

CAPITAL PLANNING ADVISORY BOARD

2026 - 2032

Capital Planning System Reports

BRANCH:

Executive Branch

CABINET/FUNCTION:

Finance & Administration Cabinet

Mission and Programs

The Finance & Administration Cabinet (FAC) initiates and manages programs to improve the efficiency and effectiveness of state government operations, ensures compliance with applicable statutes and regulations in the area of financial administration, and provides sound financial and facilities management. The FAC has five (5) main organizational units: the Office of the Secretary, Office of the Controller, Department for Facilities and Support Services (DFSS), Department of Revenue (DOR) and Commonwealth Office of Technology (COT).

The Office of the Secretary provides executive policy and management for the Departments and executive offices of the FAC. The Secretary serves as the Chief Financial Officer and Manager of the financial resources of the Commonwealth per KRS 42.012. The Office of the Secretary includes the following: Office of General Counsel, which provides legal support to the Cabinet; the Office of Equal Employment Opportunity and Contract Compliance, which handles equal opportunity (EO), affirmative action (AA), Title VI, Americans with Disabilities Act (ADA), and contractor compliance programs; Office of Legislative & Intergovernmental Affairs, which is the cabinet's legislative liaison and provides oversight of all public information issues; the Office of Policy and Audit, which provides internal policy, procedures, and audit functions; and the Office of Administrative Services (OAS), which provides budget, human resources, accounting, purchasing and payment functions, statewide vehicle services and postal services.

All facilities are maintained by the Department of Facilities & Support Services (DFSS) and all technology efforts are supported by the Commonwealth Office of Technology (COT).

PROPOSED PROJECTS - Funding Summary

Fund Source	2026-2028 Biennium	2028-2030 Biennium	2030-2032 Biennium	Total
General Fund	118,387,000	82,800,000	88,300,000	289,487,000
Total	118,387,000	82,800,000	88,300,000	289,487,000

Funding by Agency	2026-2028 Biennium	2028-2030 Biennium	2030-2032 Biennium	Total
Commonwealth Office of Technology	16,000,000	12,300,000	12,300,000	40,600,000
Office of the Secretary	1,787,000	-	-	1,787,000
Facilities and Support Services	100,600,000	50,500,000	76,000,000	227,100,000
Office of the Controller	-	20,000,000	-	20,000,000
Total	118,387,000	82,800,000	88,300,000	289,487,000

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Plan Overview

The projects submitted in this plan reflect the identifiable needs and issues facing the Finance and Administration Cabinet (FAC) over the next six years.

Initiatives include an eMARS Grants Management and Cloud Migration upgrade in the Controller's Office, Electronic Vehicle Charging Stations in the Office of Fleet Management, Legacy Modernization, Kentucky Aerial Photography & Elevation Data Program within the Commonwealth Office of Technology and various Facilities-related projects in the Department of Facilities and Support Services. The facilities-related projects represent requests very similar to those in previous six-year plans and provide for the appropriate stewardship of state-owned properties.

This plan is designed to reflect the Finance Cabinet's goal of making government function in a more efficient and cost-effective manner while continuing to deliver quality services to the taxpayers and other state and local government agencies. The Cabinet considers these projects to be important investments in the future of Kentucky as they relate, either directly or indirectly, to educational and economic development opportunities and the public safety of its citizens.

FINANCE & ADMINISTRATION 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, 2026 - 2028 17,500,000**

The Department for Facilities & Support Services (DFSS) maintains over 79 facilities in Frankfort and additional locations. These facilities require major maintenance for mechanical, electrical, plumbing, and other various building maintenance needs. This pool will be utilized to perform such projects. *DFSS Priority #1 (C-PI)*

CPAB Staff Notes

 - *Additional \$17.5 million are requested in 2028-30 and 2030-32, respectively.*
 - *Funding in the current budget is \$15.0 million in general funds.*
- 2 Old State Capitol Annex Restoration 37,100,000**

Renovation and upgrades to include structural repairs, HVAC, Electrical and exterior and interior renovations. *DFSS Priority #2 (C-PI)*

CPAB Staff Notes

 - *NEW project- has not been listed in a previous capital plan.*
 - *This project budget was developed by DFSS in-house staff and based on what these projects have historically cost.*
 - *Structural issues were found during a planned renovation, leading to tenant relocation. The project now includes repairs and upgrades to bathrooms, HVAC, lighting, and electrical systems.*
- 3 CHR Renovation – Construction Phase 2 8,000,000**

