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RECORD

A SUMMARY OF INTERIM ACTIVITIES

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Most new state laws took effect in July

by Mike Wynn - LRC Public Information

FRANKFORT — The Kentucky General Assembly passed 234 bills during this year's legislative session, and most took effect on July 14.

That means that fentanyl dealers and porch pirates will face tougher penalties, the rules for public assistance are changing, and local school boards will be required to hold a public comment period.

The Kentucky Constitution specifies that new laws take effect 90 days after the adjournment of the legislature unless they have special effective dates, are general appropriation measures, or include emergency clauses that make them effective immediately upon becoming law. Final adjournment of the 2022 session was on April 14, making July 14 the effective date for most bills.

Some of the laws taking effect include measures on the following topics:

Anti-SLAPP bill: House Bill 222 seeks to protect freedom of speech. It will offer those who speak out against a matter of public interest protection from strategic lawsuits against public participation, known as SLAPP lawsuits.

Charter schools: House Bill 9 establishes a funding model for charter schools, building on legislation from 2017 that first allowed charters in Kentucky. It also authorizes two pilot charter

Most new laws passed during the 2022 legislative session took effect in July, 90 days after the legislature adjourned.

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New state laws,
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school projects in Louisville and Northern Kentucky and changes the appeals process if education officials deny an application for a new charter school.

Child abuse: House Bill 263, known as Kami's Law, makes criminal abuse against a victim under 12 years of age a Class B felony.

Child fatalities: Under Senate Bill 97, law enforcement are required to request a blood, breath or urine test from parents and caregivers suspected of being under the influence at the time of a suspicious child death. If consent is not given, this bill gives law enforcement the power to request a search warrant.

Crimes during emergencies: Senate Bill 179 enhances penalties for crimes committed during a natural or man-made disaster declaration. Crimes include assault, burglary, criminal trespass, criminal mischief, theft, receiving stolen property and robbery.

Criminal justice reform: Senate Bill 90 calls for pilot programs in at least 10 Kentucky counties, providing deferred prosecutions, diversion or dismissal of charges for some low-level offenders based on their participation in drug treatment and vocational services.

Death penalty: House Bill 269 adds serious mental illness to the list of disabilities that disqualify offenders from execution – if symptoms were occurring at the time of the offense.

Due process: House Bill 290 calls on state colleges and universities to adopt a student code of conduct for non-academic disciplinary procedures and provide students with due process protections that are similar to those in criminal and civil courts.

Education: Senate Bill 1 designates local superintendents as the lead official for selecting the appropriate educational curriculum and materials for local schools. It also includes language from the Teaching American Principles Act,

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State leaders discuss school safety with legislative committee

by Jordan Hensley - LRC Public Information

FRANKFORT — The first day of school will be here soon, and safety is on the minds of parents, teachers, students and Kentucky lawmakers.

Jon Akers, the director of the Kentucky Center for School Safety, and Ben Wilcox, the state school security marshal with the Kentucky Department of Criminal Justice Training, spoke with lawmakers about school safety at the Interim Joint Committee on Education meeting on July 15.

In 2019, the legislature passed the School Safety and Resiliency Act, or Senate Bill 1, which transformed Kentucky's approach to school safety. It established new school safety protocols and created the Kentucky Center for School Safety along with the position of school security marshal at the Kentucky Department of Criminal Justice Training.

The Kentucky General Assembly also passed House Bill 63 this year to require a school resource officer (SRO) at each school by Aug. 1 and to allow a school district to establish its own police department.

Wilcox said schools are safer today than they were three years ago.

"Our numbers are very, very good, and that will be shown in our report when it comes out in August," he said.

The May 24 shooting at Robb Elementary School in Uvalde, Texas, where 19 students and two teachers were killed and 17 others were injured, was on the minds of lawmakers as they asked Akers and Wilcox questions.

"Is there anything that we've done, Senate Bill 1, the previous bills that we've worked on or passed? Is there anything there that we have in place that could have prevented what happened in Uvalde?" committee co-chair Sen.

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Committee co-chair Sen. Max Wise, R-Campbellsville, asks a question on school safety at the Interim Joint Committee on Education meeting on July 15.

Lawmakers discuss charitable bail organizations, legislation

by Jordan Hensley - LRC Public Information

FRANKFORT— A bill related to charitable bail that did not receive final passage during the 2022 legislative session may be given new life in 2023.

The Interim Joint Committee on Judiciary discussed the legislation on July 7 along with the work of charitable bail organizations.

Earlier this year, Rep. John Blanton, R-Salyersville, sponsored House Bill 313, which would have prevented charitable bail organizations from posting more than $5,000 in bail for anyone charged with a crime. It also would have limited the types of charges the organizations can post bail for.

Rep. John Blanton, R-Salyersville, discusses House Bill 313 from the 2022 legislative session during a meeting of the Interim Joint Committee on Judiciary on July 7.

HB 313 advanced off the House floor in March by a 76-19 vote, but it did not receive final passage in the Senate. If Blanton wishes to try to pass the bill again, he will have to re-file it in 2023.

At the July meeting, Carrie Cole and Shameka Parrish-Wright, both with the national, non-profit charitable bail organization The Bail Project, testified before the committee on what their organization does, how it is funded, why they feel Kentuckians need access to their services and more.

"We pay bail for low income individuals who are legally presumed innocent and whom a judge has deemed eligible for release from jail contingent upon paying bail," Cole said. "After release, we connect our clients to voluntary social services and community resources as needed."

Although it is a national organization, Cole said The Bail Project has opened an office in Louisville and serves an additional 28 Kentucky counties. Since 2018, the organization has assisted nearly 4,000 Kentuckians, she said.

