

INVESTMENTS IN INFORMATION TECHNOLOGY IMPROVEMENT & MODERNIZATION PROJECTS OVERSIGHT BOARD

Minutes

December 11, 2023

Call to Order and Roll Call

The third meeting of the Investments in Information Technology Improvement & Modernization Projects Oversight Board was held on December 11, 2023, at 11:00 AM in Room 131 of the Capitol Annex. Senator Gex Williams, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Gex Williams Co-Chair; Representative Phillip Pratt Co-Chair; Senators Cassie Chambers Armstrong, and Max Wise; Representatives Chad Aull and John Hodgson.

Guests: Doug Robinson, National Association of State Chief Information Officers (NASCIO); Dustin Billings, Executive Director, Kentucky PVA Association; David O'Neill, PVA, Fayette County; Blake Robertson, PVA, Owen County; Joe Pat Covington, Judge/Executive, Scott County; T J Scott, Bowling Group; Luke Ervin, Ervin Cable Construction Company; Ellen Call, Senior Director of Government Affairs; Dalton Workman, Director of State Government Affairs; Tracey Gifford, Senior Director of Construction; Peter Waldrab, VP of Electric Distribution; Jason Jones, Manager Distribution System Compliance & Emergency Preparation; Caroline Clarke, Director, External Affairs; Sean Knowles, Chief Executive Officer, McLean Engineering Company; Chase Crigler, Director of Government Affairs, Kentucky Electric Cooperatives; Kent Chandler, Commissioner; J. E. B. Pinney, Executive Advisor Attorney; Karen Sellers, Executive Director, State Board of Elections; Richard House, Assistant Executive Director, State Board of Elections; Carlos Luna, General Manager of State Enterprise, and Tyler Technologies/Kentucky Interactive.

LRC Staff: Jennifer Hays, Adam Johnson, Sarah Watts, and Jennifer Smith.

Approval of Meeting Minutes from October 10, 2023

Upon motion by Senator Wise and second by Senator Chambers Armstrong, the minutes from the October meeting were approved without objection.

Information Technology Governance

Doug Robinson, Executive Director, National Association of State Chief Information Officers (NASCIO), began with an overview of the association represents and the work done. He shared that one of the main roles of the association is to provide surveys, studies, and research each year. In doing that for each of the 53 states and territories they assist, they capture information on the overall structure of government.

The top 10 priorities for state chief information officers (CIOs) in 2023 were: cybersecurity and risk management, digital government/digital services, workforce, legacy modernization, identity and access management, cloud services, consolidation/optimization, data and information management, broadband/wireless connectivity, and customer relationship management.

A generalization of a states CIO responsibilities are: enterprise project and portfolio management, security and risk management, customer service, legislation, policy, and directives, as well as other roles. All states approach IT with different strategies, business drivers and models. There are variations of these themes depending on state finances, political will, and the ability to absorb change. Some general trends are more states are moving to cloud-based services rather than using their own mainframe storage, and more centralized planning and policy.

Mr. Robinson continued by saying that according to a survey conducted that 80 percent of CIO's have a voice in state agency strategy and strategic initiatives, 71 percent develop, acquire, and deliver infrastructure services to state agencies, 69 percent ensure IT systems comply with security and regulatory requirements, and lastly 55 percent drive innovation or modernization programs. He added that most of the funding for CIO offices, 90 percent according to the survey, are from chargebacks (billing to agencies), and 63 percent are funded by the general funds.

In conclusion, Mr. Robinson said that the main trends going forward are focus on digital services and transformation with improved citizen experience, and changing IT workforce to an even more hybrid and remote environment, skills transformation, and eliminating degree requirement.

Discussion with Property Valuation Administrators (PVA)

David O'Neill, Fayette County PVAs, began by saying that PVA get funding from three sources; state general funds to cover salaries and benefits, fiscal court operating budget, and the sale of data and subscriptions to their website.

Fayette County is the second largest county in Kentucky and receives about \$420,000 in annual appropriations. Mr. O'Neill added that about 70 percent of that is used for IT. The majority of that is for maintaining the software.

Blake Roberts, Owen County PVA, stated that what Mr. O'Neill had said applies to Owen County, but on a much smaller scale. The PVA office receives about \$24,000 of appropriations from the county fiscal court, and from the city they receive about \$2,500. All funds are used to run the office.

Dustin Billings, Executive Director, KY PVA Association, responded to Senator Williams question. Up until 2012, they had a centralized IT department that was on the fourth floor of the Revenue Cabinet. That IT department serviced all the PVA offices in Kentucky. That was change to be serviced by COT, just as other state agencies. The problem with that, is the PVA consists of 120 Kentucky counties. What has been found is that a lot of the smaller counties could not afford the COT hourly wage cost. Some counties have less than a \$5,000 operating budget. In July, the Department of Revenue reinstated their previous IT department, and that has been one of the greatest helps for the PVA especially for the smaller counties. The money received from the previous state budget helped in getting new computers for PVA offices.

