



STEVEN L. BESHEAR
GOVERNOR

EXECUTIVE ORDER

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TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

Secretary of State
Frankfort
Kentucky

2010-436
June 16, 2010

**RELATING TO REORGANIZATION
OF THE FINANCE AND ADMINISTRATION CABINET**

WHEREAS, the Commonwealth of Kentucky has always promoted effective and efficient management of state government operations and resources; and

WHEREAS, this reorganization plan will provide a vehicle to efficiently and effectively carry out the statutory mission of the Finance and Administration Cabinet in a more cost efficient manner; and

WHEREAS, Executive Orders 2009-772 and 2009-363 were not ratified by the General Assembly.

NOW, THEREFORE, I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, by virtue of the authority vested in me by the Constitution, Sections 69 and 81, and KRS 12.028, do hereby Order and Direct the following:

- I. The Commonwealth Office of Technology within the Finance and Administration Cabinet shall have the following changes in organizational structure:
 - A. The Division of Geographical Information Systems within the Office of Enterprise Technology is hereby abolished. All duties, functions, responsibilities, records, equipment, staff and support budgets within the Division are hereby assigned to the Office of Application Development within the Commonwealth Office of Technology.
 - B. The Division of Geographic Information Systems within the Office Application Development is hereby established and shall be headed by a director appointed by the Secretary pursuant to KRS 12.050 and shall report to the executive director.
 - C. The Division of Software Engineering within the Office of Application Development is hereby renamed the Division of Financial Information Technology.
 - D. The Division of Consulting and Project Management within the Office of Application Development is hereby renamed the Division of Agency Information Technology.
- II. The Kentucky Geospatial Board administratively attached to the Commonwealth Office of Technology is hereby renamed the Geographic Information Advisory Council.



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- III. Transfer of the Weatherization Assistance Program from the Department for Community Based Services within the Cabinet for Health and Family Services to the Finance and Administration Cabinet.
- A. The functions, duties, and responsibilities associated with the administration of the Weatherization Assistance Program in the Commonwealth of Kentucky are transferred and established within the Finance and Administration Cabinet. All records, files, equipment, positions, and funds previously assigned to the Cabinet for Health and Family Services relating to the Weatherization Assistance Program operated in accordance with the requirements for funding received from the United States Department of Energy and any subordinate entities related to said function are hereby transferred to the Finance and Administration Cabinet.
- B. The Finance and Administration Cabinet may elect to engage and contract with the Kentucky Housing Corporation to operate and manage the Weatherization Assistance Program should it so desire and deems it to be in the best interests of the Weatherization Assistance Program and the Commonwealth of Kentucky.
- IV. The Finance and Administration Cabinet, the Cabinet for Health and Family Services, the Personnel Cabinet, and the State Budget Director shall take all steps necessary to effectuate this order.

A handwritten signature in black ink, appearing to read "Steven L. Beshear", written over a horizontal line.

STEVEN L. BESHEAR, GOVERNOR
Commonwealth of Kentucky

A handwritten signature in black ink, appearing to read "Trey Grayson", written over a horizontal line.

TREY GRAYSON
Secretary of State

REORGANIZATION PLAN

FINANCE AND ADMINISTRATION CABINET

INTRODUCTION

It is the policy of the Beshear Administration to gain efficiencies in state government to best serve the citizens of the Commonwealth. In keeping with this policy the Finance and Administration Cabinet realizes the need to group related functions and streamline processes to garner greater economy and improved administration.

The goal of this reorganization is to accomplish the aforementioned efficiencies by reorganizing internal offices and divisions in a way that will prove more efficient, economical and transparent. This Executive Order will create a state government environment that better supports Governor Beshear's initiatives.

