

CAPITAL PLANNING ADVISORY BOARD

2020-2026 Agency Capital Plan

Staff Analysis and Comments

CABINET:

Education and Workforce Development

OVERVIEW

The mission of the Education and Workforce Development Cabinet (EWDC) is to educate, prepare and train Kentucky's current and future workforce. The cabinet also provides employers with a qualified, skilled workforce, and Kentuckians with quality employment opportunities, education, and training.

In addition to the Office of the Secretary, one agency of the cabinet, the Kentucky Authority for Educational Television (KET), reports proposed projects during the 2020-2026 capital planning period. KET's mission is to provide educational and informational services to the citizens of the commonwealth in institutions of education, in the workplace, and in the home through the power of public media.

CHANGES SINCE THE LAST PLAN

Since submission of the last agency capital plan, cabinet leadership identified six state-owned properties as surplus and sold them.

Property	Use	Size	Disposal Date
Covington State Office Building	Office	12,726	July 2018
Covington State Office Building	Parking lot	.68 acres	January 2019
Harlan State Office Building	Office space	5,760 square feet	May 2018
Henderson State Office Building	Office space	5,959 square feet	January 2018
Lexington State Office Building	Office space	14,348	May 2017
Lexington State Office Building	Parking lot	.702	May 2017

Proposed Projects – Financial Summary

Funding by Source	<u>2020-2022</u>	<u>2022-2024</u>	<u>2024-2026</u>	<u>Total</u>
General Fund	\$16,352,000	\$15,913,000	\$16,810,000	\$49,075,000
Restricted Funds	<u>10,440,000</u>	<u>27,720,000</u>	<u>11,880,000</u>	<u>50,040,000</u>
Total	\$26,792,000	\$43,633,000	\$28,690,000	\$99,115,000

Funding by Agency

KET	\$2,500,000	\$13,000,000	\$14,500,000	\$30,000,000
Office of the Secretary	<u>24,292,000</u>	<u>30,633,000</u>	<u>14,190,000</u>	<u>69,115,000</u>
Total	\$26,792,000	\$43,633,000	\$28,690,000	\$99,115,000

**2020-2026 CAPITAL PLAN
CABINET PLAN OVERVIEW
FORM SYP-P1**

Branch:

Executive Branch

Cabinet/Function:

Education and Workforce Development Cabinet

During the first biennium of the upcoming planning period, the Education and Workforce Development Cabinet plans to improve the basic design of the career center hubs. The cabinet is looking at a career center model that will be strategically located to best serve local businesses by providing an effective workforce through career planning and development. These new centers will be located in newly leased facilities with an open floor plan design. The centers will be designed utilizing the space and cost calculations defined by KRS and the Division of Real Properties.

In addition to the new career center hubs, the cabinet will address capital projects related to the state-owned facility footprint. The cabinet will address the facility needs in the cabinet's regular maintenance pool and also in a deferred maintenance pool request. Both of these facility improvement projects will be requested during the first biennium. The cabinet's state-owned facilities average age is 60 years.

EDUCATION AND WORKFORCE DEVELOPMENT CABINET
Proposed Projects Involving the General Fund (cash or bonds)
(amounts in **bold** are the total budget)

2020-2022

(Projects listed by **cabinet priority**; descriptions are from the agency submission)

