



2023 Budget Review Subcommittee on  
General Government, Finance, Personnel, and Public  
Retirement

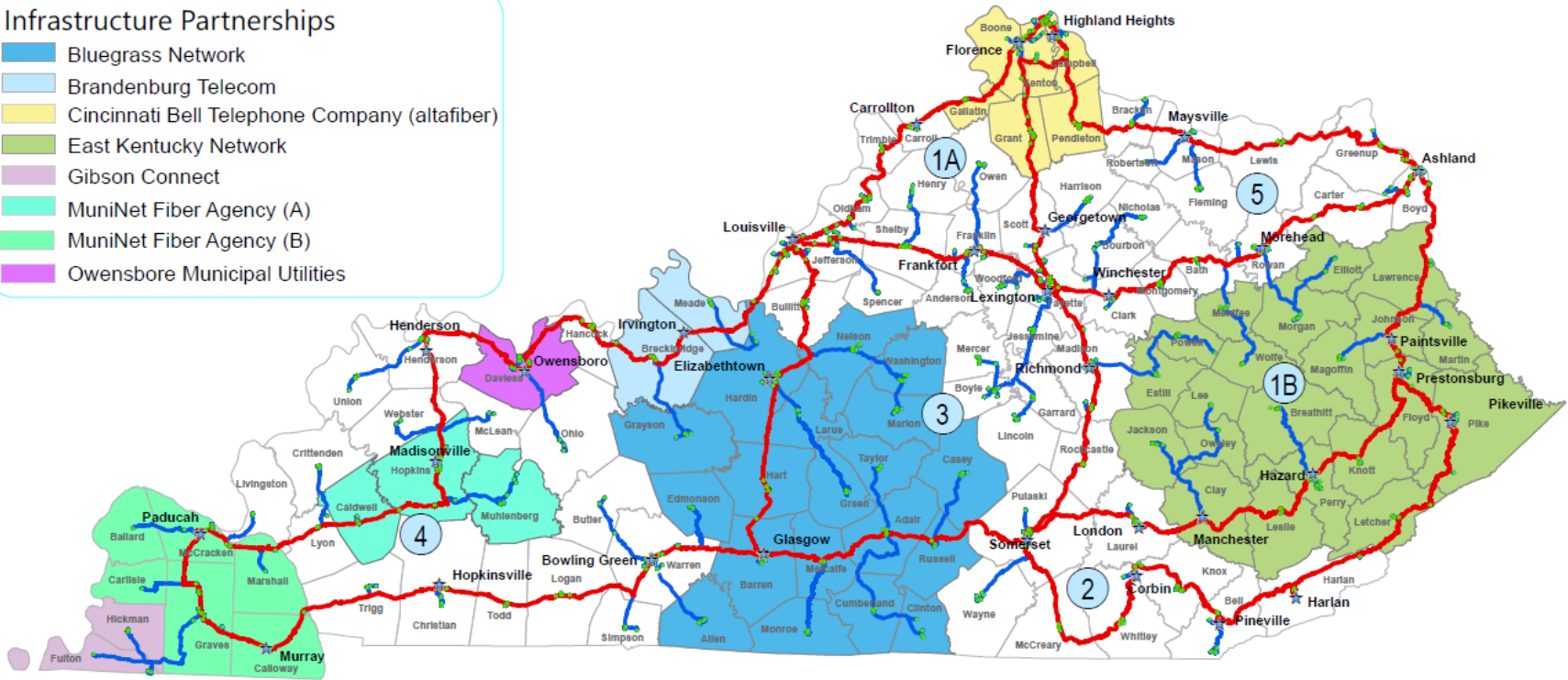
Doug Hendrix, Executive Director  
Kentucky Communications Network Authority  
August 2, 2023

# KENTUCKYWIRED OVERVIEW



## Infrastructure Partnerships

- █ Bluegrass Network
- █ Brandenburg Telecom
- █ Cincinnati Bell Telephone Company (altafiber)
- █ East Kentucky Network
- █ Gibson Connect
- █ MuniNet Fiber Agency (A)
- █ MuniNet Fiber Agency (B)
- █ Owensboro Municipal Utilities



<span style="color: red;">█</span> Backbone	★ Node	□ County
<span style="color: blue;">█</span> Lateral	● Anchor/CAI	

Map Date: 5.25.2023

# ABOUT US

- KentuckyWired provides service to state government offices, public universities, community colleges, and other public customers
- Kentucky is the first state in the nation to build a statewide, open-access, fiber optic cable network to each of its counties
- Construction is 99% complete due to a small gap in Ring 4. Overall project completion is 96% due to incomplete migrations in Ring 4
- The network currently transports traffic for 388 Executive Branch agencies and 39 KCTCS campuses
- Planning is underway to migrate 118 Administrative Office of Court sites
- When migrations are completed, the network will transport traffic for 764 locations



# 2024-2026 BIENNIAL BUDGET

- The project is Availability Payment (AP) funded
- Projected increase in baseline APs for FY25 & FY26
- Certain components of the APs increase with inflation
  - Historically, inflation has allowed costs to remain within nominal annual increases
  - The capital portion is escalated by set annual percentage; The non-capital portion of the AP is impacted by inflation
  - The non-capital portion is escalated by a combination of the material and labor Consumer Price Indexes (CPI)
- Potential increase in the Service Provider portion of the AP projected for FY26
  - Contractual Market Testing process every 10 years of 30-year contract

# 2024-2026 CAPITAL PLANS

## **KentuckyWired Critical Infrastructure Updates**

- Contractual obligation to refresh equipment at 10-year intervals
- Equipment must be upgraded to maintain required performance
- Includes core equipment utilized to provide services in 120 counties
- \$12.9M - This is the first phase of six-year plan

## **KentuckyWired Critical Infrastructure Purchases**

- Original shelters required replacement due to structural failures
- New shelters were purchased & financed under an existing contract
- The capital plan allows the Commonwealth to purchase the shelters
- \$12.4M – Total amount of the cost for this component

QUESTIONS?