SUMMARY OF PLAN

According to the Kentucky Revised Statutes, the **Commonwealth Office of Technology (COT)** has the sole responsibility for IT operations in the Executive Branch. COT must ensure that these operations are conducted in the most efficient and effective way. The statutory authority for this reorganization is contained in KRS 12.270(3). In addition, the statutes charge COT with ensuring that Kentucky IT operations are efficient. In KRS 11.507(1)(c), COT is charged with developing strategies and policies to support and promote the effective applications of information technology within state government as a means of saving money, increasing employee productivity, and improving state services to the public.

The Kentucky Geospatial Board (KyGB), which is administratively attached to COT, will be renamed the Geographic Information Advisory Council (GIAC). Effective June 16, 2007, Executive Order 2007-502 abolished GIAC and established the KyGB. However, this administration believes that renaming this advisory council to GIAC coincides with the duties and responsibilities of this council. GIAC will promote a more effective, streamlined body that will better align to the advancements in geospatial technology. GIAC will advise COT on issues relating to geographic information and geographic information systems.

The majority of changes within COT consist of relocating existing subdivisions and the movement of functions to better suited entities to perform that function. Details pertaining to the functions, responsibilities and missions of these entities within COT are as follows:

The Financial Data Management Branch has been created to provide billing reconciliation and customer problem resolution, COT rate projection, cost

monitoring and expense reporting. This branch will oversee the creation and execution of the COT capital plan and serve as advisors for invoice processing. This branch will be responsible for COT billing process oversight, approving and processing all COT billing credits, creating and executing COT budget reports, monitoring and establishing COT-only IT contracts as well as, monitoring COT's use of ALL-State-Agency IT contracts.

The creation of the Customer Services Branch will bring together a single, cohesive organization that will facilitate the coordination and oversight of all aspects of COT business and customer service delivery. This branch will bring focus to the creation and development of business-related strategies for COT product and service development as well as customer service delivery measures and improvement. The Customer Services Desk Branch and Business Relations Branch currently exist within COT, which all functions, duties, responsibilities and employees within these branches will be relocated to the Customer Services Branch.

The Division of Geographical Information Systems, currently located within the Office of Enterprise Technology, is being abolished. The creation of the Division of Geographic Information Systems within the Office of Application Development will facilitate the expansion and integration of geospatial data throughout business applications used across the Commonwealth. The result of this creation will enhance the ability of the Commonwealth to leverage the wealth of geospatial data contained in the various layers of the Commonwealth's base map for business and programmatic purposes.

The Network Engineering Branch, within Division of Communications, Office of Infrastructure Services, has been abolished as all functions, duties, responsibilities and employees have been reassigned to various entities within COT.

The Division of Financial Information Technology within the Office of Application Development provides project management, analysis, and application development and support for new and legacy systems of the Finance and Administration Cabinet. The Division will be made up of the following branches:

- The Mainframe Services Branch is responsible for the maintenance and enhancement of 37+ mainframe applications. This will include providing Subject Matter Experts and development resources for conversion and interface efforts that will be required by any new development efforts.
- The Integrated Tax System Branch is responsible for the development and delivery of primary functionality that will be found in the Comprehensive Tax System. This will include primary functionality related to the administration of taxes implemented within the Enterprise Tax Management tool, as well as reports and correspondence.

- The Distributed System Services Branch is responsible for the maintenance and enhancement of 80+ distributed and desktop applications. This will include providing Subject Matter Experts and development resources for conversion and interface efforts that will be required by any new development efforts.
- The Project Management Branch is responsible for assessment and initiation of major project work requested by the Department of Revenue or other areas within the Finance and Administration Cabinet. This branch will be responsible for the coordination and delivery of these efforts.

The Division of Support Services within the Office of Application Development provides internal and external clients with a variety of Quality related services, such as software application and security testing, administrative support of OAD, and the maintenance and enhancement of Application Development processes and methodologies. The Division also provides data related services to aid in the design of data bases and the integration of data from multiple sources.

