

CAPITAL PLANNING ADVISORY BOARD

2026 - 2032 Capital Planning System Reports

BRANCH:

Executive Branch

CABINET/FUNCTION:

Health & Family Services Cabinet

Mission and Programs

The Cabinet for Health and Family Services' (CHFS) goal is to become a nationally recognized leader in state-level health and human services by driving continuous quality improvement and accountability. We aim to enhance service delivery with a focus on exceptional customer service, support individual self-sufficiency and community resilience to improve the well-being of vulnerable populations, and promote health awareness through educational initiatives that engage individuals and communities. Additionally, we leverage technology to increase service efficiency and effectiveness, while developing and empowering a highly skilled workforce equipped to meet the needs of those we serve. CHFS administers a wide range of programs supporting individuals from prenatal care to senior services, addressing public health, physical, intellectual, and behavioral health needs. These services are provided across various settings, including homes, schools, hospitals, mental health facilities, psychiatric centers, and the food industry. CHFS oversees over 3.53 million square feet of space (1.94 million owned and 1.59 million leased), which includes 14 state-operated behavioral health facilities, 175 state-owned buildings, 3 state-owned properties, and 157 leased buildings.

The following agencies are responsible for carrying out these tasks and services:

- * Office of the Secretary (OPS)
 - Office of Administrative Services (OAS)
 - Office of Application Technology Services (OATS)
 - Office of Data Analytics (ODA)
 - Office of Finance and Budget (OFB)
 - Office of Human Resource Management (OHRM)
 - Office of Inspector General (OIG)
 - Office of Legal Services (OLS)
 - Office of Legislative and Regulatory Affairs (OLRA)
 - Office of Public Affairs (OPA)
 - Office of the Ombudsman and Administrative Review (OOAR)
- * Department for Aging and Independent Living (DAIL)
- * Department for Public Health (DPH)
 - Office for Children with Special Health Care Needs (OCSHCN)
- * Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID)
- * Department for Family Resource Centers and Volunteer Services (DFRCVS)
- * Department for Community-Based Services (DCBS)
- * Department for Medicaid Services (DMS)

The statutory authorities governing CHFS and its subordinate agencies are outlined in KRS 194A, 205, 209, 209A, 210-225, and KAR 900-923.

PROPOSED PROJECTS - Funding Summary

Fund Source	2026-2028 Biennium	2028-2030 Biennium	2030-2032 Biennium	Total
General Fund	331,930,000	31,493,000	30,750,000	394,173,000
Total	331,930,000	31,493,000	30,750,000	394,173,000

Funding by Agency	2026-2028 Biennium	2028-2030 Biennium	2030-2032 Biennium	Total
Office of the Secretary	21,443,000	8,086,000	11,251,000	40,780,000
Department for Public Health	259,450,000	-	-	259,450,000
Behavioral Health, Developmental & Intellectual Disabilities	51,037,000	23,407,000	19,499,000	93,943,000
Total	331,930,000	31,493,000	30,750,000	394,173,000

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Plan Overview

The Cabinet for Health and Family Services' (CHFS) mission is to promote and protect Kentucky citizens' health and well-being through the delivery of quality health and human services. CHFS encompasses a vast array of programs ranging from prenatal to senior citizen support services and provides a wide variety of public, physical, intellectual, and behavioral health programs. These programs meet our citizens' needs by providing services in the home, schools, hospitals, mental health and psychiatric facilities, and the food industry. CHFS operates and maintains over 3.53M (1.94M owned and 1.59M leased) square feet that includes 14 state-owned behavioral health facilities, 175 state-owned buildings, 3 state-owned properties, and 157 leased buildings.

For almost 200 years, Kentucky has operated facilities providing assessment, treatment, and rehabilitation services for individuals with behavioral health, developmental and intellectual disabilities, and substance abuse problems. CHFS has an enormous impact throughout the state, providing those services (both directly and indirectly) in facilities 24 hours a day to approximately 800 residents/patients a day and over 7,100 clients a year. Unfortunately, the lack of resources has caused many facilities to fail or barely minimum licensure and industry standards.

CHFS requires funding for line-item projects and Maintenance Pools to achieve higher quality treatment, services/programs, and facilities. The Commonwealth and its citizens deserve a lot better than scarcely meeting licensure and industry standards. CHFS humbly submits the following Capital Plan for consideration.