The Cabinet for Human Resource (CHR) & Health Services (HSB) buildings are in need of major repair & upgrades. These repairs and upgrades include but are not limited to: leak mitigation, curtain wall windows, CHR insulation at floor level above open dock area and exterior cantilevered overhangs, and HSB HVAC central air system. *DFSS Priority #3 (C-PI)*

CPAB Staff Notes

 - *This is additional funding for an existing project. Phase 1 of this project was authorized for \$5.0 million in FY 2025.*
- 4 Elevator Upgrades Phase 2 5,000,000**

This project is to modernize and perform miscellaneous upgrades to the elevators. This project is consistent with the Department for Facilities & Support Services' mission to maintain Finance Cabinet-administered buildings in a safe and acceptable condition and keep operating costs at minimal levels. *DFSS Priority #4 (C- PI)*

CPAB Staff Notes

 - *This is additional funding for an existing project. Phase 1 of this project was authorized for \$2.0 million in FY 2021.*
- 5 Deferred Maintenance Historic Prop 10,000,000**

Historic Properties oversees the preservation of state-owned historic properties including the Old State Capitol and Annex, Old Governor's Mansion and New Governors Mansion, Berry Hill Mansion, Vest Lindsey House, Frankfort Cemetery State lot and New State Capitol Complex. These buildings, which are under Historic Properties purview, have various exterior and interior restoration and repair needs. These buildings are a major asset of the people of Kentucky and without this significant repair, upgrade and restoration project, the buildings will continue to deteriorate. *DFSS Priority #5 (C-PI)*

CPAB Staff Notes

- *This pool received a first time \$5.0 million Bond Fund authorization in FY 2023.*
- *Funding for this pool in the current budget is \$6.0 million in FY 2024.*
- *Additional \$10.0 million is requested for 2028-30.*

6 Enterprise Application & AI Inventory System 6,000,000

The Enterprise Application and Artificial Intelligence (AI) Inventory System project aims to provide the Commonwealth with a centralized enterprise-wide platform to track, manage, and optimize IT applications and AI usage. This system ensures compliance with IRS Pub 1075, CJIS, HIPAA, and other regulations by identifying where sensitive data is stored, processed, and accessed. By streamlining IT operations, the project reduces redundancy, improves security, and enhances decision-making. It enables strategic infrastructure planning, ensuring future investments align with government priorities. Additionally, it provides full visibility into AI interactions, documenting datasets, usage, and risks to ensure responsible AI deployment. With this system, the Commonwealth can modernize IT management, improve service delivery, strengthen compliance, and maintain full oversight of enterprise applications, agency applications, and AI-driven processes. *COT Priority #1 (IT)*

CPAB Staff Notes

- *NEW project- has not been listed in a previous capital plan.*

7 Generator Replace in Various Buildings 7,500,000

Request to replace generators at various buildings. The current generators are past their useful life and need to be replaced. The generators for our buildings are essential for life safety during prolonged electrical outages *DFSS Priority #6 (C-PI)*

CPAB Staff Notes

- *NEW project- has not been listed in a previous capital plan.*

8 Legacy Modernization 10,000,000

Legacy Modernization Funding allows agencies to upgrade unsupported IT systems; migrate to new, robust and secure IT systems; improve features and functionalities for constituents and others doing business with the Commonwealth; eliminates security and compliance risks identified in running an outdated system; replace technology that no longer functions; or improve processes of essential business functions of a cabinet/agency. *COT Priority #3 (IT)*

CPAB Staff Notes

- *This is additional funding for an existing project. The current project was authorized for \$10.0 million in FY 2019 and 2020, respectively.*
- *Funding for this project in the current budget is \$5 million in each fiscal year.*

9 Asphalt Pool 3,000,000

Department for Facilities and Support Services maintains over 3 million sq. ft. of parking lots throughout the State. These lots have been patched and sealed for years but they have deteriorated to the point that they require major work. In many cases the subsurface will need to be replaced before the lots are resurfaced. *DFSS Priority #7 (C-PI)*

CPAB Staff Notes

- *This pool received a first time \$1.5 million general fund authorization in FY 2023.*
- *Funding in the current budget of \$1.5 million bond funds for FY 2024.*

