

CAPITAL PLANNING ADVISORY BOARD

Minutes of the 1st Meeting of the 2021 Calendar

May 20, 2021

Call to Order and Roll Call

The 1st meeting of the Capital Planning Advisory Board was held on Thursday, May 20, 2021, at 1:00 PM, in Room 169 of the Capitol Annex. Representative John Blanton, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Adrienne Southworth, Co-Chair; Representative John Blanton, Co-Chair; Senator Phillip Wheeler, Representative Derek Lewis; J. Michael Brown, Charles Byers, Laurie Dudgeon, Carole Henderson, John Hodgson, Patsy Jackson, Holly Johnson, Mark Overstreet, and Katie Shepherd.

Guests: Phil Richardson, Director of Facilities Management, Cabinet for Health and Family Services; Karen Wirth, Office of Finance and Operations, Walter T. Hulett, Budget and Financial Management Division Director, Carol Ann Morrison, Management Improvement Consultant School Facilities, and Pam Moore, College and Career Readiness Division Director, Department of Education; Mary Pat Regan, Deputy Secretary, and Sandy Harp, Executive Director, Office of Technology Services, Education and Workforce Development Cabinet; John Lyons, Deputy Secretary, Cori Troutman, Financial Management Director, Dennis Hatfield, Division Director, Department for Natural Resources, Energy and Environment Cabinet; Secretary Holly Johnson, Ruth Day, Chief Information Officer, Commonwealth Office of Technology, Tina Howard, Executive Director, Office of Administrative Services, Tom Miller, Commissioner, Department of Revenue, Finance and Administration Cabinet; Jason Hamilton, Budget Director, Ronnie Bastin, Deputy Secretary, PJ Burnett, Commissioner, Randy White, Deputy Commissioner, and Guntant Shah, Branch Manager, Capital Construction Management Branch, Department of Corrections, Justice and Public Safety Cabinet.

LRC Staff: Shawn Bowen and Jennifer Luttrell.

Approval of Minutes

A motion to approve the minutes of the September 9, 2020, meeting was made by Senator Wheeler, seconded by Senator Southworth, and approved by voice vote.

Welcome New Members

In January 2021, the Senate President appointed Senator Adrienne Southworth to replace retired Senator Stan Humphries as Co-Chair. The Senate President also appointed Senator Phillip Wheeler to replace Senator Whitney Westerfield.

Information Items

Ms. Bowen discussed two information items which included a document outlining the board's tentative meeting schedule for the remainder of the year and a document identifying state agencies that are not scheduled to testify at capital planning meetings this year. Most of the agencies not scheduled to testify are boards and commissions that do not have capital projects in their agency plans or do not utilize state general funds.

Consideration of Agency Capital Plans

The Capital Planning Advisory Board received testimony regarding six state agency capital plans: Cabinet for Health and Family Services, Kentucky Department of Education, Education and Workforce Development Cabinet, Energy and Environment Cabinet, Finance and Administration Cabinet, and the Justice and Public Safety Cabinet. The testimony included discussion of capital construction, information technology, and equipment needs for the period 2022-2028.

Cabinet for Health and Family Services (CHFS)

Mr. Richardson gave a brief overview of the CHFS capital plan. For the six-year period, the cabinet's plan includes 19 proposed projects totaling \$228,914,000. The funding sources include \$176,588,000 general funds, \$32,126,000 federal funds, and \$20,200,000 restricted funds.

Representative Blanton asked if the cabinet plans to reduce the amount of space it leases, considering more state employees have been working from home due to COVID-19 protocols. Mr. Richardson said to his knowledge, the cabinet does not plan to reduce the amount of space it leases. He added that he would follow-up with additional information.

In response to a question from Mr. Hodgson, Mr. Richardson said he did not know the software vendor for the Kentucky Child Support Enforcement System (KASES III) project, but he would find out and relay that information to the board. Mr. Hodgson noted the considerable expense of the project – \$33 million for a 700-user system.

In response to questions from Senator Southworth regarding the Kentucky Correctional Psychiatric Center project, Mr. Richardson responded that he did not know the number of patients the old psychiatric center housed nor the number of new prison beds the Department of Corrections will have upon completion of the project. He said he would find out and provide the information to members.

In response to a question from Senator Southworth regarding The Workers Information System (TWIST) Modernization project and the TWIST Case File Digitization project, Mr. Richardson said he did not know if these two projects can be completed independent of one another, if only one receives funding. He said he would find out and provide the information to members.

Kentucky Department of Education

Ms. Wirth gave a brief overview of the department's capital plan. For the six-year period, the department's plan includes seven general fund project requests totaling \$101,279,000.

In response to a question from Representative Blanton regarding the allocation of funds from the School Safety Facility Upgrades Pool, Ms. Wirth stated that \$5 million has been expended from the \$18.2 million project authorization. She added that every school district will receive an allocation from the fund.

Education and Workforce Development Cabinet

Ms. Regan and Ms. Harp gave a brief overview of the cabinet's capital plan. For the six-year period, the cabinet's plan includes 16 project requests with a total value of \$11,352,000. The funding sources include \$52,844,000 general funds and \$7,938,000 federal funds.

In response to questions from Senator Southworth regarding the Labor Market Data Technologies For Job Matching project, Ms. Harp said the project is an enhancement to Kee Suite, the current case management system. The labor market component used in Kee Suite is over ten years old. The project will upgrade and replace outdated job analytics software developed by Burning Glass Technologies. She added that Kentucky is one of only three states that utilize this software. The system will contain job openings, allow job seekers to complete their resumes online, and help case managers with job placement.

Energy and Environment Cabinet

Mr. Lyons and Ms. Troutman gave a brief overview of the cabinet's capital plan. For the six-year period, the cabinet's plan includes 20 general fund project requests totaling \$66,233,000.

Finance and Administration Cabinet

Secretary Johnson, Ms. Day, and Mr. Miller gave a brief overview of the cabinet's capital plan. For the six-year period, the cabinet's plan contains 38 proposed projects totaling \$422,588,000. The funding sources include \$263,588,000 general funds, \$9,000,000 restricted funds, and \$150,000,000 other funds (third-party lease-purchase financing).

In response to Senator Southworth's questions regarding the Kentucky Business One-Stop Phase 4 project, Ms. Day stated that there is a long-term plan to incorporate Department of Revenue sales and use tax applications into the Kentucky Business One-Stop portal. Mr. Miller added that they are working with the Secretary of State's staff to incorporate sales and use tax applications into the system, however, this may not be part of the phase 4 project. He said he would follow-up and provide additional information to the board in regard to this question. Ms. Day said she did not have the historical spending on the project readily available, but she would provide that information to the board.

Justice and Public Safety Cabinet

Mr. Hamilton and Mr. Shah gave a brief overview of the cabinet's capital plan. For the six-year period, the cabinet's plan includes 46 proposed projects totaling \$510,077,400. The funding sources include \$412,971,400 general funds, \$19,468,000 restricted funds, and \$77,638,000 agency bonds.

In response to a question from Senator Southworth concerning the Eastern Kentucky Correctional Complex (EKCC) Smoke Evacuation System Upgrade project, Mr. Shah said when the facility was built 30 years ago, it was constructed in accordance with building codes established at that time. This project will upgrade the smoke evacuation system so it meets the current building codes of 10 to 12 air exchanges per hour. Mr. Shah said he would provide more information to the board in regards to what was required in code when the facility was built.

Other Business

Representative Blanton said the board will convene its next meeting June 16 in Room 169 Capitol Annex at 1:00 p.m.

Adjournment

There being no further business, the meeting was adjourned at 2:33 p.m.