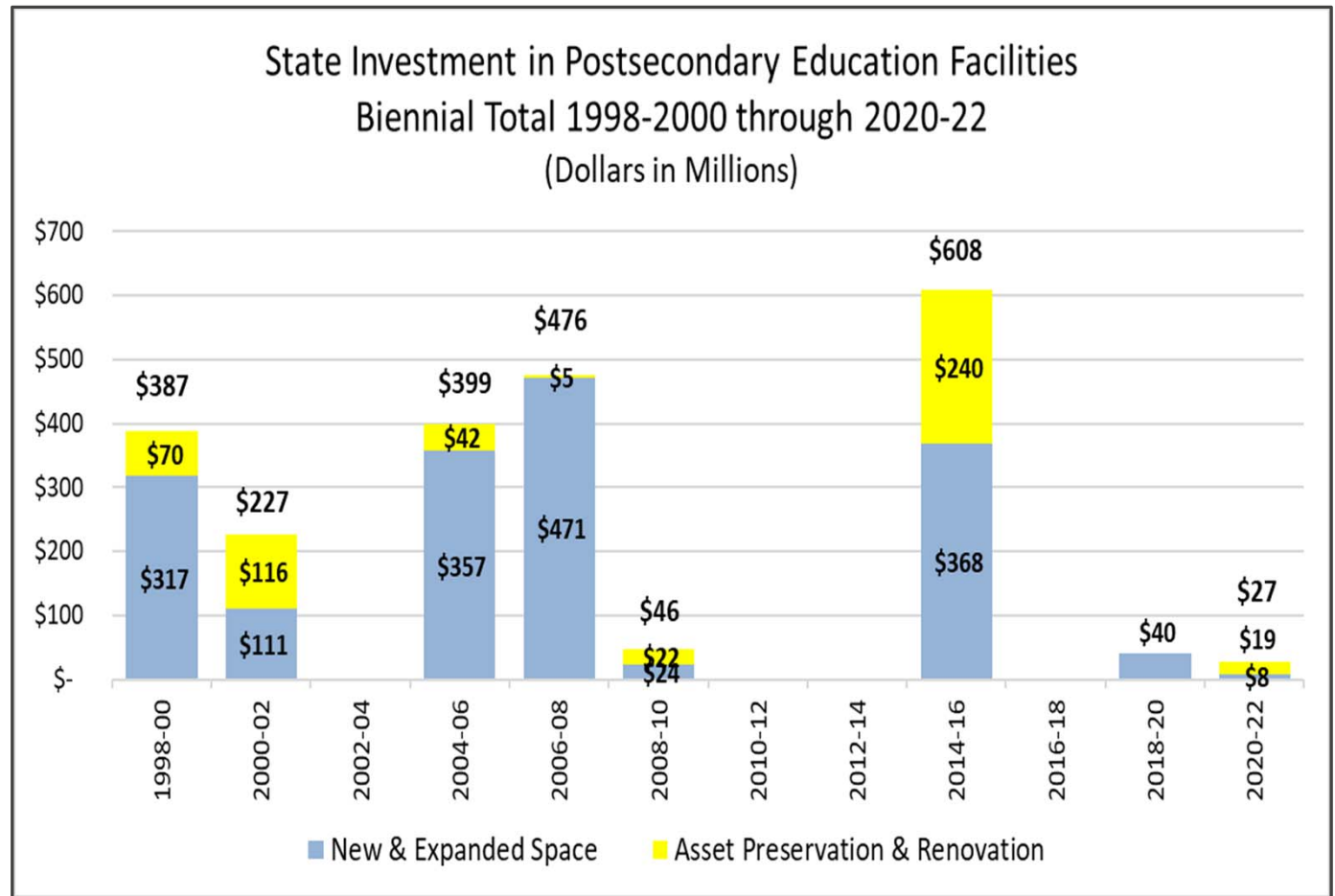


*2019 Higher Education Research and Development Survey

Background *(Cont'd)*

Over the past 24 years, Kentucky has invested:

- \$1.7 billion in new and expanded E&G facilities
- \$514.0 million in state funded asset preservation projects
- Ratio of spending on new construction to asset preservation was 3-to-1



Draft 2022-24 Capital Request

State Funding for Capital Investment Priorities for Postsecondary Institutions *(Dollars in Millions)*