- The Quality Services Branch's mission is to provide leadership in identifying and facilitating a culture of constant process improvement. The branch plays a key role in the development of application development processes and procedures including applicable COT Standards and Procedures relating to systems development. Services provided include all administrative support, Quality Assurance activities, quality reviews, and facilitation of key process improvement teams.
- The Data Services Branch's mission is to assist with creating and/or updating conceptual and logical data models within the OAD Product Development Life Cycle and to provide data analysis for the purpose of discovering data anomalies and data quality issues on data conversion efforts from legacy systems. The branch will utilize the Information Server tool set to standardize, cleanse, transform, & load data as it moves from legacy systems into the new replacement systems.

The Division of Agency Information Technology within the Office of Application Development provides project management, analysis, and application development and support for new and legacy systems across the Commonwealth.

- The Transportation Services Branch provides project management, analysis, and application development and support for Transportation Cabinet's systems.
- The Education and Personnel Services Branch provides project management, analysis, and application development and support for the Education and Personnel Cabinet's systems.

- The General Government/Internal Project Services Branch provides project management, analysis, and application development and support for various agencies across state government.

Organizational changes within the **Office of Administrative Services** will create a more streamlined organization within the Division of Fleet Management, resulting in an effective and efficient management of state government fleet operations. These changes consist of abolishing and re-establishing two sections within the Division of Fleet Management. The re-establishment of these sections is necessary due to inaccurate organization numbers that were requested within EO 2009-772. This will result in new organizational numbers that will be suitable for the structure of the personnel/payroll system.

Within the Division of Real Properties of the **Department for Facilities and Support Services**, the Inventory and Property Utilization Branch will be renamed the Space Design and Inventory Branch. As more technological advancements are utilized, this branch continues to evolve by providing more efficient space design, space management and inventory compliance services for our clients regarding new construction, renovation and maintenance of buildings / facilities owned or leased by the Commonwealth.

It has been determined the tour guide operations for the State Capitol and the Executive Mansion are a better fit within the Division of Historic Properties, Department for Facilities and Support Services. The employees that perform these duties / responsibilities are currently within the Tourism, Arts and Heritage Cabinet. This decision necessitates the transfer of one (1) full-time employee, two (2) part-time employees and one (1) recently vacated full-time cap – totaling two (2) full-time and two (2) part-time cap – as well as the appropriations for these positions.

The intent of this reorganization is to transfer the duties, functions, responsibilities, files, equipment, positions and funds of the **Weatherization Assistance Program** from the Department for Community Based Services within the Cabinet for Health and Family Services to the Finance and Administration Cabinet. The Weatherization Assistance Program is the nation's largest residential energy efficiency program where trained inspectors and crews aim to reduce the cost of energy for low-income families. The Weatherization Assistance Program is a federally funded program that receives approximately \$5,000,000 annually, which is disbursed to eligible households at or below 150 percent of the federal poverty level that have not received weatherization assistance / services on or after September 30, 1993. However, due to recent stimulus plans, federal funds for the Weatherization Assistance Program will increase to approximately \$73,000,000 for the upcoming year.

I. Changes within COT's Internal Organizational Structure

A. Office of the Commissioner

- Customer Services Branch will be created
- Financial Data Management Branch will be created

B. Office of Enterprise Technology

1. Division of IT Governance

- Business Relations Branch will be abolished

2. Division of Geographical Information Systems will be abolished

C. Office of Infrastructure Services

1. Division of Communications

- Network Engineering Branch will be abolished

2. Division of Communications

- Customer Service Desk Branch will be abolished

D. Office of Application Development

1. Division of Software Engineering will be renamed the Division of Financial Information Technology

- Development I Branch will be renamed the Mainframe Services Branch
- Development II Branch will be renamed the Integrated Tax System Branch
- Development III Branch will be renamed the Distributed System Services Branch
- Development IV Branch will be renamed the Project Management Branch
- Development V Branch will be abolished
- Data Integration Branch will be abolished

2. Division of Support Services

- Quality Assurance Branch will be renamed the Quality Services Branch
- Data Services Branch will be created

