

**KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION  
FINANCE COMMITTEE MEETING**



March 30, 2026 – 1:00 PM ET

Virtual meeting via ZOOM webinar: <https://bit.ly/4scM6LS>

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<b>I.</b>	<b>Call to Order and Roll Call</b>	
<b>II.</b>	<b>CPE President Report</b>	
<b>III.</b>	<b>Action Items</b>	
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	<i>Next Finance Committee Meeting: June 8, 2026 @ 1:00 p.m. ET</i>	
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## MEETING MINUTES

*Draft for Approval by the Finance Committee, March 30, 2026*

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Who: Kentucky Council on Postsecondary Education  
Meeting Type: Finance Committee  
Date: September 8, 2025  
Time: 1:00 p.m. ET  
Location: Virtual Meeting via ZOOM Webinar

### CALL TO ORDER

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The Finance Committee met Monday, January 26, 2026, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Jacob Brown presided.

### ROLL CALL

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There was a quorum of 7 voting Council members in attendance.

- Jacob Brown – attended
- Lindsey Case – attended
- Jennifer Collins – attended
- Dr. Kellie Ellis – attended
- Mr. Dennis Repenning - attended
- Madison Silvert – did not attend
- Elaine Walker - attended
- Mr. Michael Wheeler - attended

CPE President Aaron Thompson served as secretary of the board, per the CPE Bylaws. Heather Faesy, CPE program manager, served as recorder of the meeting minutes.

### CPE PRESIDENT REPORT

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Dr. Aaron Thompson, CPE President, provided a brief update to the Committee that focused on the legislative open house held earlier in the month and his recent budget development discussions with legislators. He also briefly discussed the latest student debt report, which show a positive trajectory for Kentucky's students.

### APPROVAL OF THE MINUTES

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The minutes of the November 3, 2025, Finance Committee meeting were approved as presented.

### TUITION AND MANDATORY FEE POLICY, 2025-26 & 2026-27

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Dr. Bill Payne, CPE's Vice President of Finance Policy and Programs, presented the proposed Tuition and Mandatory Fee Policy for Academic Years 2025-26 & 2026-27. The only change to the prior-approved policy was the year referenced in the title.

MOTION: Ms. Walker moved the Finance Committee endorse for Council approval the proposed Tuition and Mandatory Fee Policy for Academic Years 2025-26 & 2026-27. Ms. Collins seconded the motion.

VOTE: The motion passed.

### **PROPOSED TUITION AND FEES POLICY, ACADEMIC YEAR 2026-27 – KENTUCKY STATE UNIVERSITY**

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Dr. Payne presented the proposed tuition and fees for Kentucky State University for academic year 2026-27. The University proposed to increase its annual base-rate charge for both resident and non-resident undergraduate students by 1.6 percent. Additionally, they proposed no change to the current per-credit-hour rates for all graduate students. Council staff stated that the proposed increases fall within the Council's approved parameters.

MOTION: Dr. Ellis moved the Finance Committee endorse for Council approval the proposed tuition and fees for Kentucky State University for academic year 2026-27. Ms. Walker seconded the motion.

VOTE: The motion passed.

### **INTERIM CAPITAL PROJECT – MURRAY STATE UNIVERSITY**

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Mr. Adam Blevins, CPE's Director of Finance Policy and Programs, presented an interim capital project from Murray State University. The proposed project will replace the HVAC unit and Building Automation Systems Controls at the Susan E. Bauernfeind Wellness Center Pool. The unit being replaced was original to the building and its placement did not allow for proper airflow and operation. The total project scope was stated to be \$2,200,000.

MOTION: Mr. Repenning moved the Finance Committee endorse for Council approval the proposed interim capital project from Murray State University. Ms. Walker seconded the motion.

VOTE: The motion passed.

### **AREA TECHNOLOGY CENTER EMPLOYEE WAIVER POLICY**

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Mr. Blevins presented the Area Technology Center Employee Waiver Policy for approval. The proposed revisions would better align with current statute and clarify the requirement that it is only available to regular-full-time employees. It also stated that participants must complete a FAFSA in order to qualify for the waiver.

MOTION: Mr. Repenning moved the Finance Committee endorse for Council approval the proposed Area Technology Center Employee Waiver Policy. Ms. Collins seconded the motion.

VOTE: The motion passed.

## **EQUINE TRUST FUND PROGRAM GUIDELINES**

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Mr. Brent Floyd, Senior Associate of Finance Policy and Programs, presented the revised Equine Trust Fund Program Guidelines for Council approval. The guidelines align with the statute that established a revolving trust which is funded by one-tenth of one percent of all money wagered on live races and historical horse races, up to a maximum of \$320,000. The funds are designated for the construction, expansion, or renovation of facilities or the purchase of equipment for equine programs at state universities and Bluegrass Community and Technical College. The revised program guidelines clarified eligibility for participation, the criteria for the awarding of funds, and reporting guidelines. It also solidified the appointed members to the Equine Trust Fund Committee.

MOTION: Ms. Walker moved the Finance Committee endorse for Council approval the revised Equine Trust Fund Program Guidelines. Mr. Repenning seconded the motion.

VOTE: The motion passed.

## **2026-2028 BIENNIAL BUDGET UPDATE**

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Mr. Greg Rush, Assistant Vice President of Finance Policy and Programs, and Ms. Leslie Brown, Assistant Vice President of Administrative Services, presented an update on the development of the 2026-2028 biennial budget during the 2026 Legislative Session. This updated included a comparative analysis of the budget proposed by Governor Beshear as it compared to the request submitted by the Council.

## **ASSET PRESERVATION POOL FUNDING UPDATE, 2022-24 AND 2024-26**

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Mr. Blevins shared with the Committee a funding update for the Asset Preservation Pool funds for 2022-24 and 2024-26. This updated included the amount of funding for which capital projects have been identified and the portion of state funds that have been reimbursed to institutions as of December 2025.

In House Bill 1 of the 2022 Regular Session, the General Assembly appropriated \$683.5 million in General Fund supported bond funds for the 2022-24 Asset Preservation Pool. As of December 2025, projects have been identified and certified by CPE staff for 99.3% (\$678.5 million) of the state funds. Furthermore, the public postsecondary institutions have received reimbursements for 69.4% (\$474.0 million) of the state funds.

In House Bill 6 of the 2024 Regular Session, the General Assembly appropriated \$563.0 million in General Fund supported bond funds for the 2024-26 Asset Preservation Pool. As of December 2025, projects have been identified and certified by CPE staff for 77.6% (\$437.1 million) of the state funds. Furthermore, the public postsecondary institutions have received reimbursements for 8.0% (\$45.2 million) of the state funds.

### **ENDOWMENT MATCH PROGRAM (BUCKS FOR BRAINS) UPDATE, 2022-2024**

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Mr. Floyd shared a usage update of the funding of the 2022-24 Endowment Match Program, also known as “Bucks for Brains”. The update included the total and institutional disbursements by both value and area of support.

### **PERFORMANCE FUNDING UPDATE**

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Dr. Payne discussed the upcoming review of the upcoming, statutorily required review of university and KCTCS performance funding models. This included the composition of the working group that will conduct the review, what that group is charged to accomplish, and a preliminary meeting schedule and timeline for completing the review.

### **ADJOURNMENT**

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The Finance Committee adjourned at 2:30 p.m., ET.

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<b>TOPIC/TITLE:</b>	Proposed Tuition and Fees, Academic year 2026-27 Murray State University
<b>STAFF CONTACTS:</b>	Bill Payne, Vice President, Finance Policy and Programs Adam Blevins, Director, Finance Policy and Programs
<b>TYPE/REQUEST:</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information

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**SUMMARY OF ACTION REQUESTED**

CPE staff recommends that the Finance Committee approve and endorse for full Council approval Murray State University’s tuition and fee proposal for academic year 2026-27.

**SUPPORTING INFORMATION**

On April 17, 2025, the Council on Postsecondary Education (CPE) approved tuition and mandatory fee ceilings for academic years 2025-26 and 2026-27 for Kentucky’s public postsecondary institutions. Among the parameters adopted at that meeting was a requirement that annual resident undergraduate base rates at the comprehensive universities increase by no more than \$630.00 over two years and increase by no more than \$420.00 in any one year.

On March 18, 2026, Murray State University submitted a tuition and fee proposal for the upcoming academic year (i.e., 2026-27) to the Council, requesting an increase in their resident undergraduate base rate of \$210.00 or 2.0% over the current year rate. Staff reviewed the university’s proposed tuition and fee charges for every degree level, residency designation, and attendance status and determined that they comply with Council approved parameters. The university’s governing board approved the proposed rates at their February 27, 2026, meeting.

**COUNCIL APPROVED TUITION AND FEE CEILINGS**

On April 17, 2025, the Council approved resident undergraduate tuition and mandatory fee ceilings for academic years 2025-26 and 2026-27 that equated to:

- Maximum base rate increases of no more than \$675.<sup>00</sup> over two years, and no more than \$450.<sup>00</sup> in any one year, for public research universities.
- Maximum base rate increases of no more than \$630.<sup>00</sup> over two years, and no more than \$420.<sup>00</sup> in any one year, for comprehensive universities.

- Maximum base rate increases of no more than \$9.<sup>00</sup> per credit hour over two years, and no more than \$6.<sup>00</sup> per credit hour in any one year, for students attending KCTCS institutions.

At that same meeting, it was determined that the public institutions shall be allowed to submit for Council review and approval:

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

Resident undergraduate tuition ceilings approved by the Council apply to each institution's base rate charge. Base rates are defined as total tuition and fees, minus any Special Use Fees and Asset Preservation Fees previously approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment for Kentucky Competitiveness Fee). Council staff deduct these fees from total tuition and fees before applying rate increase parameters, which keeps the fees at a fixed amount until they expire.

### **MURRAY STATE UNIVERSITY'S PROPOSAL**

On June 6, 2025, Murray State University (MuSU) submitted a tuition and fee proposal for academic year 2025-26 to the Council. In that proposal, the university requested an increase in its annual base rate charge for resident undergraduate students of \$420.<sup>00</sup>, which equaled the maximum one-year increase allowed under the Council's two-year ceilings. CPE staff reviewed MuSU's proposal, found that it complied with Council parameters, and recommended approval. The university's tuition and fee proposal for academic year 2025-26 was approved by the Council at its June 13, 2025, meeting.

Given the two-year ceilings for a comprehensive university adopted by the Council and given the \$420.<sup>00</sup> increase in resident undergraduate rates implemented by MuSU for the current year (i.e., 2025-26), the residual maximum allowable increase in resident undergraduate base rates is \$210.<sup>00</sup> for academic year 2026-27. This residual was calculated by subtracting the amount of increase in MuSU's 2025-26 annual resident undergraduate rate (i.e., \$420.<sup>00</sup>) from the maximum allowable increase over two years for a comprehensive university adopted by the Council (i.e., \$630.<sup>00</sup>).

On March 18, 2026, Murray State University submitted a tuition proposal for academic year 2026-27 to the Council. CPE staff reviewed the university's proposed tuition and fee charges for every degree level, residency designation, and attendance status and determined that they comply with the two-year ceilings for resident undergraduate base rates and with nonresident undergraduate, graduate, and online student parameters adopted by the Council at its April 17, 2025, meeting.

Specifically, the proposed increase in resident undergraduate rate (i.e., +\$210.<sup>00</sup>) does not exceed the residual maximum allowable increase (i.e., +\$210.<sup>00</sup>), the proposed nonresident undergraduate rate is well aligned with a previously approved MOU between MuSU and the Council, and the university is charging market competitive rates for graduate and on-line students. Murray State University’s proposed rates were approved by the university’s governing board at their February 27, 2026, meeting.

Murray State University’s proposed tuition and fee base rates by degree level and residency designation are shown in Table 1 below. As can be seen in the table, between academic years 2025-26 and 2026-27, the university is proposing to increase its annual base-rate charge for resident undergraduate students from \$10,320 to \$10,530, respectively, resulting in an increase of \$210.<sup>00</sup> or 2.0 percent. MuSU is proposing to increase its base-rate charge for nonresident undergraduates from \$20,676 to \$21,096, an increase of \$420.<sup>00</sup> or 2.0 percent. Finally, campus officials are proposing to increase per-credit-hour rates for both resident and nonresident graduate students from \$618.<sup>50</sup> to \$631.<sup>00</sup>, an increase of \$12.<sup>50</sup> or 2.0 percent.

Murray State University Proposed Tuition and Fee Base Rates Academic Year 2026-27				Table 1	
<u>Rate Category</u>	<u>Current 2025-26 Base Rates</u>	<u>Proposed 2026-27 Base Rates</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
Undergraduate					
Resident	\$10,320	\$10,530	\$210	2.0%	
Nonresident	20,676	21,096	420	2.0%	
Graduate					
Resident	\$618.50 pch	\$631.00 pch	\$12.50	2.0%	
Nonresident	618.50 pch	631.00 pch	12.50	2.0%	

Base rates for MuSU do not include an Asset Preservation Fee of \$10.00 per credit hour, capped at 15 hours or \$150.<sup>00</sup> per semester, or \$300.<sup>00</sup> per year, for full-time students (fall and spring only).

pch = per credit hour

Attachment A contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, for part-time graduate students, and for online students. Staff recommends approval of these additional rates as proposed by the university.

Every tuition-setting cycle, campus officials are asked to submit tuition and fee revenue estimates for both current and upcoming fiscal years. For 2026-27, MuSU included tuition and fee revenue estimates for 2025-26 and 2026-27 in their submission. As can be seen in Attachment B, campus officials estimate that their proposed 2026-27 tuition and fee charges for all categories of students (i.e., every academic level, residency designation, and full-time or part-time status) will generate a modest increase in tuition and fee revenue for the upcoming academic year. Specifically, between 2025-26 and 2026-27, gross tuition and fee revenue at

MUSU is expected to grow from \$117.7 million to \$120.0 million, respectively, representing an increase of about \$2.3 million or 1.95%.