Category	2022-23	2023-24	Biennium
Asset Preservation	\$350	\$350	\$700
New Construction	TBD	TBD	TBD
Technology Infrastructure	\$40	\$40	\$80
Total Request	TBD	TBD	TBD



Draft 2022-24 Capital Request *(Cont'd)*

→ Request Features

- **\$700 M** of state funding for Asset Preservation (matched with \$350 M of institutional funds)
- State funds will address about 10% of system total estimated need (\$7.3 Billion+)
- Funding pool supported by list of priority projects
- Allocated based on each institution's share of system total renovation and renewal need
- **\$80 M** of state funding for Technology Infrastructure



Draft 2022-24 Capital Request *(Cont'd)*

Preliminary Asset Preservation Allocation by Institution

<u>Campus</u>	<u>2013 VFA Study Renovation and Renewal Need ¹</u>	<u>Percent of Total</u>	<u>State Funding</u>	<u>Institutional Matching Funds ²</u>
UK	\$2,689,404,000	36.8%	\$257,888,000	\$128,944,000
UofL	1,237,835,000	17.0%	118,697,000	59,348,500
EKU	526,448,000	7.2%	50,481,000	25,240,500
KSU	136,458,000	1.9%	13,085,000	6,542,500
MoSU	385,674,000	5.3%	36,982,000	18,491,000
MuSU	416,847,000	5.7%	39,972,000	19,986,000
NKU	352,630,000	4.8%	33,814,000	16,907,000
WKU	644,924,000	8.8%	61,842,000	30,921,000
KCTCS	909,780,000	12.5%	87,239,000	43,619,500
	<u>\$7,300,000,000</u>		<u>\$700,000,000</u>	<u>\$350,000,000</u>

¹ Figures obtained from Kentucky Postsecondary Education System Facility Condition and Space Study, Vanderweil Facilities Advisors, Paulien and Associates, and NCHEMS, February 2007 (updated in 2013).

² Given that institutions have sustained funding cuts and retirement system cost increases, CPE staff recommends a 50% match for asset preservation funds.



Draft 2022-24 Capital Request *(Cont'd)*

→ Rationale for Request

- System total asset preservation need is projected to reach \$7.3 B between 2017 and 2021 (VFA Study)
- Minimal state investment in asset preservation since 2008 (\$281 M or 3.8% of need)
- Investment is needed to maintain value, functionality, and safety of state-owned facilities
- Modern facilities and systems reduce operating costs and better serve students
- Construction costs grow between 3% and 6% per year



Need versus State Investment

Vanderweil Facilities Advisors

- Initial VFA Study completed in 2007, updated in 2013
- Identified investment needed to bring campus E&G facilities up to industry standards
- Over the past seven biennia, the state spent \$281.0 M on facilities renovation and renewal
- This represents about 3.8% of the projected \$7.3 billion system total asset preservation need

Projected Asset Preservation Need versus State Investment Fiscal Years 2007 through 2022

VFA Study Projections:

<u>Time Period</u>	<u>Projected Asset Preservation Need¹</u>
2007-2011	\$5.1 billion
2012-2016	6.3 billion
2017-2021	\$7.3 billion

¹ Cumulative Need

State Investment:

<u>Biennium</u>	<u>Appropriations for Asset Preservation</u>
2008-10	\$22.0 million
2010-12	0.0
2012-14	0.0
2014-16	240.0 million
2016-18	0.0
2018-20	0.0
2020-22	\$19.0 million
	<u>\$281.0 million</u>



Asset Preservation Projects

- CPE staff was asked to identify capital projects that represent the highest priorities for the system
- At this time, the top priority for 2022-24 is **\$700 M** for asset preservation (\$350 M each year)
- Allocated based on each institution's share of system total asset preservation need (VFA Study)
- Our report includes **69** asset preservation projects, that are at least partially funded with General Fund appropriations (total scope of **\$1.6 billion**)
- Projects were prioritized by the institutions when submitted, but are subject to change



Asset Preservation Projects *(Cont'd)*

Postsecondary Institution	2022-24 Total Scope ¹
University of Kentucky	370,000,000
University of Louisville	150,000,000
Eastern Kentucky University	243,850,000
Kentucky State University	35,571,000
Morehead State University	152,886,000
Murray State University	30,511,000
Northern Kentucky University	127,400,000
Western Kentucky University	330,200,000
KCTCS	203,900,000
Total	\$1,644,318,000



¹ Total scope of proposed asset preservation projects for 2022-24 that were included in each institution's six-year capital plan that request state General Fund support.