3. Division of Consulting and Project Management will be renamed the Division of Agency Information Technology
 - Project Management Branch will be renamed the Transportation Services Branch
 - Analyst I Branch will be renamed the Education and Personnel Services Branch
 - Analyst II Branch will be renamed the General Government/Internal Projects Services Branch
 - Data Services Branch will be abolished
4. Division of Geographic Information Systems will be created

II. Changes within the Office of the Secretary's Internal Organizational Structure

A. Office of Administrative Services

1. Division of Fleet Management
 - Fleet Support Services Branch will be renamed the Fleet Customer Support Branch
 - Fiscal Support Section will be abolished
 - Help Desk Section will be created
 - Fleet Operations Branch
 - Help Desk Section will be abolished
 - Fiscal and Asset Management Section will be created
 - Garage, Inventory and Surplus Section will be renamed the Maintenance Section

III. Changes within the Department for Facilities and Support Services' Internal Organizational Structure

1. Division of Real Properties
 - Inventory and Property Utilization Branch will be renamed the Space Design and Inventory Branch

IV. Transfer the Weatherization Program from the Department for Community Based Services within the Cabinet for Health and Family Services to the Finance and Administration Cabinet.

FISCAL / PERSONNEL IMPACT

While it is difficult to provide an exact dollar reduction or increase in expenditures that will result from the reorganization, there will approximate \$81,400 annual increase in expenditures due to the transfer of three (3) employees and one cap from the Tourism, Arts and Heritage Cabinet to the Division of Historic Properties. All employees who are replaced as a result of this reorganization will be reclassified or transferred to other positions without a decrease in compensation. Promotions may occur in other areas of the Cabinet that relate to supervisory/management positions. No layoffs are scheduled as a result of this reorganization.

The changes within the **Commonwealth Office of Technology** do not initially reduce or increase personnel costs but instead shift personnel to more productive areas. Prior to this reorganization, the Commonwealth Office of Technology within the Finance and Administration Cabinet had 374 employees. After this reorganization, the Commonwealth Office of Technology will have 374 employees. The number of management positions within COT will not increase as a result of this reorganization.

Position	Before	After
Executive Directors	5	5
Division Directors	10	10
Total	15	15

The changes within the **Office of the Secretary** do not impact personnel costs but instead shift personnel to more productive areas. Prior to this reorganization, the Office of the Secretary within the Finance and Administration Cabinet had 148 employees. After this reorganization, the Office of the Secretary will have 148 employees. The number of management positions within the Office of the Secretary will not change as a result of this reorganization.

Position	Before	After
Executive Directors	7	7
Division Directors	5	5
Total	12	12

The changes within the **Department for Facilities and Support Services** will increase personnel costs due to the aforementioned transfer of the three (3) employees from the Tourism, Arts and Heritage Cabinet to the Division of Historic Properties. Although personnel cost will increase within the Department for Facilities and Support Services, a more efficient tour guide operation should be realized. There is no fiscal or personnel impact within the Division of Real Properties as they are simply renaming a branch to a more suitable title. Prior to this reorganization, the Department for Facilities and Support Services within the Finance and Administration Cabinet had 291 employees. After this reorganization, the Department for Facilities and Support Services will have 294 employees. The number of management positions within the Department for Facilities and Support Services will not increase as a result of this reorganization:

Position	Before	After
Executive Directors	2	2
Division Directors	7	7
Total	9	9

The benefits resulting from the transfer of the **Weatherization Assistance Program** from the Cabinet for Health and Family Services to the Finance and Administration Cabinet are mostly those of efficiencies. The transfer of duties and responsibilities will allow best practices to be implemented, which savings should be realized in processing and response time, procurement efficiencies, information technology administration and enhanced services. There will be no personnel impact, as no employees will be transferred from the Cabinet for Health and Family Services to the Finance and Administration Cabinet.