### **STAFF RECOMMENDATION**

Council staff reviewed the tuition and fee proposal submitted by Murray State University for academic year 2026-27 and determined that: (a) the proposed base rate increase for resident undergraduate students complies with the comprehensive university rate ceiling adopted by the Council at its April 17, 2025 meeting; (b) the planned base rate increase for nonresident undergraduate students adheres to provisions of a previously approved MOU between the Council and institution; and (c) proposed rates for graduate and on-line students comply with Council parameters.

**Proposed 2026-27 Tuition and Mandatory Fee Charges  
Murray State University**

Category	Students admitted Summer 2016 to Spring 2020				Students admitted Summer 2020 and after			
	Fall 2026	Spring 2027	Annual 2026-27	Summer 2027	Fall 2026	Spring 2027	Annual 2026-27	Summer 2027
<i>Undergraduate</i>								
Resident								
Full-time (up to 15 hours)	5,265.00	5,265.00	10,530.00		5,265.00	5,265.00	10,530.00	
Per Credit Hour	438.75	438.75		438.75	438.75	438.75		438.75
(Online Courses Resident) Per Credit Hour	438.75	438.75		438.75	438.75	438.75		438.75
Nonresident*								
Full-time (up to 15 hours)	14,250.00	14,250.00	28,500.00					
Per Credit Hour	1,187.50	1,187.50		1,187.50				
(Online Courses Resident) Per Credit Hour	438.75	438.75		438.75				
Regional/Nonresident*								
Full-time (up to 15 hours)	10,548.00	10,548.00	21,096.00		10,548.00	10,548.00	21,096.00	
Per Credit Hour	879.00	879.00		879.00	879.00	879.00		879.00
(Online Courses Resident) Per Credit Hour	438.75	438.75		438.75	438.75	438.75		438.75
Programs that are 100% Online Per Credit Hour	438.75	438.75		438.75	438.75	438.75		438.75

\*All nonresident students admitted Summer 2020 and after are charged the regional/nonresident rate.

**Proposed 2026-27 Tuition and Mandatory Fee Charges**  
**Murray State University**

	All Graduate Students			
	Fall 2026	Spring 2027	Annual 2026-27	Summer 2027
<i>Graduate-All programs not defined below</i>				
PCH - Resident, Non-Resident, Regional, Online:	631.00	631.00		631.00
<i>Graduate-Education</i>				
Resident Per Credit Hour	434.50	434.50		434.50
Nonresident, Regional Per Credit Hour	631.00	631.00		631.00
Online Per Credit Hour, regardless of residency	631.00	631.00		631.00
<i>Graduate-below programs</i>				
Occupational Therapy				
Speech-Language Pathology				
Resident				
Per Credit Hour	696.25	696.25		696.25
Nonresident, Regional				
Per Credit Hour	696.25	696.25		696.25
Online Per Credit Hour, regardless of residency	631.00	631.00		631.00
<i>Graduate-below programs</i>				
Master of Business Administration				
Master of Science Cybersecurity Management				
Master of Science Mass communications with a Concentration in Public Relations				
Master of Science in Information Systems				
On campus and Online Per Credit Hour, regardless of residency	618.25	618.25		618.25
<i>Graduate-below programs</i>				
Master of Public Administration				
On campus and Online Per Credit Hour, regardless of residency	481.00	481.00		481.00
<i>Doctor of Education</i>				
Per Credit Hour, regardless of residency	684.50	684.50		684.50
Online Per Credit Hour, regardless of residency	631.00	631.00		631.00
<i>Doctor of English</i>				
Per Credit Hour, regardless of residency	684.50	684.50		684.50
Online Per Credit Hour, regardless of residency	631.00	631.00		631.00
<i>Doctor of Nursing Practice - Nursing</i>				
Per Credit Hour, regardless of residency	684.50	684.50		684.50
Online Per Credit Hour, regardless of residency	631.00	631.00		631.00
<i>Doctor of Nursing Practice - Family Nurse Practitioner</i>				
Per Credit Hour, regardless of residency	684.50	684.50		684.50
Online Per Credit Hour, regardless of residency	631.00	631.00		631.00
<i>Doctor of Nursing Practice - Nurse Anesthetist</i>				
Per Credit Hour, regardless of residency	812.50	812.50		812.50
Online Per Credit Hour, regardless of residency	631.00	631.00		631.00

## Notes:

- (a) Students enrolled in full online programs will not have their courses capped and will be billed for each credit hour enrolled.
- (b) All undergraduate rates are capped at fixed-flat full-time for 12-15 credit hours. Hours above 15 assessed at the appropriate resident, regional or non-resident rate.

**ATTACHMENT B**

**Estimated 2026-27 Gross Tuition and Mandatory Fee Revenue  
Murray State University**

<u>Category</u>	<u>Estimated 2025-26</u>	<u>2026-27</u>
<i>Undergraduate</i>		
Resident	\$ 46,903,527	\$ 47,836,751
Nonresident	52,180,598	\$ 53,218,819
Online	(a) 1,745,250	\$ 1,779,975
<i>Graduate</i>		
Resident	3,202,549	\$ 3,266,269
Nonresident	1,890,910	\$ 1,928,532
Online	8,246,383	\$ 8,410,458
<i>Doctoral</i>		
Resident	468,201	\$ 477,517
Nonresident	365,257	\$ 372,524
Online	2,675,707	\$ 2,728,945
<b>Total</b>	<b><u>\$ 117,678,382</u></b>	<b><u>\$ 120,019,790</u></b>

(a) Revenues from online courses, unless the programs are fully online, are not tracked by MuSU since online courses are available as part of the full-time 15 hour cap. Online courses that are not specific to fully online programs are included in the Resident and Nonresident amounts.

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<b>TOPIC:</b>	Interim Capital Project - Kentucky State University Shauntee Hall Renovation Ph. II
<b>STAFF CONTACTS:</b>	Adam Blevins, Director, Finance Policy and Programs Greg Rush, Assistant Vice President, Finance Policy and Programs
<b>TYPE/REQUEST:</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information

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**SUMMARY OF ACTION REQUESTED**

CPE staff recommends that the Finance Committee approve and endorse to the full Council authorization of the interim capital project request from Kentucky State University (KSU) to expand the renovation of Shauntee Hall.

**SUPPORTING INFORMATION**

At one time, Shauntee Hall housed the university’s College of Arts and Sciences, including laboratories, classrooms, and offices. More recently, it served as the location of KSU’s Student Health Center. The hall recently underwent minor renovation to update interior finishes and rehabilitate the HVAC and electrical systems.

The proposed expansion of the Shauntee Hall renovation project will include necessary upgrades to the building’s mechanical, electrical, and plumbing (MEP) systems, architectural improvements to the interior of the building, such as installation of durable, low-maintenance flooring, and modifications and repairs to the exterior. If authorized, Phase II renovations will be implemented concurrently with Phase I and continue through the design phase.

The Board of Regents, at its meeting on January 13, 2026, approved an expansion of the original project scope by \$3,000,000 to be funded with HBCU Title III, Part B funding for a total project scope of \$10,680,000.

**APPLICABLE POLICY, REGULATIONS, STATUTES**

HB592 (RS18) 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: (1) the projects are funded with non-general fund appropriations; (2) do not jeopardize funding for

existing programs; and (3) are reported by the institution to the Capital Projects and Bond Oversight Committee. The relevant section of KRS 164A.575 is:

- (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.

### **APPROVAL PROCESS**

During the interim, the agencies involved and the approval process for a capital project that exceeds \$1,000,000 are as follows:

- The project must be approved by an institution's board of trustees or board of regents;
- The project must be submitted to the Council on Postsecondary Education for review and action;
- If approved by the Council, projects at KSU are submitted to the Secretary of the Finance and Administration Cabinet for review and action, and are subsequently presented by the Secretary to the Capital Projects and Bond Oversight Committee for review;
- If approved by the Council, projects at EKU, MoSU, MuSU, NKU, UK, UofL, WKU and KCTCS 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, a project may be initiated by the requesting institution.

Because this expansion in project scope was not previously approved by the Council, nor authorized by the General Assembly in the enacted 2024-2026 Budget of the Commonwealth (RS 24, HB 6), Council approval is required to authorize this project. KSU will use HBCU Title III, Part B funds to finance this Phase II renovation. The project will not use any General Fund or any monies appropriated for another purpose. Debt will not be used to finance any portion of this project; therefore, provisions of KRS 45.763 do not apply.

Following action by the Council, CPE staff will notify the president of KSU, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee regarding this interim capital project. Relevant documentation, including certification of board approval, is included in the attachments.



Capital Construction & Facilities Services  
Academic Services Building | 400 East Main St  
Frankfort, KY 40601  
(502) 597-5824 KYSU.EDU

**March 16, 2026**

Adam Blevins  
Director – Finance Policy and Programs  
Kentucky Council on Postsecondary Education

Dear Adam,

Kentucky State University respectfully requests Council approval for an additional **\$3,000,000** in funding for the **Shauntee Hall Renovation – Phase II** project. This additional funding was approved by the Kentucky State University Board of Regents at its meeting on **January 13, 2026**.

Shauntee Hall most recently housed the Student Health Center and previously served as a facility for the College of Arts and Sciences, including laboratories, classrooms, and offices. The building recently underwent a minor renovation to update interior finishes and rehabilitate the HVAC and electrical systems. As a result, the building is currently in good to fair condition and is well-positioned to be adapted as the future home of the **School of Engineering and Technology**.

The proposed renovation will include necessary upgrades to the building's **mechanical, electrical, and plumbing (MEP) systems**, as well as architectural improvements such as the installation of durable, low-maintenance flooring and modifications and repairs to the building envelope. The project will also take advantage of the limited expansion permitted under the **2024–2026 Asset Preservation Fund allocation guidelines**.

**Phase I** construction is planned to begin in **Spring 2026** and will focus on renovating existing space to create a **CNC Laboratory and associated support areas**, allowing the facility to be operational for the **Fall 2026 semester** to meet a curriculum need within the Engineering program.

**Phase II (Amended)** will begin concurrently with Phase I and continue through the design phase. Additional funding has been identified through **HBCU Title III, Part B**, which will allow the project scope to expand by approximately **10,000 square feet**.

### **Budgetary Implications**

The total estimated cost of the project is **\$10,680,000**, as approved by the KSU Board of Regents. This estimate is based on the preliminary project scope and an average per-square-foot cost for renovations of this type of academic facility.



Capital Construction & Facilities Services  
Academic Services Building | 400 East Main St  
Frankfort, KY 40601  
(502) 597-5824 KYSU.EDU

Funding sources include:

- **\$7,680,000** from **2025–2026 State Bond–Funded Asset Preservation Funds**, which no longer require a matching contribution
- **\$3,000,000** from a **one-time supplemental appropriation through HBCU Title III, Part B**

Please feel free to contact me if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink that reads "Jack L. McNear". The signature is written in a cursive style with a large initial "J".

**Jack L. McNear, CE, MPA**  
Associate Vice President  
Capital Planning & Facilities Services  
Kentucky State University

**KENTUCKY STATE UNIVERSITY  
BOARD OF REGENTS**

**OFFICE OF THE BOARD SECRETARY**

| 400 East Main Street Frankfort, KY 40601 |  
(502) 597-5945 [Nicole.Sergent@KYSU.EDU](mailto:Nicole.Sergent@KYSU.EDU)

March 17, 2026

Adam Blevins, MPA

Director of Finance Policy and Programs

Re: Shauntee Hall Renovations Project

Kentucky Council on Post-Secondary Education:

On behalf of Kentucky State University (“University”) Board of Regents, I am writing to certify that the below action item was passed unanimously on February 13, 2026 at its Regular meeting.

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**ACTION ITEM – (AMENDED):**

Approval of Shauntee Hall Renovations Project, Phases 1 & 2 *and an addition to Phase 2, of approximately 10,000 sf addition* – Design and Construction.

**FACTS:**

Shauntee Hall was constructed in 1971 and recently renovated in 2024-2025. Its 18,500 square feet most recently housed the College of Arts and Sciences Laboratory, classrooms and offices. It has undergone a recent minor renovation to upgrade finishes and rehabilitate the HVAC and Electrical Systems. This Building is in generally good to fair condition and with some additional significant renovations can be adapted to be the new home for the School of Engineering and Technology. This renovation will make necessary renovations to the mechanical, electrical and plumbing (MEP) systems, architectural improvements of low maintenance flooring and building envelope modifications and repairs to create a for the School of Engineering and Technology.

This project will also take the opportunity for minor expansion allowed under the guidelines of the 2024-2026 Asset Preservation Funds allocations.

Phase 1 construction is planned to begin in Fall 2025 to renovate existing space for the creation of a CNC Laboratory and support spaces for use on January, 2025 to meet a curriculum need for the Engineering program.

Phase 2 (*Amended*) - This project will begin concurrently with Phase 1 and continue in Design. *Additional funding has been identified through HBCU Title 3, Part B and will allow for an addition of approximately 10,000 square feet to be added to the project in total.*

**BUDGETARY IMPLICATIONS:**

The project cost is estimated to cost \$9,680,000.00. This budget was based on the preliminary scope of work applied to an average square foot cost for this style of Academic Building renovation. The funding will come from University’s 2024-2026 State Bond Funded Asset Preservation Funds (\$6,680,000.00), which no longer require a match *and an additional \$3,000,000.00 from a one time supplemental appropriation award provided by HBCU Title 3, Part B. This will bring the Project Total to \$9,680,000.00.*

**RECOMMENDATION:**

Dr. Kofi Akakpo recommends the Board of Regents approve the increase in the Shauntee Hall Renovation project *as amended*.

**MOTION:**

Approve the increase in the use of the Asset Preservation funds for the Shauntee Hall Renovation project *as amended*.

Signed by:

*nicole.sergent*

03/17/2026 | 5:24:04 PM EDT

Kentucky State University Board of Regents  
Board Secretary



**ATTACHMENT D**



**ATTACHMENT E**



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<b>TOPIC:</b>	Interim Capital Project - Jefferson Community and Technical College, Utility Infrastructure Project
<b>STAFF CONTACTS:</b>	Adam Blevins, Director, Finance Policy and Programs Greg Rush, Assistant Vice President, Finance Policy and Programs
<b>TYPE/REQUEST:</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information

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**SUMMARY OF ACTION REQUESTED**

CPE staff recommends that the Finance Committee approve and endorse to the full Council authorization of the interim capital project request by the Kentucky Community and Technical College System (KCTCS to improve and relocate the utility infrastructure at Jefferson Community and Technical College (JCTC), Downtown Campus.

