

Council on Postsecondary Education
January 16, 2009

Upgrade Administrative Computing System
Kentucky State University

<p>ACTION: The staff recommends that the Council approve the request of Kentucky State University to use federal and institutional funds to upgrade the Administrative Computing System (ERS). The estimated project cost is \$4,000,000.</p>
--

Kentucky State University proposes to use federal (\$2,400,000) and institutional (\$1,600,000) money (\$4,000,000 total) to upgrade the Administrative Computing System (ERS), the hardware and software to support the administrative computing function of the university. The project requires interim authorization because the project as reviewed and recommended by the Council in November 2007 was not included in the 2008 Appropriation Act (HB 406). Without interim authorization of the project to purchase upgraded hardware and software systems, the university will not have a functioning financial management system. The federal funds are available and the authorization will allow the work to be completed. The Kentucky State University board of regents approved the project as a part of its 2008-10 capital projects request. No further action is required of the KSU board.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing \$600,000 or more, regardless of fund source, that have been approved by an institution's governing board. During the interim, capital projects are evaluated under the requirements established by KRS 45.760(14) and KRS 45.763. Since the estimated cost of this project exceeds the \$600,000 threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated. The project meets the requirement of KRS 45.760(14) that the source of funds be at least 50 percent federal or private.

Kentucky State University states that funding for the project will come from Federal Title III funds and institutional funds originally budgeted for the project. The university further confirms that the federal and institutional funds are available to implement the project. The university does not anticipate debt financing any portion of this project. Kentucky State University staff and the Finance and Administration Cabinet will implement the project. The project is scheduled to be completed by May 2010.

Following Council approval, the staff will forward the Council's recommendation to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.

Staff preparation by Sherron Jackson