

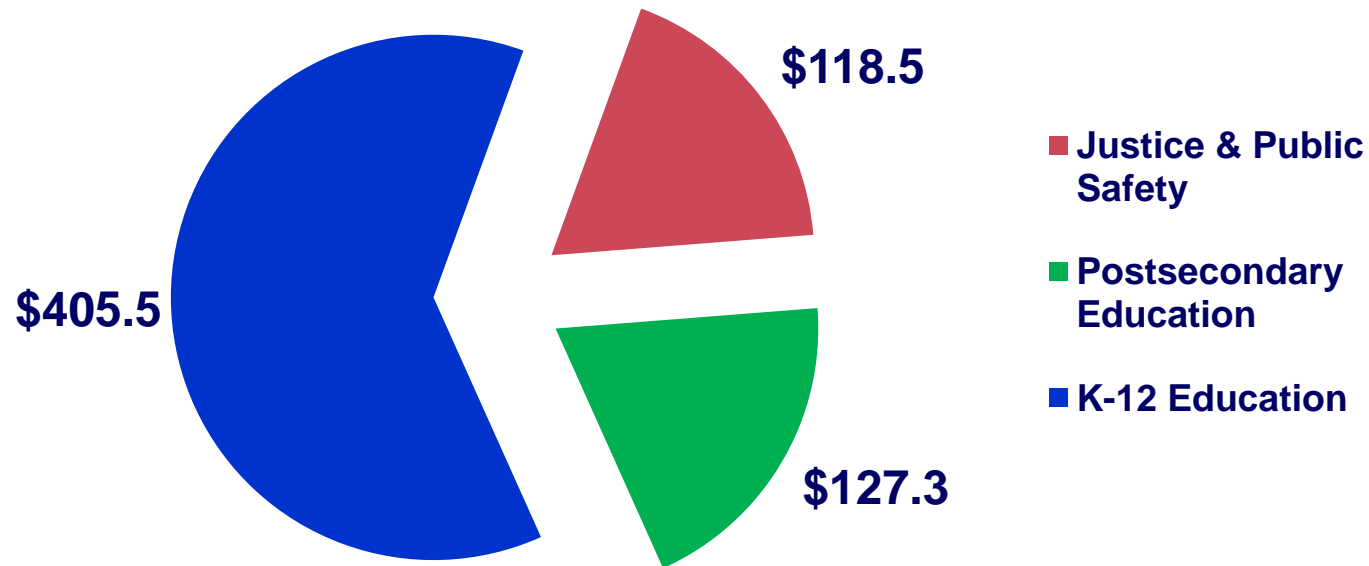
UPDATE ON AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING

CAMPUS FACILITIES STUDY

Budget Review Subcommittee on Postsecondary Education
of the Interim Joint Committee on Appropriations & Revenue
September 23, 2010

Kentucky State Fiscal Stabilization Funds (SFSF) Program Implementation

**Allocation of Total Program Awards of \$651.3 Million
(in millions)**



- ❖ Public postsecondary institutions received \$70 million in FY10 and \$57.3 million in FY11.
- ❖ Local Kentucky school districts received \$223 million in FY10 and \$182.5 million in FY11.

Source: Finance & Administration Cabinet

Impact of SFSF

Kentucky Public Postsecondary Institution Appropriations (in millions)

Category	FY 09	FY 10	FY 11	FY 12
Net General Fund	\$1,005.7	\$ 935.7 ^(a)	\$ 931.3 ^(b)	\$ 978.6 ^(b)
SFSF Appropriation	-	70.0	57.3	-
Total	\$1,005.7	\$1,005.7	\$ 988.6	\$ 978.6
Dollar Change		\$ -	\$ (17.1)	\$ (10.0)
Percent Change		0.0%	-1.7% ^(c)	-1.0%

^(a) Revised net General Fund pursuant to Budget Reduction Order 10-01.

^(b) 2010 Special Session enacted net General Fund (net of debt service and UofL Hospital).

