

# CAPITAL PLANNING ADVISORY BOARD

## 2024-2030 Cabinet Capital Plan

### Staff Analysis and Comments

**BRANCH:**  
**CABINET:**

Executive Branch  
Education and Labor

### **CABINET MISSION AND PROGRAMS**

The Kentucky Labor Cabinet and Education and Workforce Development Cabinet were merged into the Kentucky Education and Labor Cabinet (ELC) on July 1, 2022, pursuant to 2022 Senate Bill 180. ELC operates under the authority of KRS 151B.015.

The ELC fosters opportunities for lifelong learning, training and career services while protecting the well-being of Kentucky's workforce.

Our mission is to:

Educate - Promote early childhood through 12th grade, postsecondary education, adult education and credentialed training to provide lifelong opportunities for Kentuckians.

Encourage - Use of resources and data to improve the prosperity of Kentucky's workforce.

Employ - Actively engage employers to drive Kentucky's workforce system by creating opportunities for and removing employment barriers for Kentuckians.

Enforce - Create a culture of accountability to promote best practices, fairness, and compliance with Kentucky's wage and hour, employees' safety, health and workers' compensation requirements.

ELC consists of the Office of the Secretary, Department of Workplace Standards, Department of Workers' Claims, Office of Unemployment Insurance (UI), Kentucky Unemployment Insurance Commission, Office of Educational Programs, Department for Libraries and Archives, Department of Workforce Development (DWD), Early Childhood Advisory Council, Office of the Kentucky Workforce Innovation Board and Office of the Kentucky Center for Statistics.

The Office of the Secretary is made up of the following agencies: Office of Legal Services, Office of Administrative Services, Office of Technology Services, Office of Policy and Audit, Office of Communications, and the Office of Legislative Services. The Offices housed within the Office of the Secretary serve ELC by providing support to all agencies within ELC and provide the day-to-day administrative functions.

In this 6-year capital plan, ELC is focusing on maintaining the structural/mechanical integrity of the 18 buildings we own and operate including the Kentucky Career Centers, Charles McDowell Rehabilitation Center, and the Carl D. Perkins Vocational Training Center. Operations staff also maintain the leases necessary for all agencies within ELC to provide services to Kentuckians. ELC is also focused on updating IT systems for UI and the DWD to increase the efficiency and effectiveness of providing services to the numerous clients, employees, employers, and job seekers who look to ELC for assistance.

### **PROPOSED PROJECTS – Financial Summary**

<b>Funding by Source</b>	<b><u>2024-2026</u></b>	<b><u>2026-2028</u></b>	<b><u>2028-2030</u></b>	<b><u>Total</u></b>
General Funds	\$32,570,000	\$22,900,000	\$11,710,000	\$67,180,000
Federal Funds	<u>9,430,000</u>	<u>                    </u>	<u>2,000,000</u>	<u>11,430,000</u>
Total	\$42,000,000	\$22,900,000	\$13,710,000	\$78,610,000

<b>Funding by Agency</b>				
General Administration & Support	\$12,850,000	\$2,500,000	\$2,310,000	\$17,660,000
KY Educational Television	24,750,000	16,000,000	8,000,000	48,750,000
Workforce Development	<u>4,400,000</u>	<u>4,400,000</u>	<u>3,400,000</u>	<u>12,200,000</u>
Total	\$42,000,000	\$22,900,000	\$13,710,000	\$78,610,000

**2024-2030  
PLAN OVERVIEW  
FORM SYP-P1**

**BRANCH:**  
**CABINET:**

Executive Branch  
Education and Labor

The Cabinet will continue its focus to update and maintain current owned facilities. As such it has identified a regular and deferred maintenance pool request and established a priority. In this 6-Year Capital Plan, the Cabinet is focusing on updating the antiquated IT systems that are in place, in order to increase the efficiency and effectiveness of providing service to the numerous clients, employers, and job seekers in need of assistance. Kentucky Educational Television (KET) is concentrating on the maintenance of facilities and distribution systems as we prepare for the next generation of multi-media broadcasting. The request contains maintenance funds necessary to protect the state's considerable investment in KET's facilities and technology infrastructure. It also provides for the replacement of aging broadcast equipment and the transition toward ATSC 3.0, the new television standard authorized by the FCC in 2017, which will replace the current HDTV system and KET's transition is underway. Replacing and updating our technology infrastructure is the main goal for the Cabinet in order to maximize the ability to serve the Commonwealth of Kentucky.