- 1 KET Maintenance Pool** **\$1,500,000**
The pool supports KET's network center facilities, 15 transmitter sites located throughout the commonwealth, and the KET broadcasting infrastructure within those locations. (C-PI) KET Priority #1
CPAB Staff Notes
– *This pool, at the same funding level, is proposed for 2022-24 and 2024-26.*
– *The current budget allocation for the KET maintenance pool is \$600,000 Investment Income (II).*
- 2 Cabinet Regular Maintenance Pool** **\$1,000,000**
This project represents the cabinet's regular, recurring maintenance pool, funded \$500,000 in each fiscal year from the state's investment income account. This pool is designed to fund all manner of maintenance projects. (C-PI) Secretary's Office Priority #1
CPAB Staff Notes
– *Maintenance pools are proposed for 2022-24 and 2024-26 at \$1 million each.*
– *The current budget allocation for the cabinet maintenance pool is \$800,000 II. Of the 2018 budget allocation, approximately \$353,000 is unobligated.*
- 3 ATSC 3.0 Conversion Phase 2** **\$1,000,000**
This project will complete Phase 2 of a four-phase project to move KET's 16 stations to new channels as required by the FCC. By 2020, KET will have rebuilt its statewide transmission network at a cost of about \$21 million reimbursed by the FCC. Phase 2 work will enable the statewide transmission system to include geographically-targeted emergency alert systems on its broadcast channels for weather and natural disasters. Emergency alert system receivers and processors are needed for the 16 transmitters. (IT) KET Priority #2
CPAB Staff Notes
– *Phase 1 was authorized in the 2018-2020 Executive Budget – KET Transmitter and Repack project, \$2.1 million BF. The project is in construction, and the anticipated completion date is August 2019.*
– *Phases 3 and 4 are proposed in 2022-24 (GF - \$11,500,000) and 2024-2026 (\$13,000,000).*
- 4 Deferred Maintenance Pool** **\$2,620,000**
The pool will provide the cabinet with a source of funds for capital construction maintenance and renovation projects with a cost of less than \$1,000,000 each. (C-PI) Secretary's Office Priority #3
CPAB Staff Notes
– *This pool will finance critical repair projects at statewide employment and training offices and vocational rehabilitation offices. A complete list of projects follows on pages seven and eight.*
- 5 Case Management System for Vocational Rehabilitation** **\$4,620,000**
The system used by Vocational Rehabilitation for case management is 14 years old. It does not meet all business requirements and resides on outdated technology platforms. (IT) Secretary's Office Priority #2
CPAB Staff Notes
– *NEW project – has not been listed in a previous capital plan.*
– *Operating costs are anticipated to increase by about \$500,000 annually due to additional software support and contract worker costs. Federal funds will cover 79 percent (or \$394,000) of the increased cost.*
- 6 Workforce Investment Labor Market Exchange System** **\$5,612,000**
This project will replace an existing database system. The searchable database contains information about job openings, resumes, and algorithmically matches the skillsets of job seekers with job openings. (IT) Secretary's Office Priority #4
CPAB Staff Notes
– *NEW project – has not been listed in a previous capital plan.*

EDUCATION AND WORKFORCE DEVELOPMENT CABINET – cont'd
Proposed Projects Involving the General Fund (cash or bonds)
(Projects listed in alphabetical order)

2022-2024

ATSC 3.0 Conversion Phase 3	\$11,500,000
Cabinet Regular Maintenance Pool	1,000,000
Deferred Maintenance Pool	1,913,000
KET Maintenance Pool	1,500,000

2024-2026

ATSC 3.0 Conversion Phase 4	\$13,000,000
Cabinet Regular Maintenance Pool	1,000,000
Deferred Maintenance Pool	1,310,000
KET Maintenance Pool	1,500,000

EDUCATION AND WORKFORCE DEVELOPMENT CABINET
Proposed Projects Involving the General Fund (cash or bonds)
Sorted by Agency

Listed below are projects for each agency (department) within the cabinet. The projects for the first biennium are listed by agency priority number. Projects for the second and third biennium are listed alphabetically.

Office of the Secretary

2020-2022

1 Cabinet Regular Maintenance Pool	\$1,000,000
2 Case Management System for Vocational Rehabilitation	4,620,000
3 Deferred Maintenance Pool	2,620,000
4 Workforce Investment Labor Market Exchange System	5,612,000

2022-2024

Cabinet Regular Maintenance Pool	\$1,000,000
Deferred Maintenance Pool	1,913,000

2024-2026

Cabinet Regular Maintenance Pool	\$1,000,000
Deferred Maintenance Pool	1,310,000

Kentucky Educational Television

2020-2022

1 KET Maintenance Pool	\$1,500,000
2 ATSC 3.0 Conversion Phase 2	1,000,000

2022-2024

ATSC 3.0 Conversion Phase 3	\$11,500,000
KET Maintenance Pool	1,500,000

2024-2026

ATSC 3.0 Conversion Phase 4	13,000,000
KET Maintenance Pool	1,500,000

Proposed Projects Involving Restricted Funds

2020-2022

Unemployment Insurance Business Case \$10,440,000

This project would re-platform the existing unemployment system created in the 1970s and running on an outdated programming language into an easily supportable language. The project will convert mainframe COBOL to .net or Java, move the data stored in the mainframe (IMS, VSAM, flat files) to a relational database such as Microsoft SQL or Oracle, and convert the display of 3,270 screens to web pages. Additional funds in the amount of \$27,720,000 and \$11,880,000 are requested for 2020-22 and 2022-24.