**SUPPORTING INFORMATION**

KCTCS officials, on behalf of JCTC, have requested authorization for an interim capital project to improve and relocate utility infrastructure on the JCTC Downtown Campus. The project will involve relocating, reconfiguring, and upgrading the campus utilities on the Downtown Campus due to the demolition of Hartford Hall, which formerly housed all utilities and served as a utility hub for multiple buildings.

The KCTCS Board of Regents approved the project at its meeting on March 12, 2026, which identifies agency restricted funds as the funding source at a total project scope of \$2,200,000.

Relevant documentation, including certification of board approval, is included in the attachments.

**APPLICABLE POLICY, REGULATIONS, STATUTES**

HB592 (RS18) 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: (1) the projects are funded with non-general fund appropriations; (2) do not jeopardize funding for existing programs; and (3) are reported by the institution to the Capital Projects and Bond Oversight Committee. The relevant section of KRS 164A.575 is:

- (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.

### **APPROVAL PROCESS**

During the interim, the agencies involved and the approval process for a capital project that exceeds \$1,000,000 are as follows:

- The project must be approved by an institution's board of trustees or board of regents;
- The project must be submitted to the Council on Postsecondary Education for review and action;
- If approved by the Council, projects at KSU are submitted to the Secretary of the Finance and Administration Cabinet for review and action, and subsequently presented 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, WKU and KCTCS 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, a project may be initiated by the requesting institution.

Because this project was not previously approved by the Council, nor authorized by the General Assembly in the enacted 2024-2026 Budget of the Commonwealth (RS 24, HB 6), Council approval is required to authorize this project. KCTCS will use institutional funds to finance this project. The project will not use any General Fund or any monies appropriated for another purpose. Debt will not be used to finance any portion of this project; therefore, provisions of KRS 45.763 do not apply.

Following action by the Council, CPE staff will notify the president of KCTCS, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee regarding this interim capital project.



March 2, 2026

Dr. Aaron Thompson, President  
Council on Postsecondary Education  
100 Airport Road  
Frankfort, KY 40601

Re: Action Item – Jefferson Community and Technical College  
Improve and Relocate Downtown Utility Infrastructure

Dear President Thompson:

The Kentucky Community and Technical College System respectfully request interim authorization for one project that is being funded with agency restricted funds.

The project is Jefferson Community and Technical College (JCTC) Improve and Relocate Downtown Utility Infrastructure. This project will be relocating, reconfiguring and upgrading the campus utilities on the JCTC Downtown Campus due to the demolition of Hartford Hall, which houses all utilities and serves as a utility hub serving multiple buildings. The total budget is \$2,200,000.

The design and construction of this project will be implemented through the KCTCS Facilities Support Services Capital Construction Division. KCTCS' Board of Regents will be approving this project on March 12, 2026.

Should you have any questions, please feel free to contact Andy Casebier at 859-256-3287.

Sincerely,

A handwritten signature in blue ink, appearing to read "Todd Kilburn".

Todd Kilburn  
Chief Financial Officer

cc: Dr. Ryan F. Quarles, KCTCS President  
Carla Wright  
Adam Blevins  
Andy Casebier  
Sandy Adkins



## Kentucky Community and Technical College System Board of Regents

**Agenda Item:** Jefferson Community and Technical College Improve and Relocate Downtown Utility Infrastructure capital project interim approval.

**Action Question:** Should the KCTCS Board of Regents approve the Jefferson Community and Technical College Improve and Relocate Downtown Utility Infrastructure capital project with a scope of \$2,200,000?

**Motion:** Motion made by Regent Stevens, seconded by Regent Hall to approve the Jefferson Community and Technical College Improve and Relocate Downtown Utility Infrastructure capital project with a scope of \$2,200,000.

The preceding motion was passed by the KCTCS Board of Regents unanimously on March 12, 2026.



Regent Brianna Whitten  
Board Secretary

<b>TOPIC:</b>	Interim Capital Project - University of Kentucky, Patterson Office Tower Renovation
<b>STAFF CONTACTS:</b>	Adam Blevins, Director, Finance Policy and Programs Greg Rush, Assistant Vice President, Finance Policy and Programs
<b>TYPE/REQUEST:</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information

**SUMMARY OF ACTION REQUESTED**

CPE staff recommends that the Finance Committee approve and endorse to the full Council the project request from the University of Kentucky (UK) to undertake partial renovation of Patterson Office Tower.

**SUPPORTING INFORMATION**

University of Kentucky officials are requesting authorization for an interim capital project to undertake a partial renovation of the aging Patterson Office Tower (4<sup>th</sup> floor). The project will include improvements, renovations, and upgrades of Education and General spaces, necessary building systems, and infrastructure that have exceeded their useful life or are unable to accommodate required capacity. On June 17, 2022, the university’s Board of Trustees approved the project to renovate and improve the fourth floor of the Patterson Office Tower at a total project scope of \$4,000,000.

**APPLICABLE POLICY, REGULATIONS, STATUTES**

HB592 (RS18) 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: (1) the projects are funded with non-general fund appropriations; (2) do not jeopardize funding for existing programs; and (3) are reported by the institution to the Capital Projects and Bond Oversight Committee. The relevant 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.

## **APPROVAL PROCESS**

During the interim, the agencies involved and the approval process for a capital project that exceeds \$1,000,000 is as follows:

- The project must be approved by an institution's board of trustees or board of regents;
- The project must be submitted to the Council on Postsecondary Education for review and action;
- If approved by the Council, projects at KSU are submitted to the Secretary of the Finance and Administration Cabinet for review and action, and subsequently presented by the Secretary to the Capital Projects and Bond Oversight Committee for review;
- If approved by the Council, projects at EKU, MoSU, MuSU, NKU, UK, UofL, WKU and KCTCS 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, nor authorized by the General Assembly in the enacted 2024-2026 Budget of the Commonwealth (RS 24, HB 6), Council approval is required to authorize this project. UK will use a combination of 2022-2024 Asset Preservation Pool and institutional funds to finance this project. Debt will not be used to finance any portion of this project; therefore, provisions of KRS 45.763 do not apply.

Following action by the Council, CPE staff will notify the president of UK, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee regarding this interim capital project. Relevant documentation, including certification of board approval, is included in the attachments.

# FCR 19

Office of the President  
June 17, 2022

Members, Board of Trustees:

## ASSET PRESERVATION POOL CAPITAL PROJECT (VARIOUS PROJECTS)

Recommendation: that the Board of Trustees approve the initiation of the Asset Preservation Pool capital project which includes but is not limited to the following: Multi-Disciplinary Sciences (MDS) Building 5<sup>th</sup> Floor Renovation, White Hall Classroom Building Renovation – Design Only, Pence Hall Renovation, Miller Hall Renovation, Patterson Office Tower Partial Renovation, Peterson Service Building Partial Renovation, and various Infrastructure and Building Systems Renovation Projects and declare its official intent to reimburse capital expenditures from a future debt obligation for the Capital Project.

Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation.

The Asset Preservation Pool Capital Project is a multi-phase effort to preserve existing campus buildings and enabling infrastructure so that they continue to serve their intended functions well into the future.

This Asset Preservation initiative will make improvements to existing buildings on campus that will provide needed space for the College of Nursing and the College of Health Sciences on the 5<sup>th</sup> floor of the MDS Building, design renovations of the widely-used White Hall Classroom Building, renovations to Pence Hall and Miller Hall that are being vacated due to construction of a new College of Design, renovate two floors of the Patterson Office Tower, renovations to Peterson Services Building, as well as campus utility infrastructure and building systems projects.

This \$100,228,000 project, authorized by the 2022 Session of the Kentucky General Assembly, is well within the total legislative authorization of \$200,456,000 and will be funded with state bonds and agency bonds.

The United States Department of Treasury regulations related to the use of proceeds of tax-exempt bonds or notes require that borrowers make a Declaration of Official Intent to reimburse itself for capital expenditures made prior to the issuance of the debt (also known as a “Reimbursement Resolution”) if the issuer intends to reimburse itself from tax-exempt debt proceeds. This recommendation includes such a Declaration of Official Intent.

Pursuant to the University of Kentucky Debt Policy, the Debt Management Committee has reviewed the financing plan and supports the proposed recommendation.

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Action taken:  Approved     Disapproved     Other\_\_\_\_\_

University of Kentucky  
Education and General Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	Source of Match	Match Ratio	Anticipated Start Date	Anticipated End Date	Status
UK - 2590.51	Improve Patterson Office Tower - 4th Floor	This project will improve, renovate and upgrade the 4th floor of the aging Patterson Office Tower. It will include E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Patterson Office Tower	\$ 4,000,000	\$ 3,076,904	\$ 923,096	Agency Bonds	30.00%	2/20/26	7/31/27	Planning

<b>TOPIC:</b>	Update to the 2022-24 Endowment Match Program Guidelines
<b>STAFF CONTACTS:</b>	Brent Floyd, Senior Associate, Finance Policy and Programs Bill Payne, Vice President, Finance Policy and Programs
<b>TYPE/REQUEST:</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information

**SUMMARY OF TOPIC AND/OR ACTION REQUESTED**

Staff recommends that the Finance Committee approve and endorse for full Council approval the proposed revision to the *2022-24 Endowment Match Program Guidelines*, as shown in Attachment A.

**SUPPORTING INFORMATION**

Under the current *2022-24 Endowment Match Program Guidelines*, institutions are required to submit matching funds requests that meet (or exceed) a minimum request amount threshold of \$50,000. CPE staff recommends that the Finance Committee approve and endorse to the full Council a revision to the guidelines that will allow an institution to submit a request that is below the required minimum threshold, if its total remaining program allocation is less than \$50,000.

The Endowment Match Program, also referred to as the Bucks for Brains program, matches public dollars with private donations on a dollar-for-dollar basis to encourage research at the University of Kentucky (UK) and University of Louisville (UofL) and to strengthen key programs at the comprehensive universities. All funds, both public and private, must be endowed, with investment proceeds used to provide a perpetual source of funding for research activities.

In the *2022-2024 Budget of the Commonwealth* (22 RS, HB 1), the Kentucky General Assembly authorized \$40.0 million in state bond funds for the Bucks for Brains program, with \$30.0 million of that amount appropriated to the Research Challenge Trust Fund (RCTF) to support endowed chairs and professorships, research scholars, staff, and infrastructure, and graduate fellowships at UK and UofL, and \$10.0 million allocated to the Comprehensive University Excellence Trust Fund (CUETF) to support endowed chairs and professorships, research staff and infrastructure, graduate fellowships, and undergraduate scholarships at the comprehensive universities.

The Council on Postsecondary Education has statutory authority to determine the criteria and process by which Kentucky public universities may apply to access appropriations to the RCTF (KRS 164.7917) and CUETF (KRS 164.7919). The Council has exercised that authority by adopting guidelines that accompany each new iteration of program funding provided by the

General Assembly. Included in the 2022-24 guidelines is a requirement that each request for matching state funds meet or exceed a \$50,000 minimum request threshold for an institution to submit a request to the Council and potentially receive a disbursement (if eligible) from their Endowment Match Program allocation.

The problem with this approach is that gifts from donors don't always come in round increments and the amounts given may not match an institution's remaining available allocation. As currently written, once an institution's residual allocation falls below \$50,000, that institution is technically prohibited under the current program guidelines from submitting a request for any remaining funds. To provide institutions with increased flexibility and facilitate access to residual allocations that fall below the \$50,000 threshold, CPE staff recommends adding language to the 2022-24 guidelines that will allow institutions to submit requests for less than \$50,000 once their respective residual allocations fall below the threshold.

The proposed revision to the *2022-24 Endowment Match Program Guidelines* is shown in Attachment A.

## **Council on Postsecondary Education 2022-24 Endowment Match Program Guidelines**

### **Introduction**

Kentucky recognizes the importance of research to the economic well-being of its citizens. The Endowment Match Program encourages private investment in public higher education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund chairs, professorships, research scholars, staffs and infrastructure, fellowships and scholarships, and mission support at the public universities. This collaborative approach is critical to advancing Kentucky's research presence into national prominence.

### **Program Funding**

State funding for the Endowment Match Program is appropriated to the Research Challenge Trust Fund (RCTF) for the research universities and to the Comprehensive University Excellence Trust Fund (CUETF) for the comprehensive institutions. Both trust funds were created with passage of the Postsecondary Education Improvement Act of 1997 (HB 1).

Prior to 2022, there were four rounds of funding for the Endowment Match Program. In fiscal year 1998-99, the program received surplus General Fund appropriations of \$110 million (i.e., \$100 million for the research universities and \$10 million for comprehensive institutions). In 2000-01, the General Assembly authorized \$120 million for the program (i.e., \$100 million for the RCTF and \$20 million for the CUETF). The legislature debt financed another \$120 million for the program in 2003-04 (i.e., \$100 million for the RCTF and \$20 million for the CUETF). Finally, the General Assembly authorized \$60 million in state supported bond funds for the program in 2008-09, with \$50 million appropriated to the research universities and \$10 million appropriated to the comprehensive universities.

For the upcoming 2022-2024 biennium, the General Assembly authorized \$40 million in bond funds for the Bucks for Brains program, with \$30 million appropriated to the Research Challenge Trust Fund and \$10 million appropriated to the Comprehensive University Excellence Trust Fund (22 RS, HB 1).

### **Program Administration**

The Council on Postsecondary Education oversees and administers the Endowment Match Program. The Council establishes areas of concentration within which program funds are used, develops guidelines for the distribution of program funds, and reviews reports from the institutions on uses of program funds and results achieved.