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

**2024-2026**

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

**1. KET Maintenance Pool** **\$2,000,000**

The Maintenance Pool provides essential support for KET's Network Center production and broadcast facilities (110,000 square feet on 7 acres) and 15 transmitter buildings and towers located throughout the commonwealth. These facilities and related equipment are maintained solely by KET – with significant expense and manpower – and require continuous security, monitoring, repairs, and maintenance to ensure uninterrupted 24/7 statewide broadcasting services and emergency communications, as well as the onsite safety of employees, students, and other visitors. (C-PI) KET Priority #1

CPAB Staff Notes

- *This pool, at the same funding level, is proposed for 2026-28 and 2028-30.*
- *The current budget allocation for the KET maintenance pool is \$750,000 in General Fund in fiscal year 2023 and \$750,000 Investment Income in fiscal year 2024.*

**2. Workforce Development Maintenance Pool 24-26** **\$1,400,000**

This project represents the Cabinet's regular, recurring maintenance pool, funded \$700,000 in each fiscal year from the state's investment income account. This pool is designed to fund all manner of maintenance projects. (C-PI) Workforce Development Priority #1

CPAB Staff Notes

- *This pool, at the same funding level, is proposed for 2026-28 and 2028-30.*
- *Provides routine and capital maintenance at the 18 state-owned facilities across the state.*

**3. 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) GAPS Priority #1

CPAB Staff Notes

- *Maintenance pools are proposed for 2026-28 and 2028-30 at \$1 million each.*
- *This pool is used for routine and capital maintenance for the Carl Perkins Vocational Training Center and the Charles McDowell Center for the Blind.*

**4. KET Capitol Production Center Maintenance Pool** **\$1,000,000**

Utilizing the statewide broadcast network, KET provides access to several functions of state government to the commonwealth. Supreme Court proceedings, Legislative committee meetings, House and Senate chamber sessions, Gubernatorial inaugurations, live productions such as Kentucky Tonight and Kentucky Edition are a sampling of the important events shared through KET. Ongoing maintenance and replacement of equipment is critical to the continued operations of this important facility. (IT) KET Priority #2

CPAB Staff Notes

- *NEW project – has not been listed in a previous capital plan.*
- *Additional general funds of \$1,000,000 are proposed for 2026-28 and 2028-30.*

**5. KET Studio Lighting** **\$1,750,000**

The studio lighting at the KET Network Center in Lexington is more than 30 years old and is past its end of life – continued use of the grid is costly and inefficient. Poor lighting impacts the quality of all studio programming such as interviews with elected officials and community forums. Replacing the grid will improve utilization of energy sources needed to electrify the lights and cool the studio space. Modern lighting uses less electricity and creates less radiant heat. This worthwhile investment will reap benefits for many years. (C-O) KET Priority #3

CPAB Staff Notes

- *NEW project – has not been listed in a previous capital plan.*
- *No additional funding request in future biennia.*

**6. Rural Service Access and Reception**

**\$20,000,000**

The new broadcast antennas and transmitters installed in 2019 during the Spectrum Repack increased reception of KET’s over-the-air signals from 86% to 90% of households statewide. Yet, KET’s signals are still difficult or impossible to receive in some rural areas located far from a KET transmission tower or in small towns situated in hollows and valleys. Unfortunately, 10% of Kentucky households cannot receive KET over the air. To increase rural service, access, and reception of KET, additional transmission sites are needed to fill in coverage gaps. Utilizing single frequency networks (a new ATSC 3.0 technology), KET can place small transmitters in the dead zones and boost the signal – on the same channel – into rural homes. These requests support educational, cultural, and public service and legislative coverage. (IT) KET Priority #4

CPAB Staff Notes

- This project was proposed in the agency’s last plan with no changes.
- No additional funding request in future biennia.

**7. Deferred Maintenance Pool Ed-Labor Cabinet**

**\$2,620,000**

The Deferred Maintenance 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) GAPS Priority #2

CPAB Staff Notes

- Maintenance pools are proposed for 2026-28 at \$1,500,000 and 2028-30 at \$1,310,000.
- Repairs include replacement of old, inefficient building components like windows and doors, as well as replacement of failing mechanical systems that will save future utility costs.

**8. Adult Education System Modernization**

**\$2,800,000**

The current system is over 10 years old. It lacks best practices, latest security enhancements and clean data. (IT) GAPS Priority #3

CPAB Staff Notes

- This project was proposed in the agency’s last plan with no changes.
- Current systems have issues with data integrity, workflow, business rules, security vulnerabilities, application validations, and audit trails.

**2026-2028**

ATSC 3.0 Conversion Phase 4 Production Systems	\$13,000,000
Cabinet Regular Maintenance Pool	\$1,000,000
Deferred Maintenance Pool Ed-Labor Cabinet	\$1,500,000
KET Capitol Production Center Maintenance Pool	\$1,000,000
KET Maintenance Pool	\$2,000,000
Louisville SOB Window and Door Replacement	\$3,000,000
Workforce Development Maintenance Pool 26-28	\$1,400,000

**2028-2030**

Cabinet Regular Maintenance Pool	\$1,000,000
Deferred Maintenance Pool Ed-Labor Cabinet	\$1,310,000
KET Capitol Production Center Maintenance Pool	\$1,000,000
KET Maintenance Pool	\$2,000,000
Tower Site NextGen Public Safety Resiliency	\$5,000,000
Workforce Development Maintenance Pool 26-28	\$1,400,000

**EDUCATION AND LABOR CABINET**  
**Proposed Projects Involving Other Fund Sources**

**2024-2026**

**CDP Wastewater Treatment Plant Replacement**

**\$3,000,000 FF**

This project is to replace the existing wastewater treatment plant on-site at the Carl D. Perkins treatment Facility in Thelma, Ky. The existing plant is at the end of useful life, and needs to be replaced. (C-PI)