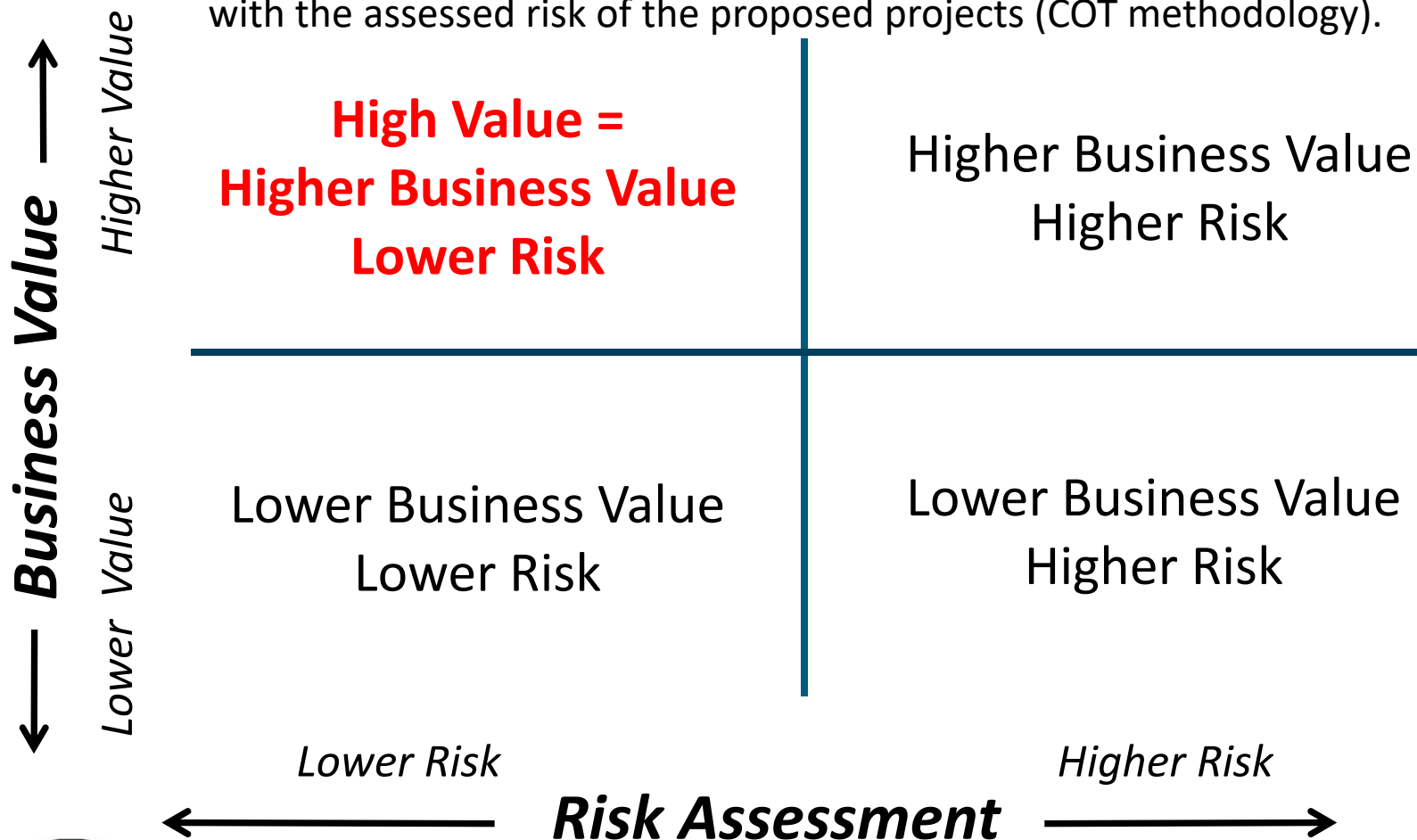
Information Technology Projects

- CPE staff was asked to review information technology projects submitted by the institutions
 - 34 projects were submitted, addressing network infrastructure, instruction, and administrative needs
- Staff formed an evaluation committee, comprised of public and private sector IT experts
 - 28 projects were deemed “High Value”
 - Four were UK HealthCare projects (\$45.0 M total)
 - 24 were campus projects (\$134.9 M total)
- High Value projects primarily focused on infrastructure, healthcare, and cybersecurity, which evaluators considered the most important



Information Technology Projects *(Cont'd)*

Project value rankings were determined by associating business value with the assessed risk of the proposed projects (COT methodology).