The boards of trustees and boards of regents of the Commonwealth's public universities are responsible for the Endowment Match Program on their respective campuses. The governing boards are required by Council guidelines to review and approve all donations, gifts, and pledges that will be matched with state funds and used to establish new endowments or expand existing endowments under the Bucks for Brains program. Furthermore, the boards are charged with ensuring that the purposes of each endowment and sources of matching funds comply with Council guidelines and serve the public good.

Documentation of board approval must be submitted with each endowment request. In addition, the governing boards are required to review and approve Endowment Match Program reports that are submitted annually to the Council.

### Allocation of Program Funds

In the 2022-2024 Budget of the Commonwealth (22 RS, HB 1), the General Assembly authorized \$30 million in General Fund supported bond funds in fiscal year 2022-23 for the Research Challenge Trust Fund (RCTF) to support efforts to grow endowments for initiatives in fields of science, technology, engineering, mathematics, and health (i.e., STEM+H fields) at Kentucky public research universities. In accordance with KRS 164.7917, funding appropriated to the RCTF will be allocated two-thirds (2/3) to the University of Kentucky and one-third (1/3) to the University of Louisville, as shown in the table below. These funds will remain in the trust fund until matched and distributed.

University of Kentucky	\$20,000,000
University of Louisville	<u>10,000,000</u>
Total RCTF	\$30,000,000

In that same budget, the General Assembly also authorized \$10 million in state-supported bond funds in 2022-23 for the Comprehensive University Excellence Trust Fund (CUETF) to support endowment growth in STEM+H fields at Kentucky comprehensive universities. In keeping with KRS 164.7919, these funds will be apportioned among the comprehensive universities based on each institution's share of sector total General Fund appropriations, excluding debt service and specialized, noninstructional appropriations (i.e., mandated programs). The resulting allocations are shown below. These funds will remain in the trust fund until matched and distributed.

Eastern Kentucky University	\$2,227,800
Kentucky State University	667,800
Morehead State University	1,279,000
Murray State University	1,484,900
Northern Kentucky University	1,864,600
Western Kentucky University	<u>2,475,900</u>
Total CUETF	\$10,000,000

### Matching Requirements

The Endowment Match Program was conceived as a way to bring new money from external sources into the Commonwealth's system of postsecondary education. In order to receive state funds, the universities must provide dollar-for-dollar matching funds that satisfy the following requirements:

- Gifts and pledges must be newly generated to be eligible for state match. Newly generated contributions are those received by the university after November 15, 2021 (i.e., the date of the Council's 2022-2024 biennial budget submission).
- Gifts and pledges must be from external sources to be eligible for state match. External source contributions are those that originate outside the university and its affiliated corporations. Eligible sources of funding include, but are not limited to, businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals. Funds received from federal, state, and local government sources are not eligible for state

match. Federal funds awarded to Kentucky State University under Title III of the Higher Education Act (HEA) are an exception to this rule and are eligible for state match. Federal guidelines under the Strengthening HBCUs Program allow up to 20% of Title III grant awards to be endowed provided they are matched dollar-for-dollar.

- General Fund appropriations and student-derived revenues (e.g., tuition and fees revenue) are not eligible for state match.
- The minimum institutional request amount is \$50,000. A university may combine smaller donations from businesses, nongovernmental foundations, hospitals, corporations, and alumni or other individuals to meet the \$50,000 minimum. An institution may make a request below the minimum threshold if its total remaining program allocation is less than \$50,000.
- All funds, both state and private, must be endowed. “Endowed” means that state and donated funds will be held in perpetuity and invested to create income for the institution, with endowment proceeds eligible for expenditure, in accordance with donor restrictions, university endowment spending policies, and Uniform Prudent Management of Institutional Funds Act (UPMIFA) requirements.
- Requests for state funds must identify the matching funds that are cash and the matching funds that are pledges.
- Pledges, or promises of future payment, are eligible for state match provided they are based on a written contract or agreement and include a payment schedule, which does not exceed five years from the initial pledge date. Pledge payment schedules showing receipts to date and scheduled future payments are to be included in the audited financial statements of either the institution or the foundation.
- If pledged funds are not received within five years of the initial pledge date, the university must replace the portion of private funds not received with another eligible cash gift or the unmatched portion of the state funds plus an allowance for accrued interest will revert to the trust fund for reallocation. In such cases, a time frame for the replacement or return of state funds will be negotiated between Council staff and institutional representatives.
- University officials must notify the Council staff of unpaid pledges six months before the end of the five-year deadline, or immediately when a gift has been revoked.

### Uses of Program Funds

Proceeds from the endowments can be used to support various activities including endowed chairs and professorships, research scholars, research staff, graduate fellowships, undergraduate scholarships, research infrastructure, and mission support as described below.

#### *Category 1 Uses of Program Funds*

**Chairs:** New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by university policy.

**Professorships:** New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by university policy.

**Research Scholars:** Salaries, benefits, and other personnel related expenses associated with non-tenured, medical school faculty who exhibit the potential to assume a chair or professorship position once tenure has been awarded. Research scholars should have clearly defined research agendas that relate specifically to the fields of study envisioned for the ultimate occupants of the chairs or professorships. Funding for this purpose is time limited. Each research scholar may be supported with endowment proceeds for a maximum of six years. At the end of that time, if the research scholar has not been appointed to the identified chair or professorship, university officials should fill the position with an appropriately qualified, tenured faculty member.

**Research Staff:** Salaries, benefits, and other personnel related expenses associated with full-time or part-time staff assistants who directly support the research activities of an endowed chair or professor.

**Research Infrastructure:** Start-up and operating expenses that directly support the research activities of an endowed chair or professor, including equipment, materials and supplies, and other research related expenses as permitted by university policy.

### *Category 2 Uses of Program Funds*

**Graduate Fellowships:** Fellowship stipends for outstanding graduate or professional students, which may include travel and other expenses as permitted by university policy. Eligibility for fellowships will be determined by academic deans and/or campus financial aid officials consistent with donor intent as specified in endowment agreements.

**Undergraduate Scholarships:** At the comprehensive universities only, program funds can be used to support scholarships for outstanding undergraduate students, which may include travel and other expenses as permitted by university policy. Eligibility for scholarships will be determined by academic deans and/or campus financial aid officials consistent with donor intent as specified in endowment agreements.

**Mission Support:** Program funds can be used to support research and graduate missions at all institutions, and programs of distinction or applied research programs approved by the Council at the comprehensive institutions. Consideration will be given to mission support activities such as: (1) expenditures that enhance the research capability of university libraries (i.e., books, journals, research materials, media, and equipment); (2) start-up costs, equipment, and supplies that support faculty, graduate student, or undergraduate student research activities; (3) funding for visiting scholars, lecture series, and faculty exchange; and (4) expenditures for the dissemination of research findings (i.e., nationally prominent publications and presentations at conferences, symposiums, seminars, or workshops). However, priority will be given to mission support expenditures that encourage the research related activities of faculty and students.

### **Use of Funds Requirements**

- At the research universities, at least 70 percent of program funds must be endowed for the purpose of supporting chairs, professorships, or research scholars, or research staff and infrastructure that directly support the research activities of an endowed chair, professor, or research scholar (i.e., Category 1 Uses). No more than 30 percent of program funds may be endowed for the purpose of supporting mission support activities or graduate fellowships (i.e., Category 2 Uses).

- At the comprehensive institutions, at least 50 percent of program funds must be endowed for the purpose of supporting chairs or professorships, or research staff and infrastructure that directly support the research activities of an endowed chair or professor (i.e., Category 1 Uses). No more than 50 percent of program funds may be endowed for the purpose of supporting mission support, graduate fellowships, or undergraduate scholarships (i.e., Category 2 Uses).

### Areas of Concentration

- At both research and comprehensive universities, 100 percent of program funds must be endowed to support initiatives in STEM+H fields (22 RS, HB 1). These areas are of strategic benefit to Kentucky and are core components of a knowledge-based economy. A copy of the Council's official STEM+H Classification of Instructional Program (CIP) code list is available upon request.
- At the research universities, the Council expects state and external matching funds to be substantially directed toward supporting research that leads to the creation, preservation, or attraction of businesses that will increase the number of good jobs in Kentucky. For these purposes, "good jobs" are defined as jobs that yield income at or above the national per capita income.
- The Council recognizes that strong research programs are clustered around related academic disciplines and encourages campus officials to create a critical mass of scholars who can influence the nation's research and academic agendas.
- The Council recognizes that the boundaries of traditional disciplines are increasingly permeable and encourages the use of endowment funds for interdisciplinary, problem solving, or applied research activities.
- The Council recognizes the importance of cooperation between universities and corporations and encourages partnerships in the technologies, engineering, and applied sciences.
- Program funds cannot be used for positions that are primarily administrative. However, chairs, professors, or scholars with active research agendas who may have an appointment such as department chair, center director, or dean are eligible.

### Reporting

Institutions will provide a report to the Council by November 1 every odd numbered year (i.e., coinciding with the Council's biennial budget submission), documenting how state and campus matching funds were used. These reports will include such items as the number of endowed chairs, professorships, and research scholars created or expanded using program funds, the gender and race of program faculty, research staff, and financial aid recipients, and the impact of the program in terms of job creation, increases in sponsored research attributable to the program, and generation and profitable use of intellectual property.

The institutions will also continue to provide FD-21 reports as part of their annual Comprehensive Database submissions to the Council. CPE staff will work with campus officials to identify any additional information that should be included in reports provided to the Council.

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<b>TOPIC/TITLE:</b>	2026-2028 Biennial Budget Update
<b>STAFF CONTACTS:</b>	Greg Rush, Assistant Vice President, Finance Policy and Programs Leslie Brown, Assistant Vice President, Operations
<b>TYPE/REQUEST:</b>	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information

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**SUMMARY OF TOPIC**

Council staff will provide an update on development of the 2026-2028 state budget through each stage of the process, including the Council’s biennial budget recommendation, the Governor’s Executive Budget, and House and Senate versions of the budget. The update will focus on portions of the state budget that are relevant to Kentucky public postsecondary institutions (i.e., operating and capital budgets) and the Council on Postsecondary Education (i.e., agency budget).

**BUDGET DEVELOPMENT PROCESS**

The postsecondary education budget development process is an iterative undertaking that takes about eleven months to complete, involves multiple stakeholders and policy leaders, and allows multiple opportunities for deliberation, negotiation, and compromise along the way. It typically begins in summer of every odd-numbered year with Council staff engaging in conversations with campus presidents and chief budget officers to identify the most pressing resource needs of the postsecondary education community.

It continues with the Council exercising its statutory authority to approve a biennial budget recommendation for postsecondary education, which typically occurs in November every other year (although that approval took place in September for the 2026-2028 biennium). That recommendation was submitted to the Governor and General Assembly this past October and was followed in sequence by the Executive Budget in January, the House Budget in March, and the Senate Budget also in March.

The next step in the process involves members of the Free Conference Committee agreeing on budget components and funding amounts to reconcile differences between

the House and Senate versions of the budget. That is followed by a period during which the Governor has an opportunity to make line-item vetoes, which can then be overridden (or not) by the General Assembly. Typically, the state has an enacted budget by April 15 in every even-numbered year.

## **COUNCIL'S 2026-2028 RECOMMENDATION**

On September 12, 2025, the Council on Postsecondary Education fulfilled one of its primary statutory responsibilities, when it approved a biennial budget recommendation for postsecondary education. That recommendation, which encompasses fiscal years 2026-27 and 2027-28, included three main categories of requests: (1) postsecondary institution operating funds; (2) capital investment; and (3) CPE agency budget. Major components and funding amounts included in each category are provided below.

### **Postsecondary Institution Operating Funds**

CPE staff engaged in discussions with multiple stakeholders to identify funding components to include in the Council's *2026-2028 Postsecondary Education Budget Recommendation* that would address the most pressing resource needs of Kentucky's public postsecondary system and provide the highest return on state investment. Using a collaborative process involving CPE staff and campus leaders, a consensus was reached that the highest priorities for institutional operating funds in the upcoming biennium were additional appropriations for an inflation adjustment and performance funding.

A summary of the main components and funding amounts included in the Council's 2026-2028 Postsecondary Institutions Operating Funds request is provided below.

- The Council's recommendation included a request for \$43.3 million in 2026-2027 and \$86.6 million in 2027-28 for an inflation adjustment to help institutions offset significant increases in higher education costs
- The Council included a request for \$30 million in 2026-27 and \$45 million in 2027-2028 for Performance Funding to provide ongoing incentives for institutions to increase student success and course completion outcomes and continue making progress toward the state's 60x30 college attainment goal.
- If authorized, this represents an increase from \$115 million in 2025-26 to \$145 million in 2026-27 and \$160 million in 2027-28
- At a special called meeting of the Council on March 16, 2026, an additional request for \$50 million was approved for the Osteopathic Medicine program at Eastern Kentucky University. This request is for a one-time appropriation to meet

accreditation requirements for an escrow to be established and to provide start-up funding for the program. Once the program receives accreditation, \$42 million will be returned to the state

### Capital Investment

The Council's Capital Investment recommendation typically includes requests for three funding components: new construction, asset preservation, and information technology and equipment. In recent biennia, due to sizable, accumulated needs for renovation and renewal of campus facilities, the Council has elected to prioritize asset preservation in its capital requests.

While the Council continued to emphasize asset preservation funding in its 2026-2028 recommendation, it also approved a significant request for new facilities, particularly those needed to address STEM-H and other programs requiring more modern facilities.

The main components of the Council's 2026-28 postsecondary institution capital investment request are listed below.

- A request for bond funds totaling \$750 million over the biennium (\$350 million each year) for asset preservation projects
- A request for \$1.76 billion in state bond funds for new construction across all campuses and KCTCS

### CPE Agency Budget

CPE staff engaged in discussions with agency staff and stakeholders to identify funding components to include in the Council's 2026–2028 Agency Budget Request that would allow for a continuation of base services and an expansion of services in critical need areas.

A summary of the main components and funding amounts included in the Council's 2026–2028 Agency Budget Request is provided below.