10 Roof Pool 3,000,000

Department for Facilities and Support Services (DFSS) manages numerous buildings across the state, that includes 596,150 sq. ft. of roof systems. Several of the roofs are under warranty however many are approaching or are beyond their life expectancy. Without a scheduled roof replacement program the resulting damage in our buildings due to leaks will be very costly. The roofs will inevitably fail if not maintained. This request will fund the roof replacement program for each biennium. *DFSS Priority #8 (C-PI)*

CPAB Staff Notes

- *This pool received a first time \$2.0 million general fund authorization in FY 2023.*
- *Funding in the current budget of \$3.0 million bond funds for FY 2024.*

11 EV Charging Stations 1,787,000

The project will expand the number of Electric Vehicle (EV) charging stations to 65 at the Fleet Motor Pool and 100 at ten state government buildings in Franklin County. KRS 45A.625 requires the Finance and Administration Cabinet (FAC) to replace at least half of the vehicles it manages with alternative fuels vehicles. 23RS SB 281 (KRS 152.714), further requires the increased use of alternative fuels to commensurate with the increase in vehicles FAC manages that are capable of using those alternative fuels. *Office of the Secretary Priority #1 (EQ)*

CPAB Staff Notes

- *Previously requested in 2024-25 capital plan, but no authorization in current budget.*

12 CEMCS 2,000,000

This project will continue statewide implementation of the Commonwealth Energy Management and Control System (CEMCS) across all general funded agencies. CEMCS gives Kentucky a more global ability to monitor, measure, report, and ultimately conserve energy consumption throughout all implemented facilities. CEMCS also gives the Finance Cabinet greater oversight and influence on capital project needs in other agencies and provides a means to verify results of construction projects. CEMCS implementation to date accounts for over 2,000 buildings (29.3M Sq. Ft.) and for FY24 shows a weather-normalized savings of over \$6.9M and a total annual utility cost of approximately \$37M, while cumulative savings is up to \$69M (3B kBtu) over the life of the project. *DFSS Priority #9 (C-O)*

CPAB Staff Notes

- *Previously requested since 2014, but no authorization in current budget.*

13 Acquire Land/Demolish Structures-Statewide 7,500,000

The Franklin County leased space report determined that the Commonwealth needed to reduce its dependence upon privately-owned leased space. This budget item will provide necessary funding for the purchase of unique properties throughout the state. *DFSS Priority #10 (C-PI)*

CPAB Staff Notes

- *Previously requested in 2024-25 capital plan, but no authorization in current budget.*
- *Additional \$7.5 million are requested in 2028-30 and 2030-32, respectively.*

2028-2030 Biennium

Ky Aerial Photo & Elevation Data Prog (KYAPED)	12,300,000
eMARS Grants Management and Cloud Migration	20,000,000
Acquire Land/Demolish Structures-Statewide	7,500,000
Maintenance Pool, 2028 - 2030	17,500,000
Deferred Maintenance Historic Prop	10,000,000
CEMCS	2,000,000
Asphalt Pool	1,500,000
Roof Pool	4,000,000
CHR Renovation – Construction Phase 3	8,000,000

2030-2032 Biennium

Acquire Land/Demolish Structures-Statewide	7,500,000
Asphalt Pool	1,500,000
CEMCS	2,000,000
Central Lab Renovations	24,500,000
CHR Renovation - Construction Phase 4	8,000,000
Deferred Maintenance Historic Prop	10,000,000
Ky Aerial Photo & Elevation Data Prog (KYAPED)	12,300,000
Maintenance Pool, 2030 - 2032	17,500,000
Roof Pool	5,000,000

FINANCE & ADMINISTRATION CABINET
Proposed Projects Involving Other Fund Sources
(amounts in **bold** are the total budget)

2026-2028 Biennium

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

1 Guaranteed Energy Savings Performance Contracts

65,000,000 OT

The Guaranteed Energy Performance Projects authorization will be utilized to implement various energy and utility savings projects in state-owned buildings. This authorization will allow Finance and Administration Cabinet (FAC) and other state agencies to proceed with energy efficiency projects that can be paid from savings in the agency's operating budget. These contracts may function as lease-purchase procurements, using the resulting energy savings as payment for the improvements, as provided by KRS 56.770 to 56.784. FAC will administer the projects under this authorization. (C-PI)