



Interim Joint Committee on Local Government

October 27, 2020

Cities and Special District Branch

What are Special Purpose Governmental Entities (SPGEs)

SPGEs are independent, political subdivisions of the state, government entities that exercise less than statewide jurisdiction and are organized for the purpose of performing specific services within limited boundaries.

Topics

- ▶ DLG Compliance
- ▶ SPGE 2020 Timeline
- ▶ New SPGE System and Costs – Phase I – SPGE Dashboard
- ▶ LRC Compliance Data as of 10/22/2020

DLG Responsibility per KRS 65A

- ▶ Create and maintain:
 - Online central registry
 - Online reporting portal
 - Online public access portal

- ▶ Monitor compliance:
 - Track status changes when notified (Newfound, Dissolution, Merged, and Housing Authorities)
 - Prepare statutorily required reports
 - Activate noncompliance procedures

SPGE 2020 Timeline

- ▶ February & March 2020 – Manual Process Development – The CSD Branch created the registration and budget forms in Excel. Also, a compliance tracking spreadsheet was developed using Excel.
- ▶ March 2020 – Kentucky Interactive provided a new SPGE payment program where the CSD Branch can send payment links by text and email to the SPGE.
- ▶ March 2020 – The CSD Branch started working with COT Business Analyst to review system needs for the SPGE program.
- ▶ April 2020 – The SPGE User Dashboard was replaced by a manual submission process. The CSD Branch notified the SPGEs by email of the new manual process.
- ▶ July 2020 – The CSD Branch received a new merit employee and an administrative support employee to assist in the manual process.

SPGE 2020 Timeline

- ▶ August 2020 – The CSD Branch sent the 30-Day noncompliance notifications to SPGEs for FY 2020 Amendments, FY 2021 Registration and Budget Summary Estimates
- ▶ September 2020 – DLG and COT signed the Statement of Work Agreement to build the new SPGE User Dashboard, which would be delivered February 2021 for SPGEs on FY July 1 through June 30, 2021 cycle. By November 2021, the remaining SPGEs will be added to the new system.
- ▶ October 2020 – The CSD Branch notified the APA, Finance Cabinet and notified newspapers of SPGE noncompliance.
- ▶ October 2020 – The CSD Branch sent the 30-Day noncompliance notifications to SPGEs for FY 2020 Year-End Actuals. They are currently in the 30 day submission period.
- ▶ November 2020 – Greater than \$100,000 fire departments who are noncompliant will receive the 30-Day noncompliance notifications
- ▶ December 2020 – SPGEs who have not submitted their audits will receive the 30-Day noncompliance notifications

New SPGE System

- September 2020 – DLG and COT entered into a Statement of Work Agreement to build the new SPGE system – Phase I – SPGE User Dashboard

In
Process

▶ Phase I – SPGE User Dashboard (Registration and Financial Disclosure)

By December 2024, the below phases will be complete.

TBD

- ▶ Phase II – SPGE Public Portal (Search, download and compare)
- ▶ Phase III – DLG Admin Dashboard (Status changes, record administration and communications)
- ▶ Phase IV – Compliance (Statute driven deadlines and reporting)
- ▶ Phase V – Reporting (Ad hoc reporting)
- ▶ Phase VI – Training Portal (Group training, webinars, interactive training and YouTube Channel Training)

New SPGE System – Cost and Fees

- ▶ Solution development cost – Phase 1 (one time): \$355,025
- ▶ Infrastructure cost (annual – ongoing): \$11,136
 - *Base Configuration (3 servers): \$10,704 annual*
 - Web Server with 3 CPUs, with plenty of RAM and storage to meet our needs
 - App Server with 3 CPUs, with plenty of RAM and storage to meet our needs
 - SQL Server with 4 CPUs, with plenty of RAM and storage to meet our needs
 - *Backups (3 servers): \$432 annual*
 - Full backup for servers with an enterprise retention policy of 7 daily backups, 4 weekly backups, and 12 monthly backups. The first backup will be Full Copy and all other backups will be incremental copies.

SPGE Compliance Report

(excludes Fire Departments \geq \$100,000 Higher of annual

receipts or annual expenditures from all sources)

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	
*Population	1302	1302	1302	1302	1302	1302	1302	
Compliant	1302	1299	1291	1275	1200	1174	1226	Overall
Percentage <u>in</u> of compliance	100.00%	99.77%	99.16%	97.93%	92.17%	90.17%	94.16%	96.19%

Footnotes:

*Population– The population includes every SPGE EXCEPT fire departments.

SPGE Compliance Report

Fire Departments \geq \$100,000 Higher of
annual receipts or annual expenditures from all sources

In November 2020, the CSD Branch will contact the noncompliant Fire Departments by phone to assist in higher compliance. The CSD Branch plans to send the 30-Day noncompliance notification to noncompliant fire departments by the end of the November.

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	
*Population	151	151	151	151	151	151	151	
Compliant	151	151	129	114	98	43	58	Overall
Percentage <u>in</u> of compliance	100.00%	100.00%	85.43%	75.50%	64.90%	28.48%	38.41%	70.39%

Footnotes:

* **Population-** Population only accounts for the 151 SPGE fire departments that **do not** report to fire commission.

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Special Purpose Governmental Entities