- The Council's recommendation included a request for \$17.9 million in General Fund dollars in both years of the biennium to fund CPE operations (\$8 million), Technology Trust initiatives (\$3.7 million), Healthcare Workforce Investment (\$3 million), Spinal Cord and Head Injury (\$2 million), Ovarian Cancer Research (\$1 million), and Southern Regional Education Board dues (\$224,800)
- A request for spending authority of \$8.2 million in restricted fund dollars in both years of the biennium to disperse cancer match funds and to support privately grant-funded and licensure programs

- A request for spending authority of \$6 million in federal fund dollars in both years of the biennium to support the GEAR UP Kentucky federal program
- A request for \$6.2 million in both years of the biennium to support cancer research at the University of Kentucky and the University of Louisville
- The Council included an additional budget request of \$2 million to expand Futuriti.org, workforce, and summer bridge initiatives

## **EXECUTIVE BUDGET (HB 304)**

Governor Andy Beshear presented his budget proposal for the 2026-2028 biennium on January 7, 2026. Highlights of the Executive Budget for the state’s public postsecondary institutions include:

### Postsecondary Institution Operating Funds

- Postsecondary institutions were exempted from a 3% base budget reduction implemented by the Governor on most other Executive Branch agencies
- The 2025-26 performance funding distribution is added to the base General Fund budgets for the institutions for 2026-27 and 2027-28
- Base budgets for the institutions were adjusted for Fire and Tornado Fund premium assessments, which resulted in base increases at some institutions and base decreases at others
- General Fund was replaced with Fire Commission restricted funds for the KCTCS State Fire and Rescue Training mandated program

### Capital Investment

- The Executive Budget included state bond authorization for \$768 million for new construction and asset preservation pools
- There was no required institution match for those institutions receiving an asset preservation allocation
- In this biennium, the Executive Budget deviated from past practice and appropriated all debt service to the Finance and Administration Cabinet, rather than to each institution
- Two one-time appropriations from the Budget Reserve Trust Fund are included in the Governor’s recommended budget.
  - A nonrecurring appropriation of \$42 million for an Eastern Kentucky University Osteopathic Medicine Escrow
  - A nonrecurring appropriation of \$4 million for the University of Kentucky Holocaust Education initiative

### CPE Agency Budget

- A 3% General Fund reduction in both years of the biennium (i.e., \$439,300 each year)
- A reduction of \$232,900 to recover the decreased cost in KPPA retirement benefits in fiscal year 2026
- A Fund Swap that uses \$3,477,300 of interest earnings from the endowment match and licensure programs to support agency operations, accompanied by a concomitant reduction in General Fund of \$3,477,300
- No funding for additional budget requests

### **HOUSE BUDGET (HB500 HCS1)**

The House Budget (HB 500) was introduced on January 27, 2026, and was amended by the House Appropriations and Revenue Committee on February 25, 2026. The amended version (HB 500 HCS1) was passed by the full House on February 26, 2026. The information below was obtained from the version of the bill passed by the full House.

### Postsecondary Institution Operating Funds

- The House Budget reduced funding for the institutions from the 2025-26 base levels by 4% in 2026-27 and 7% in 2027-28. This resulted in a reduction of \$42.0 million in 2026-27 and \$73.5 million in 2027-28
- The House also applied the 4% and 7% reductions to almost all mandated programs
- This reduction was calculated using a 2024-25 total General Fund expenditure base, including recurring net General Fund and nonrecurring performance fund distributions from that year, which resulted in larger base reductions each year of the upcoming biennium for institutions that received larger distributions under the funding model in 2024-25
- The House Budget reduced the pension subsidy for participating institutions by \$1.65 million in each fiscal year
- The House Budget increased funding for the Gatton Academy at Western Kentucky University and the Craft Academy at Morehead state University by \$108,900 in 2026-27 and \$219,000 in 2027-28 each
- The House Budget also includes the Executive action where General Fund was replaced with Fire Commission restricted funds for the KCTCS State Fire and Rescue Training mandated program

### Capital Investment

- The House Budget authorized \$190 million in bond funds over the biennium for asset preservation
- In 2026-27, these funds were allocated equally to each institution (\$10 million per institution, \$90 million total)
- In 2027-28, \$100 million was allocated based on each institution's share of Education and General (E&G) square footage

### CPE Agency Budget

- A 3% General Fund reduction in fiscal year 2026-27 and an additional 4% General Fund reduction in fiscal year 2027-28; a \$386,704 reduction in 2026-27 and a \$679,380 reduction in 2027-28 (\$2.1 million was excluded from the budget reduction)
- Reduction in the Commonwealth's Health Insurance Contribution
- No funding for additional budget requests

## **SENATE BUDGET (HB500 SCS1)**

The Senate Budget (HB500 SCS1) passed the full Senate on March 19, 2026. The information provided below was obtained from that bill.

### Postsecondary Institutions Operating Funds

- The Senate Budget maintains base funding for the institutions at 2025-26 levels with no across-the-board reductions
- It maintains base funding for mandated programs at 2025-26 levels
- It does include adjustments to institution base budgets based on changes in Fire and Tornado Insurance premium assessments
- The Senate Budget also reduces the pension subsidy for participating institutions by \$1.65 million in each fiscal year
- It increases the Performance Fund by \$5 million in 2026-27 and \$15 million in 2027-28, resulting in total appropriations in the fund of \$120 million in 2026-27 and \$130 million in 2027-28
- The Senate Budget includes additional funding for the following items:
  - Air Traffic Control Training Program at EKU - \$6.5 million in 2026-27 and \$1.5 million in 2027-28
  - Gatton Academy and Craft Academy - \$517,100 each in 2026-27 and \$1.0 million each in 2027-28
  - Vortruba Young Scholars Academy at NKU - \$1.8 million in 2026-27 and \$3.6 million in 2027-28
  - KCTCS-TRAINS - \$1.85 million in each year

### Capital Investment

- The Senate Budget includes \$190 million in bond funds for asset preservation, using the same allocation methods as the House Budget
- The Senate Budget also adds \$410 million in bond funds for new construction projects at UK, UofL, ECU, Morehead, and KCTCS

### CPE Agency Budget

- A 3% General Fund reduction in fiscal year 2026-27 and an additional 4% reduction in fiscal year 2027-28; a \$386,704 reduction in 2026-27 and a \$632,820 reduction in 2027-28 (\$2.1 million was excluded from the budget reduction)
- Restored the Commonwealth Health Insurance contribution
- A Fund Swap that uses \$3,477,300 of interest earnings from the endowment match and licensure programs to support agency operations, accompanied by a concomitant reduction in General Fund of \$3,477,300
- No funding for additional budget requests

## **BUDGET COMPARISONS**

Attached for review are three tables that facilitate comparisons across the various versions of the postsecondary education budgets.

- Attachment A presents Postsecondary Institution Operating Funds components and funding amounts included in the Council's budget recommendation, Governor's Budget, and House and Senate versions of the budget.
- Attachment B shows Capital Investment components across all iterations of the postsecondary education budgets.
- Attachment C contains information pertaining to mandated programs at each institution.

Council on Postsecondary Education  
 2026-28 Biennial Budget  
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

ATTACHMENT A  
 March 30, 2026

Postsecondary Institution Operating Funds

Funding Component	CPE Recommended		Executive Budget		House Budget (HB 500/HCS 1)		Senate Budget (HB 500/SCS 1)	
	Fiscal 2026-2027	Fiscal 2027-2028	Fiscal 2026-2027	Fiscal 2027-2028	Fiscal 2026-2027	Fiscal 2027-2028	Fiscal 2026-2027	Fiscal 2027-2028
2025-26 Net General Fund	1,076,705,000	1,076,705,000	1,076,705,000	1,076,705,000	1,076,705,000	1,076,705,000	1,076,705,000	1,076,705,000
Additional Budget Requests								
• Inflation Adjustment	43,276,700	86,553,600	0	0	0	0	0	0
• Fire and Tornado Adjustment	0	0	(2,699,400)	(2,699,400)	(2,699,400)	(2,699,400)	(2,699,400)	(2,699,400)
• Pension Subsidy	0	0	0	0	(1,656,900)	(1,656,900)	(1,656,900)	(1,656,900)
• Performance Funding	30,000,000	45,000,000	0	0			5,000,000	15,000,000
<sup>1</sup> • Osteopathic Medicine Program - EKU	50,000,000	0	42,000,000	0				
• Budget Reduction	0	0	0	0	(42,000,400)	(73,500,900)	0	0
• Other Adjustments	50,000,000	0	(1,869,900)	(1,869,900)	(1,652,100)	(1,430,100)	9,314,500	7,148,500
Total Operating Funds	1,249,981,700	1,208,258,600	1,114,135,700	1,072,135,700	1,028,696,200	997,417,700	1,086,663,200	1,094,497,200
Dollar Change	173,276,700	131,553,600	37,430,700	(4,569,300)	(48,008,800)	(79,287,300)	9,958,200	17,792,200
Percent Change	16.1%	12.2%	3.5%	-0.4%	-4.5%	-7.4%	0.9%	1.7%

<sup>1</sup> Approved by the Council in a special meeting on March 16, 2026. The Executive Budget provided this as one-time funding from the Budget Reserve.

Council on Postsecondary Education  
 2026-28 Biennial Budget  
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

ATTACHMENT A  
 March 30, 2026

Postsecondary Institutions

Funding Component	Fiscal 2026-2027	Fiscal 2027-2028	Fiscal 2026-2027	Fiscal 2027-2028	Fiscal 2026-2027	Fiscal 2027-2028	Fiscal 2026-2027	Fiscal 2027-2028
• Inflation Adjustment								
University of Kentucky	13,402,300	26,804,600	0	0	0	0	0	0
University of Louisville	6,175,400	13,350,900	0	0	0	0	0	0
Eastern Kentucky University	3,453,800	6,907,700	0	0	0	0	0	0
Kentucky State University	1,374,600	2,749,200	0	0	0	0	0	0
Morehead State University	2,107,400	4,214,800	0	0	0	0	0	0
Murray State University	2,265,000	4,529,900	0	0	0	0	0	0
Northern Kentucky University	2,530,800	5,061,500	0	0	0	0	0	0
Western Kentucky University	3,671,500	7,343,100	0	0	0	0	0	0
KCTCS	8,295,900	16,591,900	0	0	0	0	0	0
Subtotal	43,276,700	87,553,600	0	0	0	0	0	0
• Fire and Tornado Adjustment								
University of Kentucky	0	0	806,300	806,300	806,300	806,300	806,300	806,300
University of Louisville	0	0	974,500	974,500	974,500	974,500	974,500	974,500
Eastern Kentucky University	0	0	(702,300)	(702,300)	(702,300)	(702,300)	(702,300)	(702,300)
Kentucky State University	0	0	(348,400)	(348,400)	(348,400)	(348,400)	(348,400)	(348,400)
Morehead State University	0	0	(500,600)	(500,600)	(500,600)	(500,600)	(500,600)	(500,600)
Murray State University	0	0	(618,200)	(618,200)	(618,200)	(618,200)	(618,200)	(618,200)
Northern Kentucky University	0	0	(524,100)	(524,100)	(524,100)	(524,100)	(524,100)	(524,100)
Western Kentucky University	0	0	(313,900)	(313,900)	(313,900)	(313,900)	(313,900)	(313,900)
KCTCS	0	0	(1,472,700)	(1,472,700)	(1,472,700)	(1,472,700)	(1,472,700)	(1,472,700)
Subtotal	0	0	(2,699,400)	(2,699,400)	(2,699,400)	(2,699,400)	(2,699,400)	(2,699,400)
• Pension Subsidy								
Eastern Kentucky University	0	0	0	0	(890,900)	(890,900)	(890,900)	(890,900)
Morehead State University	0	0	0	0	(491,300)	(491,300)	(491,300)	(491,300)
Murray State University	0	0	0	0	(164,500)	(164,500)	(164,500)	(164,500)
Western Kentucky University	0	0	0	0	(110,200)	(110,200)	(110,200)	(110,200)

Council on Postsecondary Education  
 2026-28 Biennial Budget  
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

ATTACHMENT A  
 March 30, 2026

Subtotal	0	0	0	0	(1,656,900)	(1,656,900)	(1,656,900)	(1,656,900)
• Budget Reduction								
University of Kentucky	0	0	0	0	(13,302,500)	(23,279,400)	0	0
University of Louisville	0	0	0	0	(6,311,300)	(11,044,800)	0	0
Eastern Kentucky University	0	0	0	0	(3,047,000)	(5,332,200)	0	0
Kentucky State University	0	0	0	0	(1,221,800)	(2,138,200)	0	0
Morehead State University	0	0	0	0	(1,546,100)	(2,705,800)	0	0
Murray State University	0	0	0	0	(2,131,600)	(3,730,400)	0	0
Northern Kentucky University	0	0	0	0	(2,778,500)	(4,862,400)	0	0
Western Kentucky University	0	0	0	0	(3,291,400)	(5,759,900)	0	0
KCTCS	0	0	0	0	(8,370,200)	(14,647,800)	0	0
Subtotal	0	0	0	0	(42,000,400)	(73,500,900)	0	0
• Osteopathic Medicine Program								
Eastern Kentucky University	50,000,000	0	42,000,000	0	0	0	0	0
Subtotal	50,000,000	0	42,000,000	0	0	0	0	0
• Other Adjustments to Mandated Programs (HCS1 across the board reductions to mandated programs displayed in Budget Reductions Section)								
University of Kentucky	0	0	0	0	0	0	0	0
University of Louisville	0	0	0	0	0	0	0	0
Eastern Kentucky University	0	0	0	0	0	0	6,500,000	1,500,000
Kentucky State University	0	0	0	0	0	0	0	0
Morehead State University	0	0	0	0	108,900	219,900	517,100	1,034,100
Murray State University	0	0	0	0	0	0	0	0
Northern Kentucky University	0	0	0	0	0	0	1,800,000	3,600,000
Western Kentucky University	0	0	0	0	108,900	219,900	517,100	1,034,100
KCTCS	0	0	0	0	(1,869,900)	(1,869,900)	(19,700)	(19,700)
Subtotal	0	0	0	0	(1,652,100)	(1,430,100)	9,314,500	7,148,500

