

## Governor's Proposed 2016-18 Biennial Budget Summary for Postsecondary Institutions

### Operating Funds

- Includes proposal for a 4.5% reduction in the current fiscal year for the postsecondary institutions, applied to the enacted 2015-16 net General Fund base.
- Includes a proposed 9.0% reduction in 2016-17, again applied to the enacted 2015-16 net General Fund base, not the revised net General Fund base after the 4.5% cut.
- The 9.0% reduction is carried forward into the second year of the biennium (i.e., flat funding), but the Governor's budget also contains a proposal to reallocate one-third of each institution's operating funds in 2017-18 to a Postsecondary Education Performance Fund, which will be allocated among institutions based on progress toward and achievement of performance goals. Desired outcomes, performance indicators, and time-period goals are yet to be determined. The budget bill does not specify a governing authority for the Performance Fund.
- Provides an additional \$5.3 million from the General Fund in fiscal year 2016-17 and \$10.7 million in fiscal year 2017-18 for NKU to address disparities in the allocation of state appropriations among the comprehensive postsecondary education institutions.
- Provides an additional \$2.6 million from the General Fund in fiscal year 2016-17 and \$5.2 million in fiscal year 2017-18 for WKU to address disparities in the allocation of state appropriations among the comprehensive postsecondary education institutions.

### Trust Funds

- The Governor's proposed budget contains no new funding for Strategic Investment and Incentive Trust Funds.

### Capital Construction

- The Governor's budget does not include any General Fund or agency bond supported capital projects.
- The budget provides partial authorization (i.e., \$668.7 million) for requested capital projects (\$1.090 billion) financed with third-party or other funding sources.
- Restricted funds projects below \$15.0 million at the research institutions and below \$5.0 million at the comprehensive institutions and KCTCS were included (i.e., (\$1.049 billion out of requested \$4.309 billion).
- No land purchases were authorized in the proposed budget.

## Workforce Development

The Education and Workforce Development Cabinet budget includes bonding to support a \$100.0 million construction pool for:

Capital investments in workforce development education and training facilities. The Education and Workforce Development Cabinet will administer this Construction Pool and will provide a neutral, objective process whereby appropriate project applications will be received, reviewed, and awarded. This Construction pool addresses employers' needs to recruit a workforce that will align with changing demands and work environment, and the Commonwealth's needs for a highly skilled workforce and to carry out a strategic goal of achieving excellence in manufacturing and related industries.