

1 AN ACT relating to the Kentucky Communications Network Authority.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 154.15-020 is amended to read as follows:

- 4 (1) The Kentucky Communications Network Authority is established and shall be
5 attached to the Office of the Governor. The authority shall be headed by an
6 executive director who shall be hired by the board and approved by the Governor.
- 7 (2) Notwithstanding KRS 42.726, the duties of the authority shall be to:
- 8 (a) Oversee and maintain KentuckyWired, the Commonwealth's open-access
9 broadband network;
- 10 (b) Manage the master agreement establishing the public-private partnership
11 between the Commonwealth and its private industry partner or partners. The
12 purpose of the agreement is to design, engineer, build, operate, maintain, and
13 upgrade the network;
- 14 (c) Provide network connectivity to public agencies;
- 15 (d) Offer access to entities eligible to utilize excess capacity on the network;
- 16 (e) Manage other aspects of the network and its utilization through the executive
17 director and with oversight and input from the board established in KRS
18 154.15-030 and the advisory group established in this section;
- 19 (f) Promulgate administrative regulations pursuant to KRS Chapter 13A
20 necessary to implement the purposes of this subchapter;
- 21 (g) Enter into contracts with public and private entities to carry out its duties and
22 responsibilities. A contract or other agreement involving the acquisition or
23 disposition of a property interest by the Commonwealth shall be signed by the
24 secretary of the Finance and Administration Cabinet. KRS Chapters 45A and
25 56 may require the secretary's signature on other contracts or agreements;
- 26 (h) Provide program management services ensuring the financial viability of the
27 master agreement and related contracts and agreements, including grant

1 administration, contract compliance and oversight, community planning
2 support, and constituent services;

3 (i) Seek out, secure, and manage funding sources for the network; and

4 (j) Create an advisory group, including major stakeholders, to provide input and
5 feedback on issues important to the user community and to the long-term
6 sustainability of the project and the network. The advisory group shall be
7 administratively attached to and managed by the authority. The advisory group
8 shall include but not be limited to representatives of:

- 9 1. The Department of Education;
- 10 2. The Council on Postsecondary Education;
- 11 3. The Cabinet for Economic Development;
- 12 4. The Cabinet for Health and Family Services;
- 13 5. The Transportation Cabinet;
- 14 6. The Justice and Public Safety Cabinet;
- 15 7. The Finance and Administration Cabinet;
- 16 8. The Administrative Office of the Courts;
- 17 9. The Legislative Research Commission;
- 18 10. Institutions of higher education;
- 19 11. Local government entities;
- 20 12. Libraries;
- 21 13. Public health care institutions or agencies;
- 22 14. Kentucky Educational Television; and
- 23 15. Others whose input will benefit the network.

24 (3) With the approval of the board, the executive director may hire additional officers
25 and other personnel necessary for the proper functioning of the authority, fix their
26 salaries, and prescribe their duties. The executive director and persons employed by
27 the authority shall not be subject to the provisions of KRS Chapter 18A.

- 1 (4) (a) With the approval of the board, the executive director may make, execute, and
2 effectuate contracts, leveraging future revenues from provision of
3 government-to-government services and sale or lease of excess capacity, to
4 incur debt in the name of the authority and enter into financing agreements
5 with the Commonwealth, agencies of the Commonwealth, lending
6 institutions, investors, or investing entities, **including but not limited to leases**
7 **as a governmental agency under KRS 65.942 to 65.956.**
- 8 (b) The total amount of debt or financing **to pay project costs** under this
9 subsection, **inclusive of transaction costs, required reserve funds, and**
10 **capitalized interest on the debt or financing,** shall not exceed one hundred
11 **thirty**~~ten~~ million dollars **(\$130,000,000)**~~(\$110,000,000)~~, and shall not
12 leverage any future revenues committed to the repayment of any other debt, or
13 expected to be used for the repayment of any other debt, as of the time the
14 debt or financing is entered into.
- 15 (c) **The proposed debt or financing may be in the form of bonds issued by the**
16 **authority that may be:**
- 17 **1. Sold by public or private negotiated sale; and**
- 18 **2. Payable from future revenues resulting from the provision of:**
- 19 **a. Government-to-government services;**
- 20 **b. The sale or lease of excess capacity; or**
- 21 **c. Lease of the network, or portions of the network, to the Finance**
22 **and Administration Cabinet.**
- 23 (d) Any proposed debt or financing under this subsection shall be submitted to the
24 Capital Projects and Bond Oversight Committee for review at least fourteen
25 (14) days prior to the committee meeting.
- 26 (e) **Any proposed debt or financing under this subsection shall be subject to the**
27 **requirement of KRS 42.420.**

- 1 ~~(f)(4)~~ If any debt or financing is incurred under this subsection, the authority
2 shall provide to the Legislative Research Commission:
- 3 1. Within thirty (30) days of entering into a debt or financing agreement, a
4 copy of the agreement; and
 - 5 2. On January 1, April 1, July 1, and October 1 of each year that the debt or
6 financing is outstanding:
 - 7 a. The amount of principal and interest remaining on the debt or
8 financing;
 - 9 b. The use to which the capital gained from the debt or financing has
10 been put; and
 - 11 c. Any amendments, if any, to the original debt or financing
12 instruments or agreements.