Council on Postsecondary Education  
 2026-2028 Biennial Budget  
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

ATTACHMENT B  
 March 30, 2026

Capital Investment

Funding Component	CPE Recommended		Executive Budget		House Budget (HB 500/HCS 1)		Senate Budget (HB 500/SCS 1)	
	Fiscal 2026-27	Fiscal 2027-28	Fiscal 2026-27	Fiscal 2027-28	Fiscal 2026-27	Fiscal 2027-28	Fiscal 2026-27	Fiscal 2027-28
New Construction	1,761,400,000	0	603,065,000	0	0	0	410,000,000	0
Asset Preservation	350,000,000	350,000,000	165,000,000	0	90,000,000	100,001,000	90,000,000	100,001,000
<b>New Construction/Expansion</b>	<b>Fiscal 2026-27</b>	<b>Fiscal 2027-28</b>	<b>Fiscal 2026-27</b>	<b>Fiscal 2027-28</b>	<b>Fiscal 2026-27</b>	<b>Fiscal 2027-28</b>	<b>Fiscal 2026-27</b>	<b>Fiscal 2027-28</b>
UK	450,000,000	0	200,000,000	0	0	0	200,000,000	0
UofL	142,000,000	0	142,000,000	0	0	0	142,000,000	0
EKU	330,000,000	0	10,000,000	0	0	0	10,000,000	0
KSU	50,000,000	0	22,000,000	0	0	0	0	0
MoSU	79,400,000	0	30,665,000	0	0	0	10,000,000	0
MuSU	48,500,000	0	48,500,000	0	0	0	0	0
NKU	150,000,000	0	75,000,000	0	0	0	0	0
WKU	280,000,000	0	0	0	0	0	0	0
KCTCS	231,500,000	0	74,900,000	0	0	0	48,000,000	0
<b>Total</b>	<b>1,761,400,000</b>	<b>0</b>	<b>603,065,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>410,000,000</b>	<b>0</b>
<b>Asset Preservation</b>	<b>Fiscal 2026-27</b>	<b>Fiscal 2027-28</b>	<b>Fiscal 2026-27</b>	<b>Fiscal 2027-28</b>	<b>Fiscal 2026-27</b>	<b>Fiscal 2027-28</b>	<b>Fiscal 2026-27</b>	<b>Fiscal 2027-28</b>
UK	84,274,400	84,274,400	0	0	10,000,000	24,330,000	10,000,000	24,330,000
UofL	41,512,500	41,512,500	0	0	10,000,000	12,077,000	10,000,000	12,077,000
EKU	27,754,200	27,754,200	65,000,000	0	10,000,000	8,189,000	10,000,000	8,189,000
KSU	7,943,500	7,943,500	0	0	10,000,000	2,360,000	10,000,000	2,360,000
MoSU	17,388,100	17,388,100	0	0	10,000,000	5,065,000	10,000,000	5,065,000
MuSU	24,284,900	24,284,900	0	0	10,000,000	7,073,000	10,000,000	7,073,000
NKU	23,855,100	23,855,100	0	0	10,000,000	6,951,000	10,000,000	6,951,000
WKU	30,999,500	30,999,500	100,000,000	0	10,000,000	9,158,000	10,000,000	9,158,000
KCTCS	91,987,800	91,987,800	0	0	10,000,000	24,798,000	10,000,000	24,798,000
<b>Total</b>	<b>350,000,000</b>	<b>350,000,000</b>	<b>165,000,000</b>	<b>0</b>	<b>90,000,000</b>	<b>100,001,000</b>	<b>90,000,000</b>	<b>100,001,000</b>

Council on Postsecondary Education  
 Executive Budget Mandated Program Appropriations (HB304)  
 2026-28 Biennial Budget

ATTACHMENT C-1  
 March 30, 2026

Institution/Mandated Program	2025-26 Actual	2026-27 HB 304	Change From Base Year	2027-28 HB 304	Change From Base Year
<b>University of Kentucky</b>					
College of Agriculture Cooperative Extension Service	\$35,420,800	\$35,420,800	\$0	\$35,420,800	\$0
Kentucky Agricultural Experiment Station	31,434,100	31,434,100	0	31,434,100	0
Center for Applied Energy Research	10,176,200	10,176,200	0	10,176,200	0
Kentucky Geological Survey	4,076,300	4,076,300	0	4,076,300	0
Veterinary Diagnostic Laboratory	4,034,200	4,034,200	0	4,034,200	0
Sanders-Brown Center on Aging	2,040,500	2,040,500	0	2,040,500	0
College of Agriculture Division of Regulatory Services	1,800,000	1,800,000	0	1,800,000	0
College of Agriculture Kentucky Small Business Development Center	600,000	600,000	0	600,000	0
University Press of Kentucky	586,300	586,300	0	586,300	0
Human Development Institute Supported Higher Education Project	500,000	500,000	0	500,000	0
Center of Excellence in Rural Health	450,200	450,200	0	450,200	0
Kentucky Cancer Registry	950,200	950,200	0	950,200	0
Sports Medicine Research Institute	100,000	100,000	0	100,000	0
<b>Fire and Tornado Insurance Premium</b>	<b>9,944,600</b>	<b>10,750,900</b>	<b>806,300</b>	<b>10,750,900</b>	<b>806,300</b>
<b>Total</b>	<b>\$102,113,400</b>	<b>\$102,919,700</b>	<b>\$806,300</b>	<b>\$102,919,700</b>	<b>\$806,300</b>
<b>University of Louisville</b>					
Rural Health Education Program	\$695,200	\$695,200	\$0	\$695,200	\$0
Kentucky Autism Training Center	150,000	150,000	0	150,000	0
School of Dentistry Patient Dental Care	100,000	100,000	0	100,000	0
Mid-South REACH Grant	150,000	150,000	0	150,000	0
<b>Fire and Tornado Insurance Premium</b>	<b>4,826,600</b>	<b>5,801,100</b>	<b>974,500</b>	<b>5,801,100</b>	<b>974,500</b>
<b>Total</b>	<b>\$5,921,800</b>	<b>\$6,896,300</b>	<b>\$974,500</b>	<b>\$6,896,300</b>	<b>\$974,500</b>
<b>Eastern Kentucky University</b>					
Model Laboratory School	\$4,571,900	\$4,571,900	\$0	\$4,571,900	\$0
Pension Subsidy (HB 8 Reductions)	5,345,800	5,345,800	0	5,345,800	0
<b>Fire and Tornado Insurance Premium</b>	<b>3,125,500</b>	<b>2,423,200</b>	<b>(702,300)</b>	<b>2,423,200</b>	<b>(702,300)</b>
<b>Total</b>	<b>\$13,043,200</b>	<b>\$12,340,900</b>	<b>(\$702,300)</b>	<b>\$12,340,900</b>	<b>(\$702,300)</b>
<b>Kentucky State University</b>					
Land-Grant Match	\$10,381,000	\$10,381,000	\$0	\$10,381,000	\$0
Litigation Support	895,000	0	(895,000)	0	(895,000)
<b>Fire and Tornado Insurance Premium</b>	<b>822,000</b>	<b>473,600</b>	<b>(348,400)</b>	<b>473,600</b>	<b>(348,400)</b>
<b>Total</b>	<b>\$12,098,000</b>	<b>\$10,854,600</b>	<b>(\$1,243,400)</b>	<b>\$10,854,600</b>	<b>(\$1,243,400)</b>
<b>Morehead State University</b>					
Craft Academy for Excellence in Science and Mathematics	\$5,442,700	\$5,442,700	\$0	\$5,442,700	\$0
Pension Subsidy (HB 8 Reductions)	2,947,800	2,947,800	0	2,947,800	0
<b>Fire and Tornado Insurance Premium</b>	<b>1,775,000</b>	<b>1,274,400</b>	<b>(500,600)</b>	<b>1,274,400</b>	<b>(500,600)</b>
<b>Total</b>	<b>\$10,165,500</b>	<b>\$9,664,900</b>	<b>(\$500,600)</b>	<b>\$9,664,900</b>	<b>(\$500,600)</b>
<b>Murray State University</b>					
Breathitt Veterinary Center	\$4,034,200	\$4,034,200	\$0	\$4,034,200	\$0
Pension Subsidy (HB 8 Reductions)	1,800,000	1,800,000	0	1,800,000	0
<b>Fire and Tornado Insurance Premium</b>	<b>2,069,600</b>	<b>1,451,400</b>	<b>(618,200)</b>	<b>1,451,400</b>	<b>(618,200)</b>
<b>Total</b>	<b>\$7,903,800</b>	<b>\$7,285,600</b>	<b>(\$618,200)</b>	<b>\$7,285,600</b>	<b>(\$618,200)</b>
<b>Northern Kentucky University</b>					
Kentucky Center for Mathematics	\$1,323,900	\$1,323,900	\$0	\$1,323,900	\$0
<b>Fire and Tornado Insurance Premium</b>	<b>1,902,000</b>	<b>1,377,900</b>	<b>(524,100)</b>	<b>1,377,900</b>	<b>(524,100)</b>
<b>Total</b>	<b>\$3,225,900</b>	<b>\$2,701,800</b>	<b>(\$524,100)</b>	<b>\$2,701,800</b>	<b>(\$524,100)</b>

Western Kentucky University

Gatton Academy of Mathematics and Science	\$5,442,700	\$5,442,700	\$0	\$5,442,700	\$0
Kentucky Mesonet	1,750,000	1,750,000	0	1,750,000	0
Pension Subsidy (HB 8 Reductions)	1,522,200	1,522,200	0	1,522,200	0
LifeWorks at WKU	2,200,000	0	(2,200,000)	0	(2,200,000)
Fire and Tornado Insurance Premium	2,180,800	1,866,900	(313,900)	1,866,900	(313,900)

Total \$13,095,700 \$10,581,800 (\$2,513,900) \$10,581,800 (\$2,513,900)

→ University Total \$167,567,300 \$163,245,600 (\$4,321,700) \$163,245,600 (\$4,321,700)

Kentucky Community and Technical College System

KCTCS-TRAINS	\$4,149,800	\$4,149,800	\$0	\$4,149,800	\$0
Kentucky Fire Commission	1,869,900	0	(1,869,900)	0	(1,869,900)
Adult Agriculture Education	1,000,000	1,000,000	0	1,000,000	0
Forensic Audit	1,000,000	0	(1,000,000)	0	(1,000,000)
Fire and Tornado Insurance Premium	4,637,500	3,164,800	(1,472,700)	3,164,800	(1,472,700)

→ KCTCS Total \$12,657,200 \$8,314,600 (\$4,342,600) \$8,314,600 (\$4,342,600)

→ Grand Total \$180,224,500 \$171,560,200 (\$8,664,300) \$171,560,200 (\$8,664,300)

Appropriations to support Fire and Tornado Trust Fund Insurance Premiums are highlighted in yellow.

Mandated programs highlighted in blue indicate one-time allocations.

Council on Postsecondary Education  
House Budget Mandated Program Appropriations (HB500 HCS1)  
2026-28 Biennial Budget

ATTACHMENT C-2  
March 30, 2026

Institution/Mandated Program	2025-26 Actual	2026-27 HB 500 (HCS1)	Change From Base Year	2027-28 HB 500 (HCS1)	Change From Base Year
<b>University of Kentucky</b>					
College of Agriculture Cooperative Extension Service	\$35,420,800	\$34,004,000	(\$1,416,800)	\$32,941,300	(\$2,479,500)
Kentucky Agricultural Experiment Station	31,434,100	30,176,700	(1,257,400)	29,233,700	(2,200,400)
Center for Applied Energy Research	10,176,200	9,769,200	(407,000)	9,769,200	(407,000)
Kentucky Geological Survey	4,076,300	3,913,200	(163,100)	3,791,000	(285,300)
Veterinary Diagnostic Laboratory	4,034,200	3,872,800	(161,400)	3,751,800	(282,400)
Sanders-Brown Center on Aging	2,040,500	1,958,900	(81,600)	1,897,700	(142,800)
College of Agriculture Division of Regulatory Services	1,800,000	1,728,000	(72,000)	1,674,000	(126,000)
College of Agriculture Kentucky Small Business Development Center	600,000	576,000	(24,000)	558,000	(42,000)
University Press of Kentucky	586,300	562,800	(23,500)	545,300	(41,000)
Human Development Institute Supported Higher Education Project	500,000	480,000	(20,000)	465,000	(35,000)
Center of Excellence in Rural Health	450,200	432,200	(18,000)	418,700	(31,500)
Kentucky Cancer Registry	950,200	912,200	(38,000)	883,700	(66,500)
Sports Medicine Research Institute	100,000	96,000	(4,000)	93,000	(7,000)
<b>Fire and Tornado Insurance Premium</b>	<b>9,944,600</b>	<b>10,750,900</b>	<b>806,300</b>	<b>10,750,900</b>	<b>806,300</b>
<b>Total</b>	<b>\$102,113,400</b>	<b>\$99,232,900</b>	<b>(\$2,880,500)</b>	<b>\$96,773,300</b>	<b>(\$5,340,100)</b>
<b>University of Louisville</b>					
Rural Health Education Program	\$695,200	\$667,400	(\$27,800)	\$646,500	(\$48,700)
Kentucky Autism Training Center	150,000	144,000	(6,000)	139,500	(10,500)
School of Dentistry Patient Dental Care	100,000	96,000	(4,000)	93,000	(7,000)
Mid-South REACH Grant	150,000	144,000	(6,000)	139,500	(10,500)
<b>Fire and Tornado Insurance Premium</b>	<b>4,826,600</b>	<b>5,801,100</b>	<b>974,500</b>	<b>5,801,100</b>	<b>974,500</b>
<b>Total</b>	<b>\$5,921,800</b>	<b>\$6,852,500</b>	<b>\$930,700</b>	<b>\$6,819,600</b>	<b>\$897,800</b>
<b>Eastern Kentucky University</b>					
Model Laboratory School	\$4,571,900	\$4,389,000	(\$182,900)	\$4,251,900	(\$320,000)
Pension Subsidy (HB 8 Reductions)	5,345,800	4,454,900	(890,900)	4,454,900	(890,900)
<b>Fire and Tornado Insurance Premium</b>	<b>3,125,500</b>	<b>2,423,200</b>	<b>(702,300)</b>	<b>2,423,200</b>	<b>(702,300)</b>
<b>Total</b>	<b>\$13,043,200</b>	<b>\$11,267,100</b>	<b>(\$1,776,100)</b>	<b>\$11,130,000</b>	<b>(\$1,913,200)</b>
<b>Kentucky State University</b>					
Land-Grant Match	\$10,381,000	\$10,381,000	\$0	\$10,381,000	\$0
Litigation Support	895,000	0	(895,000)	0	(895,000)
<b>Fire and Tornado Insurance Premium</b>	<b>822,000</b>	<b>473,600</b>	<b>(348,400)</b>	<b>473,600</b>	<b>(348,400)</b>
<b>Total</b>	<b>\$12,098,000</b>	<b>\$10,854,600</b>	<b>(\$1,243,400)</b>	<b>\$10,854,600</b>	<b>(\$1,243,400)</b>
<b>Morehead State University</b>					
Craft Academy for Excellence in Science and Mathematics	\$5,442,700	\$5,551,600	\$108,900	\$5,662,600	\$219,900
Pension Subsidy (HB 8 Reductions)	2,947,800	2,456,500	(491,300)	2,456,500	(491,300)
<b>Fire and Tornado Insurance Premium</b>	<b>1,775,000</b>	<b>1,274,400</b>	<b>(500,600)</b>	<b>1,274,400</b>	<b>(500,600)</b>
<b>Total</b>	<b>\$10,165,500</b>	<b>\$9,282,500</b>	<b>(\$883,000)</b>	<b>\$9,393,500</b>	<b>(\$772,000)</b>
<b>Murray State University</b>					
Breathitt Veterinary Center	\$4,034,200	\$3,872,800	(\$161,400)	\$3,751,800	(\$282,400)
Pension Subsidy (HB 8 Reductions)	1,800,000	1,635,500	(164,500)	1,635,500	(164,500)
<b>Fire and Tornado Insurance Premium</b>	<b>2,069,600</b>	<b>1,451,400</b>	<b>(618,200)</b>	<b>1,451,400</b>	<b>(618,200)</b>
<b>Total</b>	<b>\$7,903,800</b>	<b>\$6,959,700</b>	<b>(\$944,100)</b>	<b>\$6,838,700</b>	<b>(\$1,065,100)</b>
<b>Northern Kentucky University</b>					
Kentucky Center for Mathematics	\$1,323,900	\$1,270,900	(\$53,000)	\$1,231,200	(\$92,700)
<b>Fire and Tornado Insurance Premium</b>	<b>1,902,000</b>	<b>1,377,900</b>	<b>(524,100)</b>	<b>1,377,900</b>	<b>(524,100)</b>
<b>Total</b>	<b>\$3,225,900</b>	<b>\$2,648,800</b>	<b>(\$577,100)</b>	<b>\$2,609,100</b>	<b>(\$616,800)</b>