Mr. Roberts added that any budget cuts that the legislature makes is 100 percent salary and benefits.

Broadband Deployment - Scott County Example

Joe Pat Covington, Scott County Judge Executive, said his goal was to help other county leaders. In 2020, a survey was conducted in rural Scott County to see what areas did not have broadband. The survey found that over 5,500 homes did not have broadband. In 2022, the county partnered with Charter Communications to assist with their broadband deployment. To accommodate the homes without broadband, 7,862 poles are needed. As of July, 35 percent of those poles had been approved.

Mr. Covington holds weekly calls with Charter Communications, KU, Bluegrass Energy, and Owen Electric. At present, there are about 500 poles awaiting approval for attachments. The pole approval process consists of pole placement, attachments, load of the pole, and reporting. Mr. Covington continued by saying, safety is the main priority, but if there was a way to accelerate the process it would be greatly beneficial to counties. The pole replacement is what drastically holds up the process of moving forward.

Representative Pratt responded by saying, kudos to Mr. Covington for getting things moving on his own for broadband in Scott County. The federal government is giving Kentucky \$1.1 billion to expand the broadband network. He has spoken to broadband providers and utilities, and if they can't get their act together then the General Assembly will be getting involved in the process. This is one time money so we must get it right the first time.

Broadband Deployment Stakeholders

A. Infrastructure Construction

Luke Ervin, Ervin Cable Construction Company and T.J. Scott, Bowling Group, provided summaries of their respective companies and how each company operates to assist with expanding broadband.

Luke Ervin, responded to Senator Williams question, saying in comparison to other states, more work is being done to expand broadband than in Kentucky.

Senator Williams responded to questions from Representative Aull, by saying that in order to do a state wide pole assessment, prior to implementation of the federal government funds, Kentucky needs to allocate money for the assessment.

Mr. Ervin responded to a question from Senator Williams, stating that other states started earlier with broadband deployment. In order to have the process move faster, accountability measures and management are crucial.

B. Charter Communication

Ellen Call, Senior Director of Government Affairs, stated that Charter Communication is collaborating with over 100,000 homes and small businesses in 50 counties. The process to expand broadband has created an unprecedented volume of permit requests of pole owners. The pole owners are experiencing a back log for approval of over 50,000 poles. From that number, more than 12,000 poles have waited over a year for approval.

Significant changes are needed to the pole permitting process. Without change, the pole approval process will dramatically and continually delay broadband expansion. Charter Communication contractors send work crews to other states because there is a low volume of work available in Kentucky.

Dalton Workman, Director of State Government Affairs, stated that pole permits have led to project islands that are seen throughout the state which means there are active fiber lines installed, but the company can't move further due to permitting delays. There

needs to be some brainstorming on how to expedite pole permit approvals and give pole owners more resources to assist them in the process.

C. LG&E/KU

Peter Waldrab, VP of Electric Distribution, stated that LG&E/KU has the capability to keep up with the demands of broadband communication companies. The broadband deployment attachment to poles starts with an application, field survey, engineering design, make ready construction, communications on construction, and post construction inspection. During that time, they are generating an estimate of cost. After the attachments are made, they do a follow up inspection of that attachment on the pole. LG&E/KU routinely inspects poles.

Jason Jones, Manager Distribution System Compliance and Emergency Preparation, responded to Representative Pratt's statement stating, the high-volume plan is designed to meet the needs of the attachment. We can scale up as appropriate to the needs being requested.

D. Rural Electric Cooperatives

Chase Crigler, Director of Government Affairs, Kentucky Electric Cooperatives, provided a brief summary of the cooperatives business. Kentucky Electric Cooperatives serve almost 1.8 million customers in all counties.

Sean Knowles, Chief Executive Officer, McLean Engineering, stated that his company has worked with nine cooperatives including Charter and Spectrum to approve permits of 35,000 poles. A process needs to be in place to meet the timeline for cooperatives, but also one that creates a safe infrastructure. The key takeaways are all parties must collaborate, the process needs to be actively administered, contract awareness, post construction inspection, and all of this requires significant resources including systems and personnel.

E. Public Service Commission

Kent Chandler, Public Service Commissioner, began by saying he was unaware of any issues going on in Scott County. Commissioner Chandler wishes they had been contacted earlier about these issues. They do regulate 19 cooperatives and the pole attachments for telephone companies. The regulations are wide ranging. His office would like to have stakeholders' meetings to address these issues. No issues had been brought to his office concerning the back logs on pole permits. There are thousands of poles in Kentucky that are not owned by an entity.

Representative Pratt asked that Commissioner Chandler begin arranging stakeholder meetings to determine where the back logs occur.

Availability of Website - ELECT.KY.GOV

Senator Williams asked Karen Sellers, Executive Director of State Board of Elections, Richard House, Assistant Director of State Board of Elections, and Carlos Luna, General Manager of State Enterprise Tyler Technologies/Kentucky Interactive to meet with him after the meeting adjourned.

Adjournment

With no further business to come before the board, the meeting was adjourned at 1:15 p.m.