

TITLE: Interim Capital Project Request – Murray State University, Curris Center Roof Replacement

DESCRIPTION: Staff recommends that the Finance Committee endorse for full Council approval a \$1,510,000 agency restricted funds interim capital project at Murray State University's main campus that will replace the roof of the Curris Center.

STAFF CONTACT: Adam Blevins, Associate Director, Finance Policy and Programs

SUPPORTING INFORMATION

Murray State University (MuSU) officials have requested authorization for an interim capital project to replace the roof of the Curris Center on the university's main campus. The project will replace 32,862 square feet of built-up roofing, which was last replaced in 1990 and had a 25-year useful-life expectancy. The MuSU Board of Regents approved the project on December 13, 2024. The project's total scope is \$1,510,000 and will be funded with agency-restricted funds.

House Bill 592 (RS 18) created a new provision in KRS 164A.575, which allows public postsecondary institutions to authorize capital projects not specifically listed in the state budget as long as: (1) the projects are funded with non-general fund appropriations; (2) do not jeopardize funding for existing programs; and (3) are reported by the institution to the Capital Projects and Bond Oversight Committee. The relevant section of KRS 164A.575 is provided below:

- (15) Notwithstanding KRS 45.760, the governing board may authorize a capital construction project or a major item of equipment even though it is not specifically listed in any branch budget bill, subject to the following conditions and procedures:
 - (a) The full cost shall be funded solely by non-General Fund appropriations;
 - (b) Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or re-allotted for expenditure on the project or major item of equipment. Moneys utilized shall not jeopardize any existing program and shall not require the use of any current General Funds specifically dedicated to existing programs; and
 - (c) The institution's president, or designee, shall submit the project or major item of equipment to the Capital Projects and Bond Oversight Committee for review as provided by KRS 45.800.

During the interim, the approval process for a capital project that exceeds \$1,000,000 and the agencies involved is as follows:

- The project must be approved by an institution's board of trustees or regents;
- The project must be submitted to the Council on Postsecondary Education for review and action;
- If approved by the Council, projects at KSU are submitted to the Secretary of the Finance and Administration Cabinet for review and action, and subsequently submitted by the Secretary to the Capital Projects and Bond Oversight Committee for review;
- If approved by the Council, projects at EKU, MoSU, MuSU, NKU, UK, UofL, WKU and KCTCS are submitted by the requesting institution to the Capital Projects and Bond Oversight Committee for review, and a copy is provided to the Finance and Administration Cabinet as information; and
- Following review and action by the appropriate boards and agencies, the project may be initiated by the requesting institution.

Because this project was not previously approved by the Council and was not authorized by the General Assembly in the enacted 2024-2026 budget (RS 24, HB 6), Council approval is now required to authorize this project. MuSU will use restricted funds to finance this project. Debt will not be used to finance any portion of this project; therefore, provisions of KRS 45.763 do not apply.

NEXT STEPS

Following action by the Council, CPE staff will notify the president of MuSU, the Secretary of the Finance and Administration Cabinet and the Capital Projects and Bond Oversight Committee regarding this interim capital project.