^(c) Effective cut is -1.4% due to reorganization transfers.

Postsecondary Uses of Federal SFSF

- ❖ Kentucky's postsecondary institutions used the SFSF to:
 - 1) Provide scholarships, fellowships, and tuition waivers for qualifying Kentucky residents.
 - 2) Pay salaries, wages, benefits, and support other E&G related costs.

- ❖ Using the SFSF for these purposes helped mitigate the need for tuition increases in FY10 and FY11.

- ❖ Through a combination of the SFSF and General Fund support, increases in resident undergraduate tuition were held between 3 percent and 6 percent.

American Recovery and Reinvestment Act (ARRA) Competitive Grant Funds

- ❖ The postsecondary institutions also received competitive grants through agencies such as:
 - ❖ National Institutes of Health
 - ❖ National Science Foundation
 - ❖ Department of Energy
- ❖ In 2009-10, Kentucky's public universities and KCTCS received 256 ARRA funded research grants totaling \$120.9 million.
- ❖ Of that total, UK received \$72.8 million, UofL received \$29 million, and KCTCS received \$9.8 million, and other institutions received \$9.3 million.

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Campus Facilities Study Purpose & Process

Purpose

- ❖ In 2006, the Council and institutions initiated a Campus Facilities Study to provide data and technical support for a capital recommendation process.
- ❖ Incorporate a long-term approach to improve state and institutional investment in facility maintenance.
- ❖ Focus study on facility lifecycle condition needs, space adequacy and capacity, and funding options.

Process

- ❖ Consensus among institutions and CPE to jointly fund study at a cost of \$1.8 million (cost shared on square footage).
- ❖ Patterned the study after similar study conducted by North Carolina.
- ❖ Identify contractors with the capacity to conduct the study.
- ❖ Based on the response from RFI, issued an RFP to identify the contractor best suited to conduct the study.
- ❖ Study and contract steering committee made up of representatives from each institution.



Facilities Included in the Study

	# of Facilities	Gross Square Feet	% of Space
Kentucky Postsecondary System Total	2,016	47,897,000	100%
VFA Condition Study – Lifecycle Condition Total Assessed ¹	717	29,940,000	62.5%
Paulien & Associates – Adequacy & Fit -for-Continued -Use ²	141	10,038,000	21.0%
<p>1. Space not assessed includes auxiliary, housing, athletics, farms, parking garages, off campus/ extended campus sites, and other public service facilities.</p> <p>2. The Paulien study is a subset of the VFA, Inc., total space assessed.</p>			

What was Assessed?

The lifecycle of major building systems

Condition of Buildings and Systems

- ❖ Superstructure
- ❖ Lifecycle of major building systems : electric, mechanical, transportation, HVAC, roof, etc.

Assessed Asset Preservation Needs

- ❖ By type (e.g., research, instruction, office, etc.)
- ❖ Replacement cost
- ❖ Expected life
- ❖ Remaining life
- ❖ Renewal year
- ❖ Renewal cost



Investment in Capital Construction and Asset Preservation

Biennium	General Fund Investment		Institutional Investment	
	Capital Construction	Asset Preservation	Agency Match Asset Preservation	Agency Asset Renewal
2010-12	\$ -	\$ -	\$ -	
2008-10	45,600,000	13,900,000	9,561,300	12,651,249
2006-08	480,000,000			
2004-06	397,300,000			38,858,082
2002-04	422,000			44,570,540
2000-02	227,400,000	30,000,000	30,000,000	55,443,169
1998-00	380,700,000	20,600,000	20,600,000	
1996-98	66,400,000			
<i>Total</i>	<i>\$ 1,597,822,000</i>	<i>\$ 64,500,000</i>	<i>\$ 60,161,300</i>	<i>\$ 151,523,040</i>
Biennial AVG	\$ 199,727,750	\$ 8,062,500	\$ 7,520,163	\$ 18,940,380

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