



# **POSTSECONDARY EDUCATION EQUINE TRUST PROGRAM GUIDELINES**

Approved by Council: January 30, 2026

Effective Date: January 30, 2026

## Introduction

KRS 138.510(1)(d)5 establishes the Postsecondary Education Equine Trust and Revolving Fund from the proceeds of the Kentucky pari-mutuel tax. Specifically, it provides that:

- a. An amount equal to one-tenth of one percent (0.1%) of all money wagered on live races and historical horse races at the track shall be deposited in a trust and revolving fund to be used for the construction, expansion, or renovation of facilities or the purchase of equipment for equine programs at state universities and the Bluegrass Community and Technical College, except that the amount deposited from money wagered on historical horse races in any fiscal year shall not exceed three hundred twenty thousand dollars (\$320,000).
- b. These funds shall not be used for salaries or for operating funds for teaching, research, or administration. Funds allocated under this subparagraph shall not replace other funds for capital purposes or operation of equine programs at state universities and the Bluegrass Community and Technical College.

The Council on Postsecondary Education is designated as the administrative agent for the funds and is required to “establish an advisory committee of interested parties, including all universities and the Bluegrass Community and Technical College with established equine programs, to evaluate proposals and make recommendations for the awarding of funds.” An account has been established to fulfill the purpose prescribed by statute.

The Advisory Committee (aka., the Equine Trust Fund Group) meets at least twice per year to share institutional program updates, review fund revenues and expenditures, and discuss parties’ contractual administrative obligations, including initial budget requests, substantive budget revisions, and annual programmatic financial reporting. The meetings will be publicly noticed by the Council in compliance with the Kentucky Open Meetings Act.

## Eligibility for Participation

Morehead State University, Murray State University, the University of Kentucky, the University of Louisville, Western Kentucky University, and Bluegrass Community and Technical College operate equine programs and are eligible to participate in the Postsecondary Education Equine Trust and Revolving Fund per KRS 138.510(5).

## Criteria for the Award of Funds

Projects funded shall:

- Significantly improve academic equine program facilities and equine program infrastructure that supports such facilities through construction, expansion, or renovation.

- “Equine program facilities” includes buildings and key building systems, such as the plumbing system, electrical system and permanently affixed power generators, mechanical and HVAC system, elevator system, escalator system, fire protection and alarm system, gas distribution system, and the security system.
- “Equine program infrastructure” includes infrastructure, such as roads, walkways, and steam tunnels that support current and ongoing use of academic equine program facilities.
- Qualities of projects that significantly improve academic equine program facilities or equine program infrastructure include:
  - Projects that extend the useful life of the building or key building system, as opposed to projects anticipated to be completed over the expected useful life of the building or key building system (e.g., routine maintenance).
  - Routine maintenance and repair projects and ongoing building maintenance and operations (M&O) costs, typically funded through an institution’s operating budget are not eligible for funds.
  - Projects that place the property in better operating condition, as opposed to projects that keep a unit of property in ordinarily efficient operating condition.
- For items of equipment to be eligible for funding, they must: (1) have a useful life in excess of 2 years; and (2) have a cost of \$5,000 or more.
- Recognize the needs of all institutions; and
- Not include salary or other operating expenses or replace other funds for capital purposes.

The *yearly allocation of the Postsecondary Education Equine Trust and Revolving Fund* will include a base-funding amount that may be conservatively supported by the historical receipts of the fund. Institutions shall submit budgets for the expenditure of their base funding allocations identifying each capital construction, expansion, or renovation project and equipment purchase. Cost estimates for individual items along with brief descriptions of each item and their use are also encouraged. Allocations cannot exceed available revenue at any point in time. The Council reserves the right to adjust allocations should actual receipts fall short of the amounts initially approved.

Council staff, along with the Advisory Committee, may evaluate proposals for additional funding for specific capital purposes at the institutions apart from the initial equal distributions in each fiscal year and amend the relevant contracts to accommodate the additional funding.

Council staff, along with the Advisory Committee, may recommend a fiscal year contract amendment if receipts are in excess of the initial fiscal year allotment to the institutions. Budget requests for excess receipts shall be provided to Council staff before additional disbursements are paid to the institutions.

Institutions are required to comply with all statutes relating to capital project authorization. At a minimum, projects meeting the statutory capital project definitions and thresholds (KRS 45.750) must be approved by an institution's board and the Council on Postsecondary Education to have projects authorized.

## **Reporting Guidelines (defined in institutional contracts)**

An annual or biennial budget shall be received by Council staff prior to the start of the period (year or biennium). The Advisory Committee will review initial institution budgets and substantive budget revisions as information items. Any change of 10% or greater from one line item to another, using the total annual budgeted expenses for a given year as the base, is considered a substantive budget revision and will require CPE approval.

Carryforwards must be designated for a capital project (i.e., capital construction, expansion, or renovation) or equipment purchases. Therefore, carryforwards should always be included in the base when determining the 10% threshold. Expenditures that cross budget periods do not require a budget revision, as it is assumed an institution's carryforward contains the funds to cover these costs. However, the annual programmatic report should note that such an expense is from a prior budget period.

Funds for capital construction, expansion, or renovation projects and equipment purchases that are consistent with the statute will be distributed to the institutions, in accordance with the contracts, and shall be deposited by the institution into institution-designated restricted fund accounts. Funds may be accumulated over more than one fiscal year provided that these funds are designated for a capital construction, expansion, or renovation project or equipment purchase.

Annual programmatic financial reports displaying the expenditure and use of funds (July 1 through June 30) must be submitted to Council staff by the following October 1.

## **Equine Trust Advisory Committee**

### *Composition:*

The Committee shall be composed of one representative from each participating institution. This representative shall be nominated by the institution and confirmed by the chair of the Council on Postsecondary Education. Representatives serve four-year terms and may be reappointed at

the will of both parties. Should a representative vacate their position at a participating program, the participating institution shall nominate a replacement within 30 days to serve the remainder of the term.

*Duties and Responsibilities:*

The Council is the designated administrative agent for the Equine Trust and Revolving Fund. The primary responsibility of the Committee is to advise Council staff on its administration.

- A. Guidelines: Engage in feedback with CPE staff to review and revise the Postsecondary Education Equine Trust Program Guidelines.
- B. Additional funding: Proposals for additional funding and contract amendments if receipts exceed the initial fiscal year allotment shall also be reviewed by the Committee.
- C. Voting: Actions taken by the Committee require a majority vote of all appointed committee members. In the event of a tie, CPE's Vice President of Finance Policy & Programs or their designee will cast a tie-breaking vote. All actions taken by the committee must be compliant with both KRS 138.510(1)(d)5 and the Postsecondary Education Equine Trust Program Guidelines.