**EDUCATION AND WORKFORCE DEVELOPMENT CABINET
2018-2020 Maintenance Pool Allocations**

General Administration and Program Support Maintenance Pool

\$800,000 Investment Income

OET HVAC Controls Upgrades and Repairs - Statewide	\$37,447	Underway
Danville HVAC Upgrades	13,980	Underway
Paducah Roof Replacement	165,000	Underway
Hopkinsville Interior Renovation	200,000	Proposed
Somerset HVAC Controls Upgrade	18,300	Proposed
OET Statewide Miscellaneous Repairs	11,950	Proposed
Remaining Unobligated Balance	353,323	Proposed

KET Maintenance Pool*

\$600,000 Investment Income

Fire Detection and Suppression Systems	\$100,000	Proposed
Electrical Systems 107,500 Proposed HVAC Systems	351,500	Proposed
Network Center Access Control System	15,000	Proposed
Broadcasting, Business, and Web Networks	308,000	Proposed
Audio Equipment System	76,000	Proposed
Studio and Field Cameras	372,000	Proposed
Breezeway	30,000	Proposed
Editing Systems	140,000	Proposed

**The proposed allocations exceed the authorized project pool. These projects are all currently under consideration for a pool allocation. KET reports a decision will be made at a later date as to the actual allocations.*

OFFICE OF EMPLOYMENT AND TRAINING (OET) DEFERRED MAINTENANCE

Priority	Location	Agency	Item	Cost Estimate
1	Hopkinsville	OET	Door and window replacement	\$300,000
2	Danville	OET	Roof replacement	60,000
3	Paducah	OET	Roof replacement	165,000
4	Ashland	OET	Roof replacement	60,000
5	Somerset	OET	HVAC replacement	450,000
6	Statewide	OET Statewide	Security systems - (6) card access systems	120,000
7	Corbin	OET	Sidewalk, entry steps, and resurface parking lot	60,000
8	Pikeville	OET	Provide ADA accessibility to ground floor	80,000
9	Pikeville	OET	Renovate ground floor for new tenant (+ ADA restrooms)	60,000
10	Paducah	OET	Sidewalk replacement	50,000
11	Hopkinsville	OET	Roof replacement	173,000
12	Glasgow	OET	Resurface parking lot, miscellaneous repairs, and replace sidewalks	60,000
13	Hopkinsville	OET	Asbestos tile removal and carpet replacement	80,000
14	Louisville	OET	Door and window replacement	550,000
15	Louisville	OET	Plumbing upgrades/public restrooms	50,000
16	Louisville	OET	Exterior lighting	40,000
17	Louisville	OET	Sidewalk replacement	40,000
18	Louisville	OET	Interior renovation per HBC (ground floor)	300,000
19	Hopkinsville	OET	Exterior upgrades - metal panels to match top section	175,000
20	Madisonville	OET	Restroom renovations top floor - ADA	25,000
21	Bowling Green	OET	Resurface parking lot	35,000
22	Bowling Green	OET	Replace HVAC system 2nd floor (air handlers, VAV boxes)	325,000
23	Bowling Green	OET	Interior office renovation	50,000
24	Mayfield	OET	Resurface parking lot	35,000
			OET Total	\$3,343,000

OFFICE OF VOCATIONAL REHABILITATION (OVR) DEFERRED MAINTENANCE

1	CD Perkins	OVR	Renovate medical unit restrooms	\$ 550,000
2	CD Perkins	OVR	Replace-renovate drainage and plumbing systems	100,000
3	CD Perkins	OVR	Replace exterior building panels (currently stucco)	375,000
4	CD Perkins	OVR	Correct front entrance drainage problems	40,000
5	CD Perkins	OVR	Replace courtyard windows and several storefront entries	400,000
6	CD Perkins	OVR	Replace gymnasium floor	80,000
7	CD Perkins	OVR	Resurface forklift training area and add pavilion structure	330,000
8	CD Perkins	OVR	Construct greenhouse	80,000
9	CD Perkins	OVR	Surface additional parking area and repair and add lighting	55,000
10	CD Perkins	OVR	Forklift simulator	25,000
11	CD Perkins	OVR	Replace tractor	40,000
12	CD Perkins	OVR	Camera upgrades	20,000
13	CD Perkins	OVR	Physical therapy equipment upgrades	20,000
14	CD Perkins	OVR	Guard shack and gate upgrades	20,000
			OVR Total	\$\$2,135,000.00

Priority	Location	Agency	Item	Cost Estimate
1	McDowell Center	OVR	Wheel chair accessible rooms/convert to one person room	150,000
2	McDowell Center	OVR	Miscellaneous painting and repairs throughout both floors	75,000
3	McDowell Center	OVR	Room remodels to meet accessibility requirements	75,000
4	McDowell Center	OVR	Exterior repairs and upgrades	40,000
5	McDowell Center	OVR	Auditorium - add Zoom equipment	25,000
McDowell Total				\$365,000

Grand Total Expense **5,843,000**

**Education and Workforce Development Cabinet
Quarterly Status Report - Current Capital Projects**

Project Title	County	Authorization	Status	Percentage Complete
Kentucky Educational Television				
KET FCC Repacking Project	Multi	CPBOC 8/2017	In Construction	93
Transmitter and Repack	Multi	2018-2020	In Construction	0