Western Kentucky University

Gatton Academy of Mathematics and Science	\$5,442,700	\$5,551,600	\$108,900	\$5,662,600	\$219,900
Kentucky Mesonet	1,750,000	1,680,000	(70,000)	1,627,500	(122,500)
Pension Subsidy (HB 8 Reductions)	1,522,200	1,412,000	(110,200)	1,412,000	(110,200)
LifeWorks at WKU	2,200,000	0	(2,200,000)	0	(2,200,000)
Fire and Tornado Insurance Premium	2,180,800	1,866,900	(313,900)	1,866,900	(313,900)

Total \$13,095,700 \$10,510,500 (\$2,585,200) \$10,569,000 (\$2,526,700)

→ University Total \$167,567,300 \$157,608,600 (\$9,958,700) \$154,987,800 (\$12,579,500)

Kentucky Community and Technical College System

KCTCS-TRAINS	\$4,149,800	\$3,983,800	(\$166,000)	\$3,859,300	(\$290,500)
Kentucky Fire Commission	1,869,900	0	(1,869,900)	0	(1,869,900)
Adult Agriculture Education	1,000,000	960,000	(40,000)	930,000	(70,000)
Forensic Audit	1,000,000	0	(1,000,000)	0	(1,000,000)
Fire and Tornado Insurance Premium	4,637,500	3,164,800	(1,472,700)	3,164,800	(1,472,700)

→ KCTCS Total \$12,657,200 \$8,108,600 (\$4,548,600) \$7,954,100 (\$4,703,100)

→ Grand Total \$180,224,500 \$165,717,200 (\$14,507,300) \$162,941,900 (\$17,282,600)

Appropriations to support Fire and Tornado Trust Fund Insurance Premiums are highlighted in yellow.

Mandated programs highlighted in blue indicate one-time allocations.

Council on Postsecondary Education  
Senate Budget Mandated Program Appropriations (HB500 SCS1)  
2026-28 Biennial Budget

ATTACHMENT C-3  
March 30, 2026

Institution/Mandated Program	2025-26 Actual	2026-27 HB 500 (SCS1)	Change From Base Year	2027-28 HB 500 (SCS1)	Change From Base Year
<b>University of Kentucky</b>					
College of Agriculture Cooperative Extension Service	\$35,420,800	\$35,420,800	\$0	\$35,420,800	\$0
Kentucky Agricultural Experiment Station	31,434,100	31,434,100	0	31,434,100	0
Center for Applied Energy Research	10,176,200	10,176,200	0	10,176,200	0
Kentucky Geological Survey	4,076,300	4,076,300	0	4,076,300	0
Veterinary Diagnostic Laboratory	4,034,200	4,034,200	0	4,034,200	0
Sanders-Brown Center on Aging	2,040,500	2,040,500	0	2,040,500	0
College of Agriculture Division of Regulatory Services	1,800,000	1,800,000	0	1,800,000	0
College of Agriculture Kentucky Small Business Development Center	600,000	600,000	0	600,000	0
University Press of Kentucky	586,300	586,300	0	586,300	0
Human Development Institute Supported Higher Education Project	500,000	500,000	0	500,000	0
Center of Excellence in Rural Health	450,200	450,200	0	450,200	0
Kentucky Cancer Registry	950,200	950,200	0	950,200	0
Sports Medicine Research Institute	100,000	100,000	0	100,000	0
Fire and Tornado Insurance Premium	9,944,600	10,750,900	806,300	10,750,900	806,300
<b>Total</b>	<b>\$102,113,400</b>	<b>\$102,919,700</b>	<b>\$806,300</b>	<b>\$102,919,700</b>	<b>\$806,300</b>
<b>University of Louisville</b>					
Rural Health Education Program	\$695,200	\$695,200	\$0	\$695,200	\$0
Kentucky Autism Training Center	150,000	150,000	0	150,000	0
School of Dentistry Patient Dental Care	100,000	100,000	0	100,000	0
Mid-South REACH Grant	150,000	150,000	0	150,000	0
Fire and Tornado Insurance Premium	4,826,600	5,801,100	974,500	5,801,100	974,500
<b>Total</b>	<b>\$5,921,800</b>	<b>\$6,896,300</b>	<b>\$974,500</b>	<b>\$6,896,300</b>	<b>\$974,500</b>
<b>Eastern Kentucky University</b>					
Air Traffic Control Training Program	\$0	\$6,500,000	\$6,500,000	\$1,500,000	\$1,500,000
Model Laboratory School	\$4,571,900	\$4,571,900	\$0	\$4,571,900	\$0
Pension Subsidy (HB 8 Reductions)	5,345,800	4,454,900	(890,900)	4,454,900	(890,900)
Fire and Tornado Insurance Premium	3,125,500	2,423,200	(702,300)	2,423,200	(702,300)
<b>Total</b>	<b>\$13,043,200</b>	<b>\$17,950,000</b>	<b>\$4,906,800</b>	<b>\$12,950,000</b>	<b>(\$93,200)</b>
<b>Kentucky State University</b>					
Land-Grant Match	\$10,381,000	\$10,381,000	\$0	\$10,381,000	\$0
Litigation Support	895,000	0	(895,000)	0	(895,000)
Fire and Tornado Insurance Premium	822,000	473,600	(348,400)	473,600	(348,400)
<b>Total</b>	<b>\$12,098,000</b>	<b>\$10,854,600</b>	<b>(\$1,243,400)</b>	<b>\$10,854,600</b>	<b>(\$1,243,400)</b>
<b>Morehead State University</b>					
Craft Academy for Excellence in Science and Mathematics	\$5,442,700	\$5,959,800	\$517,100	\$6,476,800	\$1,034,100
Pension Subsidy (HB 8 Reductions)	2,947,800	2,456,500	(491,300)	2,456,500	(491,300)
Fire and Tornado Insurance Premium	1,775,000	1,274,400	(500,600)	1,274,400	(500,600)
<b>Total</b>	<b>\$10,165,500</b>	<b>\$9,690,700</b>	<b>(\$474,800)</b>	<b>\$10,207,700</b>	<b>\$42,200</b>
<b>Murray State University</b>					
Breathitt Veterinary Center	\$4,034,200	\$4,034,200	\$0	\$4,034,200	\$0
Pension Subsidy (HB 8 Reductions)	1,800,000	1,635,500	(164,500)	1,635,500	(164,500)
Fire and Tornado Insurance Premium	2,069,600	1,451,400	(618,200)	1,451,400	(618,200)
<b>Total</b>	<b>\$7,903,800</b>	<b>\$7,121,100</b>	<b>(\$782,700)</b>	<b>\$7,121,100</b>	<b>(\$782,700)</b>
<b>Northern Kentucky University</b>					
Vortruba Young Scholars Academy (NEW)	\$0	\$1,800,000	\$1,800,000	\$3,600,000	\$3,600,000
Kentucky Center for Mathematics	1,323,900	1,323,900	0	1,323,900	0
Fire and Tornado Insurance Premium	1,902,000	1,377,900	(524,100)	1,377,900	(524,100)
<b>Total</b>	<b>\$3,225,900</b>	<b>\$4,501,800</b>	<b>\$1,275,900</b>	<b>\$6,301,800</b>	<b>\$3,075,900</b>

Western Kentucky University

Gatton Academy of Mathematics and Science	\$5,442,700	\$5,959,800	\$517,100	\$6,476,800	\$1,034,100
Kentucky Mesonet	1,750,000	1,750,000	0	1,750,000	0
Pension Subsidy (HB 8 Reductions)	1,522,200	1,412,000	(110,200)	1,412,000	(110,200)
LifeWorks at WKU	2,200,000	0	(2,200,000)	0	(2,200,000)
Fire and Tornado Insurance Premium	2,180,800	1,866,900	(313,900)	1,866,900	(313,900)
<b>Total</b>	<b>\$13,095,700</b>	<b>\$10,988,700</b>	<b>(\$2,107,000)</b>	<b>\$11,505,700</b>	<b>(\$1,590,000)</b>
→ University Total	\$167,567,300	\$170,922,900	\$3,355,600	\$168,756,900	\$1,189,600
Kentucky Community and Technical College System					
KCTCS-TRAINS	\$4,149,800	\$6,000,000	\$1,850,200	\$6,000,000	\$1,850,200
Kentucky Fire Commission	1,869,900	0	(1,869,900)	0	(1,869,900)
Adult Agriculture Education	1,000,000	1,000,000	0	1,000,000	0
Forensic Audit	1,000,000	0	(1,000,000)	0	(1,000,000)
Fire and Tornado Insurance Premium	4,637,500	3,164,800	(1,472,700)	3,164,800	(1,472,700)
→ KCTCS Total	\$12,657,200	\$10,164,800	(\$2,492,400)	\$10,164,800	(\$2,492,400)
→ Grand Total	\$180,224,500	\$181,087,700	\$863,200	\$178,921,700	(\$1,302,800)

Appropriations to support Fire and Tornado Trust Fund Insurance Premiums are highlighted in yellow.

Mandated programs highlighted in blue indicate one-time allocations.



# Finance Committee Meeting

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Kentucky Council on Postsecondary Education

Finance Policy and Programs Unit Staff

March 30, 2026

# Meeting Agenda

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- Campus Tuition and Fee Proposal
  - Murray State University
- Interim Capital Projects
  - KSU Shauntee Hall Renovation (Phase II)
  - JCTC Utility Infrastructure Project
  - UK Patterson Office Tower Renovation
- Endowment Match Program Guidelines Revision
- 2026-2028 Biennial Budget Update

# Campus Tuition and Fee Proposal

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Bill Payne, Vice President for Finance Policy and Programs

Adam Blevins, Director of Finance Policy and Programs

Kentucky Council on Postsecondary Education



# Campus Tuition and Fee Proposal

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- Council Approved Ceilings
- Maximum Allowable Base Rates
- Murray State University Proposed Rates
- Staff Recommendation

# Campus Tuition and Fee Proposal

## *Council Approved Ceilings*

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On April 17, 2025, the Council approved resident undergraduate tuition and fee ceilings for academic years 2025-26 and 2026-27 that equated to:

- Maximum base rate increases of no more than **\$675.00** over two years, and no more than **\$450.00** in any one year, for public research universities
- Maximum base rate increases of no more than **\$630.00** over two years, and no more than **\$420.00** in any one year, for comprehensive universities
- Maximum base rate increases of no more than **\$9.00** per credit hour over two years, and no more than **\$6.00** per credit hour in any one year, for KCTCS institutions

# Campus Tuition and Fee Proposal

## *Council Approved Ceilings (Cont'd)*

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At the same April meeting, the Council approved staff's recommendation that institutions be allowed to submit for Council approval:

- Nonresident undergraduate tuition and fee charges that comply with the Council's *Tuition and Mandatory Fees Policy*, or an existing Memorandum of Understanding (MOU) between the Council and an institution
- Market competitive tuition and fee rates for graduate and online courses

# Campus Tuition and Fee Proposal

## Maximum Allowable Base Rates

### Kentucky Public Postsecondary Institution Maximum Base Rate Increase for Resident Undergraduates Academic Year 2025-26

Institution	Adopted 2024-25 Base Rates <sup>1</sup>	Maximum 2025-26 Base Rates	One-Year Dollar Change	One-Year Percent Change
UK	\$13,502	\$13,952	\$450	3.3%
UofL	12,940	13,390	450	3.5%
WKU	\$11,452	\$11,872	\$420	3.7%
NKU	10,704	11,124	420	3.9%
EKU	10,020	10,440	420	4.2%
MuSU	9,900	10,320	420	4.2%
MoSU	9,772	10,192	420	4.3%
KSU	9,087	9,507	420	4.6%
KCTCS <sub>(pch)</sub>	\$189.00	\$195.00	\$6.00	3.2%
KCTCS <sub>(pch x 30)</sub>	5,670	5,850	180	3.2%

<sup>1</sup> Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart fee at KCTCS.