Information Technology Projects *(Cont'd)*

Institution	High Value Projects	Total Scope ¹
UK	Improve Enterprise Networking 1	5,000,000
UK	Improve Enterprise Networking 2	5,000,000
UK	Lease/Purchase Campus Call-Center System	5,000,000
UK	Lease/Purchase Campus IT Systems	10,000,000
UK	Lease/Purchase High Performance Computer	7,000,000
UK	Lease/Purchase Network Security	5,000,000
UK	Lease/Purchase Voice Infrastructure	3,000,000
UK	Repair/Replace Campus Infrastructure	4,000,000
UKHC	Acquire Data Center Hardware	15,000,000
UKHC	Acquire Telemedicine/Virtual ICU	10,000,000
UKHC	Repair/Replace Campus Infrastructure	10,000,000
UKHC	Implement Patient Communications System	10,000,000



¹ Technology projects that include state General Fund or other funding sources.

Information Technology Projects *(Cont'd)*

Institution	High Value Projects	Total Scope ¹
UofL	Computer Processing System & Storage	3,500,000
UofL	Computing for Research Infrastructure	7,000,000
UofL	Content Management System	4,000,000
UofL	Fiber Infrastructure	3,500,000
UofL	Identity Management	2,000,000
UofL	Networking System	8,000,000



¹ Technology projects that include state General Fund or other funding sources.

Information Technology Projects *(Cont'd)*

Institution	High Value Projects	Total Scope ¹
EKU	Campus Data Network Pool	\$13,000,000
KSU	Expand Campus Comm. Infrastructure	2,407,000
KSU	Upgrade IT Infrastructure 2018	12,263,000
KSU	Replace Enterprise Resource Plan. System	5,000,000
MoSU	Enhance Network/Infrastructure - Add'l	3,000,000
MoSU	Upgrade Instruct. PCCs/LANS/Peripherals	2,088,000
MuSU	Replace Campus Comm Infrastructure (ring)	4,640,000
NKU	Scientific/Technology Equipment Pool	5,000,000
WKU	Upgrade IT Infrastructure	6,000,000
KCTCS	IT Infrastructure Upgrade	9,500,000

¹ Technology projects that include state General Fund or other funding sources.



2022-24 Capital Investment Priorities for **CPE Agency Budget**



Council on Postsecondary Education

Background Information

- Kentucky's higher education coordinating board, committed to strengthening the state's workforce and economy, and improving quality of life for state residents
- Directed to guide the continuous improvement and efficient operation of a high quality, diverse, and accessible postsecondary system (HB 1, 1997)

Vision: All Kentuckians will be prepared to succeed in a global economy

Mission: To deliver a world-class education to students, create and apply new knowledge, and grow the economy of the Commonwealth



Council on Postsecondary Education

Background Information (Cont'd)

→ Council on Postsecondary Education Key Duties and Responsibilities

- Develop and implement *Strategic Agenda* and accountability system for postsecondary education
- Produce and submit biennial budget request for adequate funding of postsecondary education
- Determine tuition at public postsecondary institutions
- Define and approve all academic programs at public institutions
- License non-public institutions to operate in state
- Coordinate efforts to improve college readiness, access, and student success



Draft 2022-24 Capital Request

Capital Investment Priorities for the
CPE Agency Budget *(Dollars in Millions)*

Category	2022-24
Student Portal (College to Career Pathways)	\$ 2.0
Upgrade Kentucky Regional Optical Network	1.0
Total Request	\$3.0



Draft 2022-24 Capital Request *(Cont'd)*

→ Student Portal (College to Career Pathways)

Online portal that helps students from all backgrounds understand career options and college costs and pathways, leading to preferred careers. This site will facilitate course and program comparisons across institutions, transfer of credits, and credit for prior learning.

