

2010-12 OPERATING AND CAPITAL BUDGET RECOMMENDATION

Council on Postsecondary Education
November 6, 2009

Overview

- ❖ Points of Consensus
 - ❖ Signed by all Presidents
- ❖ Recommendation
 - 1) Institutional Operating Funds
 - 2) Capital Investments
 - 3) Agency Funds



Points of Consensus

- ❖ Collaborative work product between Council and institutions
- ❖ Outlines general principles to guide budget request
- ❖ Signed by all Presidents and provides unified voice
- ❖ Focus on two parts
 - 1) Base funding priorities
 - Base adjustments (necessary)
 - Strategic initiative funds (if funds available)
 - 2) Capital investments
 - Align with findings of facility study (2007)
 - Asset preservation a priority
 - Agency bond flexibility



2010-12 Operating and Capital Budget Recommendation



Institutional Operating Funds (\$1.1 billion)

- ❖ **SFSF replacement** (\$70 million)
- ❖ **Base adjustments** (\$39 million new / \$75 million total)
 - Includes debt service (\$8M), UofL hospital contract (\$21M), KSU land grant (\$7M), and M&O on new facilities (\$37M: FY09-FY12)
- ❖ **Strategic initiative funds** (\$50 million)
 - Focus on retention and graduation rates
 - Other initiatives consistent with mandates of HB 1 (e.g., research, transfer, etc.)
 - Distributed proportionately to institutions

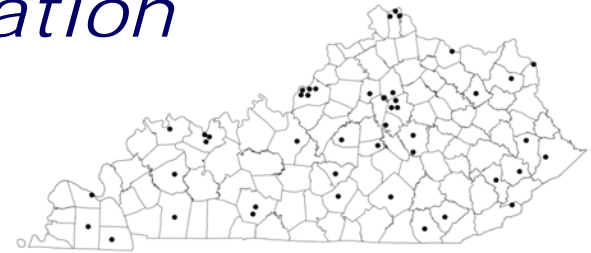
2010-12 Operating and Capital Budget Recommendation

Capital Investments (\$1.2 billion)



- ❖ Aligned with VFA facility study (2007)
- ❖ Capital Priorities
 - 1) **Capital Renewal/Asset Preservation (\$100M)**
 - 2) **New & Expanded E&G/Major Renovations (\$821M)**
 - 3) **New Research Buildings (\$267M)**
 - 4) **Information Technology (\$50M)**
- ❖ Importance of communicating full cost of buildings (cost of construction, debt service, and M&O)

2010-12 Operating and Capital Budget Recommendation



Agency Funds (\$52 million)

Statewide Coordination (16% of GF)

- ❖ Mandatory “defined calculation” (\$.8M)

Statewide Educational Programs and Services (84% of GF)

- ❖ Kentucky Adult Education Instruction (\$.8M)
- ❖ Student Assistance & Educ. Support (\$.8M – Contract Spaces)
- ❖ Academic Support (\$.2M - KPEN, KYVC/KYVL)
- ❖ Research & Econ. Development (\$.2M - KSTC)

Debt Service (\$23M – Capital Renewal & IT Pools only)

Other Funds (Tobacco Settlement, Restricted, & Federal)

Transfer of Programs (Will require legislative action)



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