### Kentucky Public Postsecondary Institution Maximum Base Rate Increase for Resident Undergraduates Academic Year 2026-27

Institution	Adopted 2024-25 Base Rates <sup>1</sup>	Maximum 2026-27 Base Rates	Two-Year Dollar Change	Two-Year Percent Change
UK	\$13,502	\$14,177	\$675	5.0%
UofL	12,940	13,615	675	5.2%
WKU	\$11,452	\$12,082	\$630	5.5%
NKU	10,704	11,334	630	5.9%
EKU	10,020	10,650	630	6.3%
MuSU	9,900	10,530	630	6.4%
MoSU	9,772	10,402	630	6.4%
KSU	9,087	9,717	630	6.9%
KCTCS <sub>(pch)</sub>	\$189.00	\$198.00	\$9.00	4.8%
KCTCS <sub>(pch x 30)</sub>	5,670	5,940	270	4.8%

<sup>1</sup> Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart fee at KCTCS.

# Campus Tuition and Fee Proposal

## *Murray State University Proposed Rates*

- MuSU’s Board of Regents approved the university’s tuition and fees for 2026-27 on February 27, 2026
- The university’s maximum allowable base rate for 2026-27 is **\$10,530**
- MuSU proposes to charge resident undergraduates **\$10,530** in 2026-27, an increase of \$210.<sup>00</sup> or 2.0%
- MuSU has entered into a nonresident MOU with CPE
- MuSU’s proposed rates for 2026-27 comply with Council parameters

Murray State University  
Proposed Tuition and Fee Base Rates  
Academic Year 2026-27

Table 1

Rate Category	Current 2025-26 Base Rates	Proposed 2026-27 Base Rates	Dollar Change	Percent Change
<b>Undergraduate</b>				
Resident	\$10,320	\$10,530	\$210	2.0%
Nonresident	20,676	21,096	420	2.0%
<b>Graduate</b>				
Resident	\$618.50 pch	\$631.00 pch	\$12.50	2.0%
Nonresident	618.50 pch	631.00 pch	12.50	2.0%

Base rates for MuSU do not include an Asset Preservation Fee of \$10.00 per credit hour, capped at 15 hours or \$150.<sup>00</sup> per semester, or \$300.<sup>00</sup> per year, for full-time students (fall and spring only).

pch = per credit hour

# Campus Tuition and Fee Proposal

## *Staff Recommendation*

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- The resident undergraduate tuition rate proposed by Murray State University complies with the ceiling adopted by the Council
- As permitted under Council policy, the university submitted market competitive rates for graduate and online students
- MuSU's governing board approved the university's proposed rates for academic year 2026-27 on February 27, 2026

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➤ *Staff recommends that the Finance Committee approve and endorse for full Council approval tuition and fee rates for academic year 2026-27 as proposed by Murray State University*

# Interim Capital Projects

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Adam Blevins, Director of Finance Policy and Programs  
Greg Rush, Assistant Vice President for Finance Policy and Programs

Kentucky Council on Postsecondary Education



# Interim Capital Projects

- All capital projects with a scope of \$1,000,000 or more require Council approval
- The Council approves most projects during the biennial budget submission and review process
- Interim approval is required for capital projects that are not included in the biennial budget request (2024-2026)
- The approval process also applies to projects funded through asset preservation pools

# Interim Capital Projects (Cont'd)

- KRS 45.760 stipulates that interim projects may be authorized provided they:
  - are funded with non-general fund appropriations
  - do not jeopardize funding for existing programs; and
  - are reported to the Capital Projects and Bond Oversight Committee
- KRS 45.763 states that institutions cannot issue debt for capital projects

# Kentucky State University Interim Capital Project Shauntee Hall Renovation (Phase II)

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# Interim Capital Projects

## KSU Shauntee Hall Renovation

- Shauntee Hall formerly housed the Student Health Center and is now being renovated to house the School of Engineering Technology
- Shauntee Hall recently underwent minor renovation, which included updates to interior finishes and HVAC/electrical work
- Proposed work will include:
  - necessary upgrades to mechanical, electrical, and plumbing systems
  - installation of new flooring
  - modification and repair of the building envelope

# Interim Capital Projects

## KSU Shauntee Hall Renovation (Cont'd)

- Phase I of Shauntee Hall renovation was approved using funds from the 2024-26 Asset Preservation Pool (\$6.5 million)
- Phase II will begin concurrently with Phase I, and will be funded through HBCU Title III, Part B funds (\$3.0 million)
- KSU's Board of Regents approved Phase II of the project at their January meeting
- Relevant documentation, including certification of approval from KSU's Board of Regents, is included in the committee's meeting materials

# Interim Capital Projects

## KSU Shauntee Hall Renovation (Cont'd)

- Staff recommends that the Finance Committee approve and endorse for full Council approval a \$3.0 million interim capital project for Kentucky State University to expand the ongoing renovation of Shauntee Hall

# JCTC Interim Capital Project Utilities Infrastructure Upgrade and Relocation

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# Interim Capital Projects

## JCTC Utility Infrastructure Project

- The KCTCS utility infrastructure project at Jefferson Community and Technical College (JCTC) will relocate, reconfigure, and upgrade campus utilities on the Downtown Campus
- The project is needed due to demolition of Hartford Hall, a facility that formerly served as JCTC's utility hub
- The project scope is \$2.2 million and will be funded with agency restricted funds
- KCTCS's Board of Regents approved the project at its March 12, 2026, meeting
- Relevant documentation, including certification of approval from KCTCS's board, is included in the committee's meeting materials

# Interim Capital Projects

## JCTC Utility Infrastructure Project (Cont'd)

- Staff recommends that the Finance Committee approve and endorse for full Council approval a \$2.2 million interim capital project to relocate, reconfigure, and upgrade the utility infrastructure of Jefferson Community and Technical College's Downtown Campus

# University of Kentucky Interim Capital Project Patterson Office Tower Renovation

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# Interim Capital Projects

## UK Patterson Office Tower Renovation

- The University of Kentucky is seeking authorization for an interim capital project that will renovate and upgrade the fourth floor of Patterson Office Tower
- The project scope is \$4.0 million, and will include upgrade of necessary building systems and infrastructure that have exceeded their useful life
- Project will be funded by a combination of 2022-24 Asset Preservation Pool, which will be matched with institutional funds in compliance with statutory requirements and 2022-24 Asset Preservation Guidelines
- The UK Board of Trustees approved the project on June 17, 2022
- Relevant documentation, including certification of approval from UK's board, is included in the committee's meeting materials

# Interim Capital Projects

## UK Patterson Office Tower Renovation (Cont'd)

- Staff recommends that the Finance Committee approve and endorse for full Council approval a \$4.0 million interim capital project for the University of Kentucky to renovate and upgrade the fourth floor of Patterson Office Tower

# Endowment Match Program Guidelines Revision

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Brent Floyd, Senior Associate, Finance Policy and Programs  
Adam Blevins, Director of Finance Policy and Programs

Kentucky Council on Postsecondary Education



# Endowment Match Program Guidelines Revision

## Background Information

- CPE has statutory authority to determine the criteria and process by which public universities apply to access appropriations to the Research Challenge Trust Fund (KRS 164.7917) and Comprehensive University Excellence Trust Fund (KRS 164.7919)
- As a component of this criteria, CPE established a minimum request amount of \$50,000 in program guidelines
- To better allow institutions to utilize their total allocations, CPE staff recommends the addition of language allowing requests to be made under this threshold once an institution's total remaining program allocation is less than \$50,000.

# Endowment Match Program Guidelines Revision

## Proposed Language

- CPE staff proposes adding language to the *2022-24 Endowment Match Program Guidelines* as shown in red font below

The minimum institutional request amount is \$50,000. A university may combine smaller donations from businesses, nongovernmental foundations, hospitals, corporations, and alumni or other individuals to meet the \$50,000 minimum.

**An institution may make a request below the minimum threshold if its total remaining program allocation is less than \$50,000.**

# Endowment Match Program Guidelines Revision

## Staff Recommendation

- Staff recommends that the Finance Committee approve and endorse for full Council approval the proposed revision to the *2022-24 Endowment Match Program Guidelines*

# 2026-2028 Biennial Budget Update

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Greg Rush, Assistant Vice President for Finance Policy and Programs  
Leslie Brown, Assistant Vice President for Operations

Kentucky Council on Postsecondary Education



# 2026-2028 Biennial Budget Update

## Governor's Budget Recommendation (HB 304)

- Postsecondary institutions exempted from base budget reductions that were proposed for other Executive Branch agencies
- Performance funds distributed in fiscal year 2025-26 added to base budgets of institutions that earned the funds (a total of \$115 million moved to base in 2026-27 and 2027-28; no performance appropriation)
- Adjusted campus base budgets for changes in Fire and Tornado Fund insurance premiums
- \$42 million for ECU Osteopathic Medicine Escrow
- \$4 million for UK Holocaust Education Initiative
- \$768 million in bond funded capital projects

# 2026-2028 Biennial Budget Update

## House Budget (HB 500 HCS1)

- Stated base and mandated program budget reductions of 4% in fiscal year 2026-27 and an additional 3% in fiscal year 2027-28
- Total reductions compared to fiscal year 2025-26 base of \$42.0 million in 2026-27 and \$73.5 million in 2027-28
- Performance Fund maintained at \$115 million each year of biennium
- Pension subsidies reduced for institutions receiving those subsidies
- Additional funding for the Gatton Academy at WKU and the Craft Academy at Morehead
- \$190 million in bond funded capital projects

# 2026-2028 Biennial Budget Update

## Senate Budget (HB 500 SCS1)

### The Senate Budget (HB 500 SCS1):

- Maintains base funding for postsecondary institutions at 2025-26 levels with no across-the-board reductions
- Includes adjustments to institution base budgets based on changes in the Fire and Tornado Insurance premium assessments
- Pension subsidies reduced for institutions receiving those subsidies
- Increases the Performance Fund by \$5 million in 2026-27 and \$15 million in 2027-28 (for total of \$120 million in 2026-27 and \$130 million in 2027-28)

# 2026-2028 Biennial Budget Update

## Senate Budget (HB 500 SCS1)

- Additional funding items:
  - Air Traffic Control Training Program at ECU, \$6.5 million in 2026-27 and \$1.5 million in 2027-28
  - Gatton Academy at WKU and Craft Academy at Morehead State University, \$517,100 each in 2026-27 and \$1.0 million each in 2027-28
  - Votruba Young Scholars Academy at NKU, \$1.8 million in 2026-27 and \$3.6 million in 2027-28
  - KCTCS TRAINS, \$1.85 million in each year
- The Senate Budget includes \$190 million in bond funds for asset preservation, following the same allocation method as the House Budget
- The Senate Budget also adds \$410 million in bond funds for new construction projects at UK, UofL, ECU, Morehead, and KCTCS

# 2026-2028 Biennial Budget Update

## Senate Budget (HB 500 SCS1)

FISCAL YEAR 2026- 2027			
Appropriation Category	CPE Recommended	Senate Budget (HB 500/SCS 1)	Difference
General Fund	17,920,500	14,048,900	(3,871,600)
Restricted Fund	8,200,000	11,512,300	3,312,300
Federal Fund	6,070,800	6,057,800	(13,000)
Tobacco Settlement Fund	6,250,000	5,540,900	(709,100)
<b>TOTAL</b>	<b>38,441,300</b>	<b>37,159,900</b>	<b>(1,281,400)</b>

\*Difference Column includes base reductions as well as increases for health insurance and salary increments

# 2026-2028 Biennial Budget Update

## Senate Budget (HB 500 SCS1)

FISCAL YEAR 2027- 2028			
Appropriation Category	CPE Recommended	Senate Budget (HB 500/SCS 1)	Difference
General Fund	17,920,500	17,401,000	(519,500)
Restricted Fund	8,200,000	7,938,000	(262,000)
Federal Fund	6,070,800	6,145,500	74,700
Tobacco Settlement Fund	6,250,000	5,120,500	(1,129,500)
<b>TOTAL</b>	<b>38,441,300</b>	<b>36,605,000</b>	<b>(1,836,300)</b>

\*Difference Column includes base reductions as well as increases for health insurance and salary increments

# 2026-2028 Biennial Budget Update

## Senate Budget (HB 500 SCS1)

Senate Budget (HB500/SCS1)		
GENERAL FUND ANALYSIS		
	FY2027	FY2028
Baseline Budget	\$17,920,500	\$17,920,500
Reduction - 3% and Additional 4%	(\$372,200)	(\$651,400)
Reduction: Retirement (FY 26 Enacted vs Actual)	(\$232,900)	(\$232,900)
Increase: Defined Calculations, Health Insurance, and Retirement Increase	\$108,800	\$155,200
Increase: Salary Increment - 2%	\$102,000	\$209,600
Fund Swap- Bucks for Brains Interest	(\$3,077,300)	
Fund Swap - Licensure	(\$400,000)	
<b>TOTAL General Fund Budget</b>	<b>\$14,048,900</b>	<b>\$17,401,000</b>

# 2026-2028 Biennial Budget Update

## Remaining Timeline

- Conference committee has been appointed and is meeting
- Free Conference Committee will likely be appointed soon
- Free Conference Committee report will have to be accepted by both House and Senate
- To maintain their ability to override vetoes, the legislature will need to pass a final version of the budget by Wednesday, April 1

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