**Case Management System for Vocational Rehab**

**\$3,180,000 FF**

The current system used by Vocational Rehabilitation for Case Management is 14 years old. It does not meet all business requirements currently and resides on outdated technology platforms. (IT)

**Case Management System for WIAO/CDO**

**\$3,250,000 FF**

The current Workforce Case Management that is used for WIOA program was developed in 2018 as Enterprise Salesforce Platform including Medicaid waiver and workforce programs. In July, 2021 the cabinet for Health and family has moved out of the enterprise salesforce platform. We need a system that connects well with all workforce programs. (IT)

**2028-2030**

**CDP Roof Replacement**

**\$2,000,000 FF**

The roof of the Carl D. Perkins rehabilitation center is past its useful life and will need to be replaced within the next few years, as it is showing signs of deterioration. (C-PI)

**EDUCATION AND LABOR CABINET  
2022-2024 Maintenance Pools**

**General Administration & Support/All Other (ELC)**  
(\$500,000 General Fund, \$500,000 Investment Income)

<b>Project</b>	<b>Cost</b>	<b>Status</b>
McDowell Moisture Remediation	\$655,000	Underway
Hazardous Materials Project	\$60,000	Underway
CDP Med. Wing Reno, PTAC Replacement	\$84,500	Underway
CDP Replace Fire Panel	\$20,000	Underway
CDP Fork Truck	\$20,000	Underway
CDP Site Drainage and River Bank Erosion	\$10,000	Underway

**Kentucky Educational Television (KET)**  
(\$750,000 General Fund, \$750,000 Investment Income)

<b>Project</b>	<b>Cost</b>	<b>Status</b>
KET Broadcast & Production Infrastructure	\$143,000	Completed
KET Transmissions Tower Maintenance	\$5,000	Underway
KET Building and Equipment Improvements	\$602,000	Underway

**Workforce Development**  
(\$700,000 General Fund, \$700,000 Investment Income)

<b>Project</b>	<b>Cost</b>	<b>Status</b>
OET HVAC Controls and Upgrades	\$521,000	Underway
OET Statewide Misc Repairs	\$116,000	Underway
Mayfield Office and Restroom Renovation	\$136,600	Underway

**EDUCATION AND LABOR CABINET**  
**Quarterly Status Report – Current Capital Projects**  
**Reported as of April 11, 2023**

Project Title	County	Authorization	Status	Percentage Complete
<b>ELC/GAPS:</b>				
Construct Carl D. Perkins Fork Truck Storage and Training Building	Johnson	2022-2024	Design/Phase A	
Renovate Carl D. Perkins Medical Wing	Johnson	2022-2024	Design/Phase C	
Renovate McDowell Vocational Rehabilitation Center	Jefferson	2022-2024	In Construction	95%
Claims Payment Management System (IT)	Multi	2018-2020	Initiation Phase	81%
Labor Market Data Technologies for Job Matching (IT)	Multi	2022-2024	Initiation Phase	0%
<b>ELC/KET:</b>				
KET FCC Repacking	Multi	CPBOC 2017	Complete/Closed Out	100%
Public Safety Emergency Warning and Alerting	Multi	2022-2024	Awaiting Initiation by Agency	
Transmitter and Repack	Multi	2018-2020	Complete/Not Closed Out	100%
KET Next Gen Conversation (IT)	Multi	CPBOC 2021	Initiation Phase	
<b>ELC/Workforce Investment:</b>				
Case Management System (IT)	Multi	CPBOC 2021	Initiation Phase	11%
Replace Unemployment Insurance Program (IT)	Multi	2018-2020	Planning Phase	38%
Unemployment Insurance System Maintenance and Support Upgrades (IT)	Multi	CPBOC 2022	Initiation Phase	41%

**Project Status** is identified as one of the following:

- Awaiting Initiation by Agency - this project has not yet been started either because the agency for which the project was authorized has not yet contacted the Finance and Administration Cabinet or the HB 622 institution has not yet initiated the project through its internal procedures.
- Planning - in house activity prior to A/E selection. For projects financed from restricted, federal, or "other" funds, this category is not to be used until those funds have been awarded or received.
- Design/Phase A - schematic design.
- Design/Phase B - design development.
- Design/Phase C - construction document development.
- Construction/Multiple Bid Packs - this category is only for projects that have multiple bid packages. It is to be used only after at least one of the bids has been awarded and construction is underway. After all bid packs have been awarded, the Status should change to "In Construction."
- In Construction - between construction contract award and substantial completion.
- Complete/In Warranty - certification of substantial completion has been received from the A/E and the contractor warranty period has not yet expired.
- Complete/Closed Out - project is complete, the warranty period has expired, and the project account has been closed.
- Complete/Not Closed Out - the scheduled closeout date for the project account has been exceeded (13 months after substantial completion) but the project account has not yet been closed.

**IT project phases** are as follows:

- *Initiation* – definition of a new project or a new phase of existing project.
- *Planning* – establishment of project scope, objectives, and course of action.
- *Execution and Control* – activities to fulfill project specifications.