

1 AN ACT relating to the Kentucky Communications Network Authority and  
2 declaring an emergency.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. KRS 154.15-010 is amended to read as follows:

5 As used in this subchapter:

6 (1) "Authority" means the Kentucky Communications Network Authority;

7 (2) "Board" means the Board of the Kentucky Communications Network Authority;

8 (3) ~~"Executive director" means the executive director of the Kentucky Communications~~  
9 ~~Network Authority;~~

10 (4) "Network" or "KentuckyWired" means the Commonwealth's open-access  
11 broadband network; and

12 (4)(5) "Partnership" means the public-private partnership entered into between the  
13 Commonwealth and a private entity or entities for the purpose of creating, running,  
14 and maintaining the network.

15 ➔Section 2. KRS 154.15-020 is amended to read as follows:

16 (1) The Kentucky Communications Network Authority is established and shall be  
17 attached to the Office of the Governor. ~~The authority shall be headed by an~~  
18 ~~executive director who shall be hired by the board and approved by the Governor.~~

19 (2) ~~Notwithstanding KRS 42.726,~~ The duties of the authority shall be to:

20 (a) Oversee and maintain KentuckyWired, the Commonwealth's open-access  
21 broadband network;

22 (b) Manage the master agreement establishing the public-private partnership  
23 between the Commonwealth and its private industry partner or partners. The  
24 purpose of the agreement is to design, engineer, build, operate, maintain, and  
25 upgrade the network;

26 (c) Provide network connectivity to public agencies;

27 (d) Offer access to entities eligible to utilize excess capacity on the network;

- 1 (e) Manage other aspects of the network and its utilization~~[ through the executive~~  
2 ~~director and]~~ with oversight and input from the board established in KRS  
3 154.15-030~~[ and the advisory group established in this section];~~
- 4 (f) Promulgate administrative regulations ***in accordance with***~~[pursuant to]~~ KRS  
5 Chapter 13A necessary to implement the purposes of this subchapter;
- 6 (g) Enter into contracts with public and private entities to carry out its duties and  
7 responsibilities. A contract or other agreement involving the acquisition or  
8 disposition of a property interest by the Commonwealth shall be signed by the  
9 secretary of the Finance and Administration Cabinet. KRS Chapters 45A and  
10 56 may require the secretary's signature on other contracts or agreements;
- 11 (h) Provide program management services ensuring the financial viability of the  
12 master agreement and related contracts and agreements, including grant  
13 administration, contract compliance and oversight, community planning  
14 support, and constituent services; ***and***
- 15 (i) Seek out, secure, and manage funding sources for the network~~;~~ ***and***
- 16 ~~(j) Create an advisory group, including major stakeholders, to provide input and~~  
17 ~~feedback on issues important to the user community and to the long term~~  
18 ~~sustainability of the project and the network. The advisory group shall be~~  
19 ~~administratively attached to and managed by the authority. The advisory~~  
20 ~~group shall include but not be limited to representatives of:~~
- 21 1. ~~The Department of Education;~~
- 22 2. ~~The Council on Postsecondary Education;~~
- 23 3. ~~The Cabinet for Economic Development;~~
- 24 4. ~~The Cabinet for Health and Family Services;~~
- 25 5. ~~The Transportation Cabinet;~~
- 26 6. ~~The Justice and Public Safety Cabinet;~~
- 27 7. ~~The Finance and Administration Cabinet;~~

- 1           8.—~~The Administrative Office of the Courts;~~
- 2           9.—~~The Legislative Research Commission;~~
- 3           10.—~~Institutions of higher education;~~
- 4           11.—~~Local government entities;~~
- 5           12.—~~Libraries;~~
- 6           13.—~~Public health care institutions or agencies;~~
- 7           14.—~~Kentucky Educational Television; and~~
- 8           15.—~~Others whose input will benefit the network].~~