Project Scope: \$2,000,000

- Utilizes a centralized catalog of programs and modules to facilitate course and degree program comparisons
- Interfaces with campus systems to allow evaluation and seamless transfer of credits



Draft 2022-24 Capital Request *(Cont'd)*

→ Upgrade KyRON Infrastructure

This project will fund technology equipment to connect public universities and KCTCS to Kentucky Wired

Project Scope: \$1,000,000

- Currently, the Kentucky Regional Optical Network connects the state's postsecondary education community to national and international research through Internet2
- This necessary upgrade supports Internet delivery to anchor-node sites, supporting the Google Community Fiber Initiative, GigU, and Kentucky Community Fiber Initiative





Questions?

Kentucky Public Postsecondary Institution
 Table 1 - Calculated Beginning Base for the 2022-2024 Biennium
 Fiscal Year 2021-22

Draft - For Discussion Purposes
 September 1, 2021

	A	B	(A + B) C	D	E	(C + D + E) F
Institution	2021-22 Regular Appropriation ¹	Performance Distribution ²	2021-22 Total General Fund	Debt Service Adjustments	Performance Adjustment ⁵	2021-22 Net General Fund
University of Kentucky	\$266,243,800	\$6,086,400	\$272,330,200	(\$1,013,000) ³	(\$6,086,400)	\$265,230,800
University of Louisville	127,156,800	2,972,500	130,129,300	0	(2,972,500)	127,156,800
Eastern Kentucky University	74,323,900	120,200	74,444,100	0	(120,200)	74,323,900
Kentucky State University	27,386,100	0	27,386,100	(182,000) ⁴	0	27,204,100
Morehead State University	43,324,900	0	43,324,900	0	0	43,324,900
Murray State University	47,024,700	0	47,024,700	0	0	47,024,700
Northern Kentucky University	52,247,500	2,902,700	55,150,200	0	(2,902,700)	52,247,500
Western Kentucky University	76,946,600	1,398,800	78,345,400	0	(1,398,800)	76,946,600
KCTCS	175,435,900	3,826,500	179,262,400	0	(3,826,500)	175,435,900
Performance Fund	17,307,100	(17,307,100)	0	0	17,307,100	17,307,100
Total	\$907,397,300	\$0	\$907,397,300	(\$1,195,000)	\$0	\$906,202,300

Council on Postsecondary Education
 2022-24 Biennial Budget Recommendation
 Table 2 - Funding Components and Request Amounts

Draft - For Discussion Purposes
 September 1, 2021

Funding Component	Fiscal 2022-23	Fiscal 2023-24	Biennial Total
Operating Funds			
• Performance Funding ¹	\$67,500,000	\$90,000,000	\$157,500,000
• KSU Land Grant Match ²	TBD	TBD	TBD
Capital Investment			
• Asset Preservation ³	\$350,000,000	\$350,000,000	\$700,000,000
– Debt Service	TBD	TBD	TBD
• Technology Infrastructure ⁴	\$40,000,000	\$40,000,000	\$80,000,000
– Debt Service	TBD	TBD	TBD

¹ Additional operating funds that will provide incentives for institutions to increase student success and course completion outcomes. If authorized, these funds will help Council and campus officials maintain affordability and access for Kentucky citizens and provide resources necessary for institutions to continue making progress toward the state's student success goals. The request represents increases of **7.4%** and **9.9%**, respectively, above the current year net General Fund base.

² Additional operating funds to meet federal matching requirements for KSU's land-grant program. If authorized by the General Assembly, these funds would be added to \$8,210,400 already contained in KSU's fiscal 2021-22 operating appropriation and the resulting **\$TBD** mandated program total would be excluded from the performance funding model. These funds will help sustain the effectiveness and impact of outreach, service, and applied research of KSU's land-grant program.

³ Debt service for a **\$700 million** bond issue to finance asset preservation and renovation projects at the postsecondary institutions during the upcoming biennium (or that amount could be cash funded). If requested bond funds are authorized, CPE staff recommends that they be **matched fifty cents on the dollar** by receiving institutions. It is estimated that the combined **\$1.05 billion** total, state bonds and campus matching funds, would address about **15%** of the total asset preservation need.