HEALTH & FAMILY SERVICES CABINET
Proposed Projects Involving the General Fund (cash or bonds)
(amounts in **bold** are the total budget)

2026-2028 Biennium

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

1 Maintenance Pool 21,443,000

State law (KRS 210.040) sets rules for the care, safety, and medical/psychiatric treatment of residents in state-run facilities. CHFS is committed to keeping these facilities safe, comfortable, and suitable for the programs they support. The funding in this request covers maintenance projects, including urgent repairs, energy-saving updates, and routine upkeep. Some repairs happen regularly and have been identified by the facilities themselves. This Maintenance Pool helps keep 15 state-owned behavioral health facilities, 175 state-owned buildings, and 3 state-owned properties in good working condition. These buildings range in age from 12 to over 200 years old and serve people in Kentucky with developmental disabilities, mental illness, intellectual disabilities, and behavioral health needs. See the ""Additional Description"" section for details on specific projects covered by this request. *Office of The Secretary Priority #1 (C-PI)*

CPAB Staff Notes

- *Additional General Fund of \$8,086,000 and \$11,251,000 is requested in 2028-2030 and 2030-2032.*
- *The 2024-2026 Executive Budget authorized a \$24,308,000 investment income-funded maintenance pool for CHFS. This represents an approximate 28% increase over the 2022-2024 authorization of a \$19,044,000 General Fund maintenance pool.*
- *If fully funded, in addition to several small projects under the \$1 million capital project threshold, this pool will fund the following larger capital projects: Central State Hospital, upgrade air handler and security system, \$2,061,355; Eastern State Hospital, Upgrade HVAC in CKRC buildings, \$1,571,765; Hazelwood, upgrade plumbing, flooring, windows, security system, \$3,875,000; Kentucky Correctional Psychiatric Center, Upgrade surveillance system, security system, phone system, \$1,026,800; Oakwood, upgrade electrical system, cottage HVAC, resurface parking lot, \$3,354,000; Outwood, upgrade security system, walkways, flooring, water heaters, fire alarm system, air handlers, kitchen, \$3,935,000; Western State Hospital, Replace HVAC, \$3,820,000.*

2 Construction of Central Lab 259,450,000

Project to construct a 147,678 square foot expansion of the Kentucky Central Lab that would be a state-of-the-art facility for the Kentucky Department for Public Health (KDPH). The 30+ year old lab has numerous serious and unresolved structural, environmental, and capacity deficiencies that put the laboratory at near-term risk for service disruption, loss of mandatory accreditation required to provide essential services, and employee workplace injury. The new addition would meet all of KDPHs square footage needs while maximizing lab efficiency and design, maintaining shared facilities like entrance and receiving, resolving the problem of where the lab would otherwise operate during construction, and have minimal impact on loading docks and service paths. *DPH Priority # 1 (C-O)*

CPAB Staff Notes

- *The 2024-2026 executive budget authorized \$36,450,000 bond-funded for site prep and project design.*
- *This project was included in the agency's last capital plan at a scope of \$185.0 million and represents a cost increase of 40% over the 2024-2026 plan submission. Projected cost adjusted due to inflation.*
- *General funded project cost estimates include construction, \$219,500,000; equipment/furniture, \$32,925,000; and other costs, including additional equipment, licenses, accessories, training, etc., \$7,025,000.*

- *This project will address multiple issues with the current facility, including outdated infrastructure, obsolete mission-critical equipment, deferred maintenance, and insufficient square footage.*
- *All current operations and employees of the Kentucky Public Health Lab at 100 Sower Boulevard in Frankfort would be relocated to the newly constructed facility. The new addition would allow for the expansion of employee and laboratory workspaces, as well as the addition of new instrumentation as the needs arise. The existing building would have vacant space at the completion of this project. The space available could provide expanded office or lab space for the Kentucky State Police or other tenants in the building, or could be leased to new tenants.*

3 Construct Psychiatric Residential Treatment Facility 21,600,000

The Department for Behavioral Health, Developmental and Intellectual Disabilities seeks to construct a psychiatric residential treatment facility on the grounds of Central State Hospital, in accordance with 902 KAR 20:330, to serve individuals ages six to twenty-one years of age, requiring treatment as a result of a severe mental or psychiatric illness. The facility will be designed to provide long-term, intensive treatment in a structured environment for children and adolescents who cannot be adequately treated in less restrictive settings such as outpatient care or family-based alternatives. *DBHDID Priority # 1 (C-O)*