9   (3) *The executive director of the Commonwealth Office of Technology established in*  
10 *KRS 42.724 shall assign personnel employed with the Commonwealth Office of*  
11 *Technology to carry out the functions and responsibilities of the authority*~~[With~~  
12 ~~the approval of the board, the executive director may hire additional officers and~~  
13 ~~other personnel necessary for the proper functioning of the authority, fix their~~  
14 ~~salaries, and prescribe their duties. The executive director and persons employed by~~  
15 ~~the authority shall not be subject to the provisions of KRS Chapter 18A].~~

16 (4) (a) With the approval of the board, the executive director *of the Commonwealth*  
17 *Office of Technology* may make, execute, and effectuate contracts, leveraging  
18 future revenues from provision of government-to-government services and  
19 sale or lease of excess capacity, to incur debt in the name of the authority and  
20 enter into financing agreements with the Commonwealth, agencies of the  
21 Commonwealth, lending institutions, investors, or investing entities.

22 (b) The total amount of debt or financing under this subsection shall not exceed  
23 one hundred ten million dollars (\$110,000,000), and shall not leverage any  
24 future revenues committed to the repayment of any other debt, or expected to  
25 be used for the repayment of any other debt, as of the time the debt or  
26 financing is entered into.

27 (c) Any proposed debt or financing under this subsection shall be submitted to the

1 Capital Projects and Bond Oversight Committee for review at least fourteen  
2 (14) days prior to the committee meeting.

3 (d) If any debt or financing is incurred under this subsection, the authority shall  
4 provide to the Legislative Research Commission:

- 5 1. Within thirty (30) days of entering into a debt or financing agreement, a  
6 copy of the agreement; and
- 7 2. On January 1, April 1, July 1, and October 1 of each year that the debt  
8 or financing is outstanding:
  - 9 a. The amount of principal and interest remaining on the debt or  
10 financing;
  - 11 b. The use to which the capital gained from the debt or financing has  
12 been put; and
  - 13 c. Any amendments, if any, to the original debt or financing  
14 instruments or agreements.

15 ➔Section 3. KRS 154.15-030 is amended to read as follows:

16 (1) The Board of the Kentucky Communications Network Authority is established. The  
17 board shall be attached administratively to the Office of the Governor.

18 (2) The board shall consist of:

- 19 (a) The **chief information officer of the Department of Education**~~[secretary of~~  
20 ~~the Governor's Executive Cabinet]~~ or designee, who shall serve as chair of the  
21 board;
- 22 (b) The **Attorney General**~~[state budget director]~~ or designee;
- 23 (c) The **Auditor of Public Accounts**~~[secretary of the Transportation Cabinet]~~ or  
24 designee;
- 25 (d) The **Commissioner of Agriculture**~~[secretary of the Cabinet for Economic~~  
26 ~~Development]~~ or designee;
- 27 (e) The Secretary of **State**~~[the Justice and Public Safety Cabinet]~~ or designee;

1 (f) The Treasurer~~[commissioner of the Department for Local Government]~~ or  
2 designee; and

3 (g) The Governor or designee~~[A representative designated by the Center for  
4 Rural Development]~~.

5 (3) The duties of the board shall be to:

6 (a) Develop and implement a strategic plan for and provide policy direction to the  
7 authority;

8 (b) Review performance reports from the partners named in the master agreement  
9 regarding deployment, operations, and administration of the network and its  
10 compliance with service level agreements with the Commonwealth;

11 (c) Monitor the results achieved through the partnership's strategy to develop new  
12 revenue streams and expand network usage through marketing and awareness  
13 programs;

14 (d) Approve fiscal planning for the authority including budget development, state  
15 appropriations management, cost-recovery schedules, grant administration,  
16 and billing services;

17 (e) Establish rates for services offered through the network and establish methods  
18 for customer account management; and

19 (f) Direct upgrades to technology as necessary.

20 (4) The board shall meet at least semiannually and at other times upon the call of the  
21 chair.

22 (5) The board may form committees or other subgroups as necessary to accomplish its  
23 duties and functions.