⁴ Debt service for an **\$80 million** bond issue to support Information Technology projects at the universities and KCTCS (or that amount could be cash funded). The funding pool allocation is **TBD**.

Campus Proposed Components

- **Pension Funds** - Request for current-year appropriations that will allow certain KERS participating postsecondary institutions to cover 100% of the cost of transitioning to a level-dollar allocation method of determining employer-paid pension contributions.
- **New Construction** - Officials from several institutions have expressed an interest in including a funding request for new and expanded space in the Council's Capital Investment recommendation.
- **Endowment Match** - One chief budget officer has asked Council staff to consider including a request for a fifth round of funding for Bucks for Brains in the Council's Trust Fund recommendation.

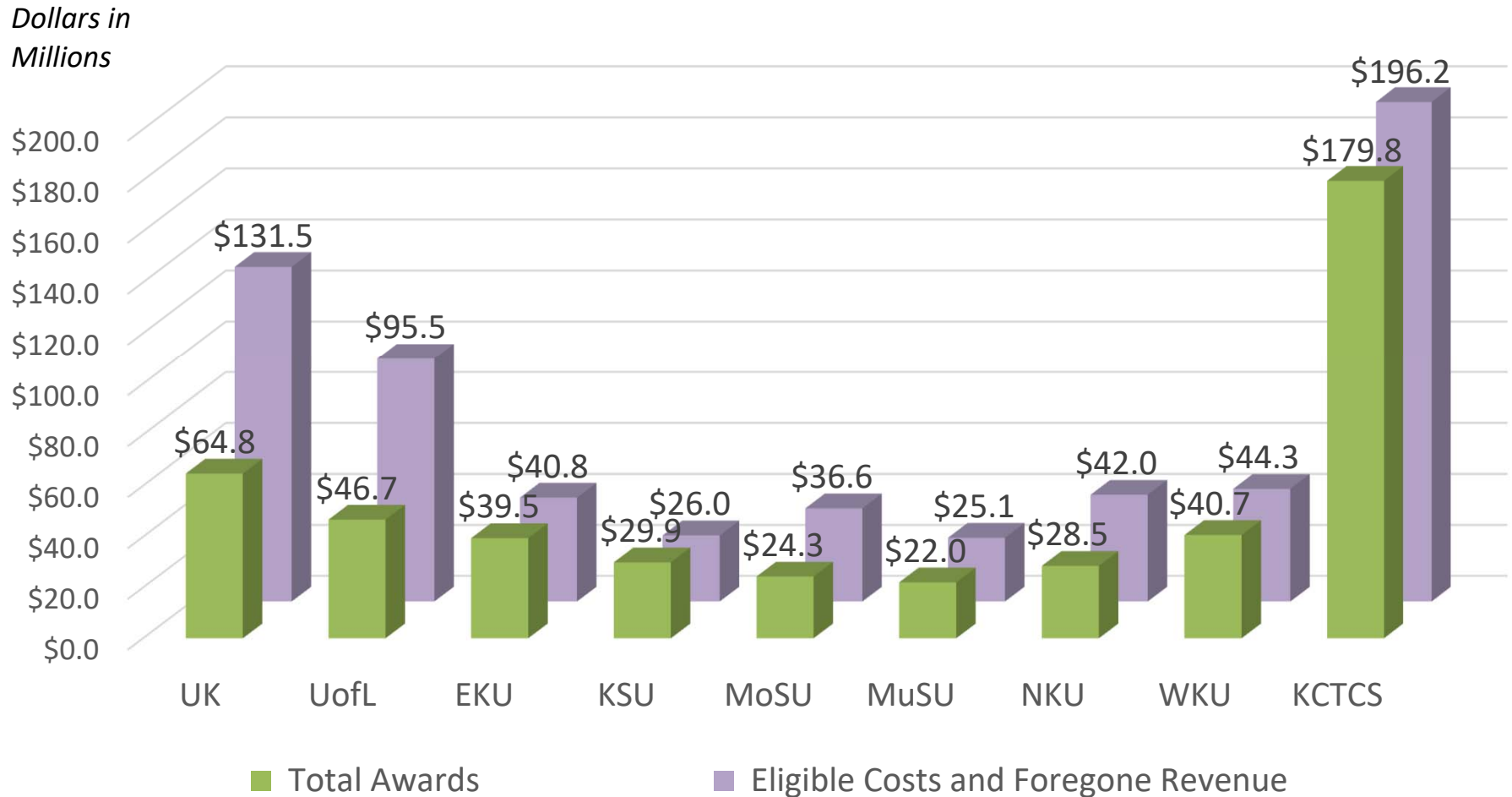
Kentucky Public Postsecondary Institution
 Federal Higher Education Relief Funds and COVID-19 Related Costs and Foregone Revenue
 Fiscal Years 2019-20, 2020-21, and 2021-22