CPAB Staff Notes

- *NEW project- has not been listed in the previous capital plans.*
- *General funded project cost estimates include site survey/prep, \$1,100,000; project design, \$2,100,000; construction, \$14,200,000; equipment/furniture, \$2,100,000; and contingency \$2,100,000.*
- *The facility will provide immediate support and intervention during a mental health crisis to ensure safety and stability, as well as a range of services tailored to the mental health needs of children and adolescents, including individual, group, and family therapy, medication management, and educational support. The approximately 20,000 square foot facility will include individual bedrooms, therapy suites, dining facilities, recreational spaces, administrative offices, and plant operations.*

4 Western State Nursing Facility - Renovations II 6,621,000

A capital construction project was approved by the 2022 session of the General Assembly to provide for the renovation of the existing HVAC system at Western State Nursing Facility. Once designed and bid, costs exceeded available funds and will only allow for renovation of buildings 30 (administrative staff) & 31 (patient units), as well as modifications to the Chiller Plant to allow the nursing facility to operate separate hot/chilled water systems. Phase II of the project would allow for renovation of buildings 32 (clinical staff) & 33 (patient units) and complete the replacement of the existing two-pipe system which has deteriorated with age beyond repair. *DBHDID Priority # 2 (C-PI)*

CPAB Staff Notes

- *This is additional funding for an existing project. The current project was authorized for a \$12,019,000 bond-funded in the 2024-2026 executive budget. The original authorization only allowed for renovations to buildings 30 and 31. Phase II of the project will allow for renovations to buildings 32 and 33. The project is approximately 50 percent complete.*

5 WSH - Repair/Replace Cooling Towers 1,920,000

Western State Hospital (WSH) currently operates two cooling tower cells in building 39: a three-cell Model 15270-3 unit built in 2003, and a two-cell Model 15270-2 built in 2002. Repairs were undertaken in 2019 to address water leaks and significant rust, but due to on-going deterioration, the cooling towers have reached a critical stage where either a complete replacement or an extensive rebuild is required to ensure continued operation and regulatory compliance. If not address, continued deterioration could lead to complete system failure, causing significant disruptions to hospital operations. *DBHDID Priority # 3 (C-PI)*

CPAB Staff Notes

- *NEW project- has not been listed in the previous capital plans.*

6 WSH - Repipe Chiller Plant 5,400,000

Western State Hospital's (WSH) 2,900 square-foot chiller plant was constructed in 1980 and designed to support its two-pipe heating and cooling system. Piping in the building requires updating in order to transition the facility to a four-pipe system to provide improved temperature control, ensure regulatory compliance, and system efficiency. *DBHDID Priority # 4 (C-PI)*

CPAB Staff Notes

- *NEW project- has not been listed in the previous capital plans.*

7 Hazelwood - Upgrade Elevators 2,880,000

The Hazelwood Center is an intermediate care facility providing residential services for individuals with intellectual and developmental disabilities. Approximately 80% of its residents are non-ambulatory, or unable to walk independently, relying on the use of wheelchairs. The six (6) elevators at the Hazelwood Center, due to age and the availability of parts, are in need of significant upgrades to controls, doors, and interior cabs. *DBHDID Priority # 5 (C-PI)*

CPAB Staff Notes

- *NEW project- has not been listed in the previous capital plans.*

8 Oakwood Renovate/Replace Cottages - Phase IV 12,616,000

Oakwood serves clients with moderate to profound intellectual disabilities, accompanied by severe behavioral problems, requiring a high degree of care 24-hours a day. This project will allow for the renovation and/or replacement of residential cottages to comply with licensure and code requirements. Bedrooms currently do not meet licensure requirements for square footage, nor do the bathrooms meet ADA codes for handicap accessibility. Many of the building systems are from the original construction in 1972, and due to age and severe wear and tear, renovation is essential for providing continuous, appropriate care in a home-like setting. *DBHDID Priority # 6 (C-PI)*

CPAB Staff Notes

- *This project was included in the agency's last capital plan at a scope of \$14,157,300 and represents a cost reduction of approximately 11 percent. The project costs have been adjusted due to inflation and material fluctuation costs.*

2028-2030 Biennium

Maintenance Pool	8,086,000
Hazelwood - Renovate 3 Resident Units	7,187,000
WSH - Replace Kitchen/Dining Rooms HVAC System	2,149,000
WSH-WSNF Upgrade Building Management System	14,071,000

2030-2032 Biennium

Maintenance Pool	11,251,000
Oakwood Renovate/Replace Cottages - Phase V	13,789,000
WSH-Replace Windows & Doors, Multiple Buildings	5,710,000