24 ➔Section 4. KRS 42.726 is amended to read as follows:

25 (1) The Commonwealth Office of Technology shall be the lead organizational entity  
26 within the executive branch regarding delivery of information technology services,  
27 including application development and delivery, and shall serve as the single

1 information technology authority for the Commonwealth.

2 (2) The roles and duties of the Commonwealth Office of Technology shall include but  
3 not be limited to:

4 (a) Providing technical support and services to all executive agencies of state  
5 government in the application of information technology;

6 (b) Assuring compatibility and connectivity of Kentucky's information systems;

7 (c) Developing strategies and policies to support and promote the effective  
8 applications of information technology within state government as a means of  
9 saving money, increasing employee productivity, and improving state services  
10 to the public, including electronic public access to information of the  
11 Commonwealth;

12 (d) Developing, implementing, and managing strategic information technology  
13 directions, standards, and enterprise architecture, including implementing  
14 necessary management processes to ensure full compliance with those  
15 directions, standards, and architecture;

16 (e) Promoting effective and efficient design and operation of all major  
17 information resources management processes for executive branch agencies,  
18 including improvements to work processes;

19 (f) Developing, implementing, and maintaining the technology infrastructure of  
20 the Commonwealth and all related support staff, planning, administration,  
21 asset management, and procurement for all executive branch cabinets and  
22 agencies except:

23 1. Agencies led by a statewide elected official;

24 2. The nine (9) public institutions of postsecondary education;

25 3. The Department of Education's services provided to local school  
26 districts;

27 4. The Kentucky Retirement Systems, the County Employees Retirement

- 1                    System, the Kentucky Public Pensions Authority, and the Teachers'
- 2                    Retirement System;
- 3                    5.    The Kentucky Housing Corporation;
- 4                    6.    The Kentucky Lottery Corporation;
- 5                    7.    The Kentucky Higher Education Student Loan Corporation; and
- 6                    8.    The Kentucky Higher Education Assistance Authority;
- 7                    (g)   Facilitating and fostering applied research in emerging technologies that offer
- 8                    the Commonwealth innovative business solutions;
- 9                    (h)   Reviewing and overseeing large or complex information technology projects
- 10                   and systems for compliance with statewide strategies, policies, and standards,
- 11                   including alignment with the Commonwealth's business goals, investment,
- 12                   and other risk management policies. The executive director is authorized to
- 13                   grant or withhold approval to initiate these projects;
- 14                   (i)   Integrating information technology resources to provide effective and
- 15                   supportable information technology applications in the Commonwealth;
- 16                   (j)   Establishing the central statewide geographic information clearinghouse to
- 17                   maintain map inventories, information on current and planned geographic
- 18                   information systems applications, information on grants available for the
- 19                   acquisition or enhancement of geographic information resources, and a
- 20                   directory of geographic information resources available within the state or
- 21                   from the federal government;
- 22                   (k)   Coordinating multiagency information technology projects, including
- 23                   overseeing the development and maintenance of statewide base maps and
- 24                   geographic information systems;
- 25                   (l)   Providing access to both consulting and technical assistance, and education
- 26                   and training, on the application and use of information technologies to state
- 27                   and local agencies;

- 1 (m) In cooperation with other agencies, evaluating, participating in pilot studies,  
2 and making recommendations on information technology hardware and  
3 software;
- 4 (n) Providing staff support and technical assistance to the Geographic  
5 Information Advisory Council and the Kentucky Information Technology  
6 Advisory Council;
- 7 (o) Overseeing the development of a statewide geographic information plan with  
8 input from the Geographic Information Advisory Council;
- 9 (p) Developing for state executive branch agencies a coordinated security  
10 framework and model governance structure relating to the privacy and  
11 confidentiality of personal information collected and stored by state executive  
12 branch agencies, including but not limited to:
- 13 1. Identification of key infrastructure components and how to secure them;
  - 14 2. Establishment of a common benchmark that measures the effectiveness  
15 of security, including continuous monitoring and automation of  
16 defenses;
  - 17 3. Implementation of vulnerability scanning and other security  
18 assessments;
  - 19 4. Provision of training, orientation programs, and other communications  
20 that increase awareness of the importance of security among agency  
21 employees responsible for personal information; and
  - 22 5. Development of and making available a cyber security incident response  
23 plan and procedure;
- 24 (q) Establishing, publishing, maintaining, and implementing comprehensive  
25 policy standards and procedures for the responsible, ethical, and transparent  
26 use of generative artificial intelligence systems and high-risk artificial  
27 intelligence systems by departments, agencies, and administrative bodies,