→ as of June 30, 2021

Institution	Federal Higher Education Funds				A	COVID-19 Related Costs and Foregone Revenue			B	C	D
	CARES Act	CRRSAA	Coronavirus Relief Funds	ARP Act	Total Awards	Related Costs	Foregone Revenue	Eligible Costs and Foregone Revenue	(A + B)	Federal Awards Residual (Deficit)	Ineligible Costs and Foregone Revenue
UK	\$11,186,629	\$17,823,891	\$12,260,000	\$23,524,613	\$64,795,133	(\$69,098,695)	(\$62,446,174)	(\$131,544,868)	(\$66,749,735)	(\$14,448,000)	
UofL	7,935,295	14,194,890	5,873,000	18,714,729	46,717,914	(36,609,159)	(58,857,097)	(95,466,256)	(48,748,342)	(5,084,500)	
EKU	6,873,756	14,010,248	3,023,800	15,556,086	39,463,890	(10,214,036)	(30,624,854)	(40,838,890)	(1,375,000)	(2,233,981)	
KSU	4,338,689	9,325,082	1,173,400	15,109,665	29,946,836	(23,765,854)	(2,274,353)	(26,040,207)	3,906,629	(586,700)	
MoSU	4,136,031	8,666,180	1,771,800	9,762,043	24,336,054	(8,742,836)	(27,890,397)	(36,633,233)	(12,297,179)	(1,807,900)	
MuSU	4,019,784	7,145,785	2,022,400	8,850,253	22,038,222	(10,653,079)	(14,456,081)	(25,109,160)	(3,070,938)	(2,466,065)	
NKU	4,975,681	9,757,103	2,415,000	11,400,319	28,548,103	(15,940,477)	(26,042,333)	(41,982,809)	(13,434,706)	(3,071,500)	
WKU	6,905,902	14,224,751	3,390,800	16,177,572	40,699,025	(24,633,776)	(19,665,453)	(44,299,229)	(3,600,204)	(1,695,400)	
KCTCS	22,391,390	71,760,053	8,069,800	77,560,640	179,781,883	(106,632,978)	(89,524,703)	(196,157,681)	(16,375,798)	(4,868,336)	
System Total	\$72,763,157	\$166,907,983	\$40,000,000	\$196,655,920	\$476,327,060	(\$306,290,889)	(\$331,781,444)	(\$638,072,333)	(\$161,745,273)	(\$36,262,382)	
Research	\$19,121,924	\$32,018,781	\$18,133,000	\$42,239,342	\$111,513,047	(\$105,707,854)	(\$121,303,271)	(\$227,011,124)	(\$115,498,077)	(\$19,532,500)	
Comprehensive	\$31,249,843	\$63,129,149	\$13,797,200	\$76,855,938	\$185,032,130	(93,950,057)	(120,953,470)	(214,903,528)	(29,871,398)	(11,861,546)	
Two-Year	\$22,391,390	\$71,760,053	\$8,069,800	\$77,560,640	\$179,781,883	(\$106,632,978)	(\$89,524,703)	(\$196,157,681)	(\$16,375,798)	(\$4,868,336)	

Sources: Department of Education, Higher Education Relief Fund Allocations; Campus Chief Budget Officers, COVID-19 Costs and Foregone Revenue.

Federal Higher Education Relief Funds and COVID-19 Related Costs and Foregone Revenue Fiscal Years 2019-20, 2020-21, and 2021-22



Sources: Department of Education, Higher Education Relief Fund Allocations; Campus Chief Budget Officers, COVID-19 Costs and Foregone Revenue.