1 including but not limited to policy standards and procedures that:

- 2 1. Govern their procurement, implementation, and ongoing assessment;
- 3 2. Address and provide resources for security of data and privacy; and
- 4 3. Create guidelines for acceptable use policies for integrating high-risk
- 5 artificial intelligence systems;~~and~~

6 (r) Preparing proposed legislation and funding proposals for the General  
7 Assembly that will further solidify coordination and expedite implementation  
8 of information technology systems; and

9 (s) Carrying out the functions and responsibilities of the Kentucky  
10 Communications Network Authority established in Section 2 of this Act.

11 (3) The Commonwealth Office of Technology may:

12 (a) Provide general consulting services, technical training, and support for  
13 generic software applications, upon request from a local government, if the  
14 executive director finds that the requested services can be rendered within the  
15 established terms of the federally approved cost allocation plan;

16 (b) Promulgate administrative regulations in accordance with KRS Chapter 13A  
17 necessary for the implementation of KRS 42.720 to 42.742, 45.253, 171.420,  
18 186A.040, and 186A.285;

19 (c) Solicit, receive, and consider proposals from any state agency, federal agency,  
20 local government, university, nonprofit organization, private person, or  
21 corporation;

22 (d) Solicit and accept money by grant, gift, donation, bequest, legislative  
23 appropriation, or other conveyance to be held, used, and applied in accordance  
24 with KRS 42.720 to 42.742, 45.253, 171.420, 186A.040, and 186A.285;

25 (e) Make and enter into memoranda of agreement and contracts necessary or  
26 incidental to the performance of duties and execution of its powers, including  
27 but not limited to agreements or contracts with the United States, other state

1 agencies, and any governmental subdivision of the Commonwealth;

2 (f) Accept grants from the United States government and its agencies and  
3 instrumentalities, and from any source, other than any person, firm, or  
4 corporation, or any director, officer, or agent thereof that manufactures or  
5 sells information resources technology equipment, goods, or services. To  
6 these ends, the Commonwealth Office of Technology shall have the power to  
7 comply with those conditions and execute those agreements that are  
8 necessary, convenient, or desirable; and

9 (g) Purchase interest in contractual services, rentals of all types, supplies,  
10 materials, equipment, and other services to be used in the research and  
11 development of beneficial applications of information resources technologies.

12 Competitive bids may not be required for:

- 13 1. New and emerging technologies as approved by the executive director  
14 or her or his designee; or
- 15 2. Related professional, technical, or scientific services, but contracts shall  
16 be submitted in accordance with KRS 45A.690 to 45A.725.

17 (4) Nothing in this section shall be construed to alter or diminish the provisions of KRS  
18 171.410 to 171.740 or the authority conveyed by these statutes to the Archives and  
19 Records Commission and the Department for Libraries and Archives.

20 (5) The Commonwealth Office of Technology shall, on or before October 1 of each  
21 year, submit to the Legislative Research Commission a report in accordance with  
22 KRS 57.390 detailing:

23 (a) Any security breaches that occurred within organizational units of the  
24 executive branch of state government during the prior fiscal year that required  
25 notification to the Commonwealth Office of Technology under KRS 61.932;

26 (b) Actions taken to resolve the security breach, and to prevent additional security  
27 breaches in the future;

1 (c) A general description of what actions are taken as a matter of course to protect  
2 personal data from security breaches; and

3 (d) Any quantifiable financial impact to the agency reporting a security breach.

4 ➔Section 5. KRS 42.732 is amended to read as follows:

5 (1) There is hereby created the Kentucky Information Technology Advisory Council to:

6 (a) Advise the executive director of the Commonwealth Office of Technology on  
7 approaches to coordinating information technology solutions among libraries,  
8 public schools, local governments, universities, and other public entities;

9 (b) Advise the executive director of the Commonwealth Office of Technology on  
10 coordination among and across the organizational units of the executive  
11 branch of state government to prepare for, respond to, and prevent attacks;  
12 and

13 (c) Provide a forum for the discussion of emerging technologies that enhance  
14 electronic accessibility to various publicly funded sources of information and  
15 services.

16 (2) The Kentucky Information Technology Advisory Council shall consist of:

17 (a) The state budget director or a designee;

18 (b) The state librarian or a designee;

19 (c) One (1) representative from the public universities to be appointed by the  
20 Governor from a list of three (3) persons submitted by the Council on  
21 Postsecondary Education;

22 (d) Three (3) citizen members from the private sector with information  
23 technology knowledge and experience appointed by the Governor;

24 (e) Two (2) representatives of local government appointed by the Governor;

25 (f) One (1) representative from the area development districts appointed by the  
26 Governor from a list of names submitted by the executive directors of the area  
27 development districts;

- 1 (g) One (1) member of the media appointed by the Governor;
- 2 (h) The executive director of the Kentucky Authority for Educational Television;
- 3 (i) The chair of the Public Service Commission or a designee;
- 4 (j) Two (2) members of the Kentucky General Assembly, one (1) from each  
5 chamber, selected by the Legislative Research Commission;
- 6 (k) One (1) representative of the Administrative Office of the Courts;
- 7 (l) One (1) representative from the public schools system appointed by the  
8 Governor;
- 9 (m) One (1) representative of the Kentucky Chamber of Commerce; ***and***
- 10 (n) The executive director of the Commonwealth Office of Technology; ~~and~~
- 11 ~~(o) The executive director of the Kentucky Communications Network Authority~~  
12 ~~or designee].~~
- 13 (3) Appointed members of the council shall serve for a term of two (2) years. Members  
14 who serve by virtue of an office shall serve on the council while they hold the  
15 office.
- 16 (4) Vacancies on the council shall be filled in the same manner as the original  
17 appointments. If a nominating organization changes its name, its successor  
18 organization having the same responsibilities and purposes shall be the nominating  
19 organization.
- 20 (5) Members shall receive no compensation but shall receive reimbursement for actual  
21 and necessary expenses in accordance with travel and subsistence requirements  
22 established by the Finance and Administration Cabinet.

23 ➔Section 6. On the effective date of this Act, all functions and responsibilities of  
24 the Kentucky Communications Network Authority established in Section 2 of this Act  
25 that were previously undertaken by the executive director and staff of the authority shall  
26 be transferred to existing personnel employed by the Commonwealth Office of  
27 Technology under the direction of the executive director of the Commonwealth Office of

1 Technology. All records, files, and documents previously maintained by Kentucky  
2 Communications Network Authority personnel shall be transferred to the Commonwealth  
3 Office of Technology. Any budgetary resources or other unexpended funds associated  
4 with the Kentucky Communications Network Authority shall be transferred to the general  
5 fund. The positions of the executive director and any other personnel employed by the  
6 Kentucky Communications Network Authority on the effective date of this Act shall be  
7 terminated.

8       ➔Section 7. Whereas it is critical to the proper administration of the Kentucky  
9 Communications Network Authority that its functions and responsibilities be undertaken  
10 by the employees of the Commonwealth who have the most experience and expertise in  
11 overseeing and maintaining broadband communication networks, an emergency is  
12 declared to exist, and this Act takes effect upon its passage and approval by the Governor  
13 or upon its otherwise becoming a law.