Blanton said he felt his work with Cole and Parrish-Wright during the legislative session was "amicable" and that the final version of HB 313 approved by the House "accomplished a little bit" of what both he and The Bail Project wanted. Blanton noted that The Bail Project isn't the only charitable bail group in Kentucky, and that he and others have concerns about people who commit violent crimes reoffending while out on bail. He said the goal of his bill was to try to protect victims and prevent tragedies.

"Let's be cautious," Blanton said. "Let's not go down this road of getting under the guise of feel good things that make us feel better about ourselves and create a society where we create more crimes, because when you have more crimes, you have more victims."

Committee co-chair Sen. Whitney Westerfield, R-Crofton, questioned how the organization chooses which people to post bail for.

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School safety,

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Max Wise, R-Campbellsville asked.

Wilcox said Kentucky already has a lot of safety measures in place through SB 1 from 2019.

"The School Safety and Resiliency Act requires exterior doors to be controlled access," Wilcox said. "That means getting rid of what we call the 'universal key.' That's that 5-pound rock that sits next to the door that props it open as teachers go out and in and making sure that those locks are actually working."

Schools also practice what Wilcox called "layered security," where interior doors at schools remained locked. Schools also practice lockdown drills.

"We're at 99.7% compliance with closed, locked doors during instructional time and exterior doors as well," he added.

As for SROs, Wilcox said those officers are trained to immediately respond at the first report or sound of gunfire, even if an SRO is the only officer on the scene. For an officer to become an SRO in Kentucky he or she must undergo 120 hours of specialized training, which includes active shooter training.

Rep. Lisa Willner, D-Louisville, expressed some concerns about SROs playing a role in discipline at schools and how that might disproportionally impact students of color.

Wilcox said state law does not allow SROs to be

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which will require instruction in social studies to align with a list of core concepts and documents that supporters say are central to American civics.

Fentanyl: Known as Dalton's Law, House Bill 215 requires those convicted of trafficking fentanyl, carfentanil or fentanyl derivatives to serve at least 85% of their criminal sentences, up from the current 50%. It also makes importing those drugs from another state or country a Class C felony and deems offenders ineligible for a pretrial diversion.

First responders: Senate Bill 64 aims to protect the confidentiality of first responders who participate in peer support counseling programs. Supporters say it will benefit thousands of public safety workers who frequently experience trauma on the job but could face repercussions from frank discussions in counseling.

Imagination Library: Senate Bill 164 establishes the Imagination Library of Kentucky Program. Founded by country music legend Dolly Parton, this international literacy program provides free books monthly to children from birth to age 5. The state will provide 50% of the funds.

Incest: Senate Bill 38 classifies incest as a violent offense. It also ensures that individuals guilty of incest complete at least 80% of their prison sentence.

Pari-mutuel wagering: House Bill 607 taxes every pari-mutuel wager at a standard 1.5% rate, including advance-deposit wagers and bets on simulcasts. It also directs more money to the general fund, makes the Kentucky Racing Commission responsible for self-funding, creates a self-exclusion list for problem gamblers and eliminates the track admissions tax.

Peace officer certifications: House Bill 206 prohibits anyone convicted of a misdemeanor sexual offense from serving as a peace officer.

Porch pirates: Senate Bill 23 cracks down on people who steal packages off front porches, often referred to as porch pirates. The bill makes it a Class D felony to steal or destroy packages from common carriers and delivery services such as Amazon or FedEx.

Public assistance: House Bill 7 revamps public assistance benefits and seeks to combat fraud with new rules around benefit eligibility. It also seeks to increase accountability from the state Cabinet for Health and Family Services and encourage healthy choices for those receiving nutritional assistance.

Religious services: House Bill 43 calls for equal treatment of houses of worship and religious organizations during a state of emergency.

School board meetings: House Bill 121 requires a public comment period of at least 15 minutes at local school board meetings, unless no one is signed up to speak. It also requires that any board rules and policies regarding conduct apply during the comment period.

School breakfasts: Senate Bill 151 calls on schools in the Federal School Breakfast Program to offer students up to 15 minutes to eat breakfast during instructional time.

School resource officers: House Bill 63 calls on local school districts to place a school resource officer in each school by Aug. 1 if they can afford the cost. It also allows local school boards to establish a police department for the district.

Serving alcohol: House Bill 252 clears the way for 18-year-olds to sell and serve alcoholic beverages.

Student mental health: House Bill 44 allows school boards to include provisions in their student attendance policy for excused absences due to a student's mental or behavioral health status.

Swatting: House Bill 48 makes falsely reporting an incident that results in an emergency response – commonly called "swatting" – a Class D felony.

Telecommunicators: House Bill 79 expands the Law Enforcement Professional Development Wellness Program to assist telecommunicators who are coping with post-traumatic stress disorder or work-induced stress. It will also increase training and resources for telecommunicators related to stress disorders.

Transgender athletes: Senate Bill 83 will prevent male-to-female transgender students from participating in girls' sports, starting in the sixth grade and continuing through college.

School safety,

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involved with discipline.

Sen. Alice Forgy Kerr, R-Lexington, pointed out that many of the people who become school shooters are young adults who dropped out or graduated from the school they attack. She asked Akers if there is anyone keeping track of people who might be potential threats.

Akers said while many school shooters are young, white males, there is not an easy way to determine who might be a threat because sometimes a shooter is someone others would not think is capable of violence.

"That's why we have the tip lines out there," Akers said. "Somebody might know that (a person is a threat). We may not know that."

Akers added that anytime law enforcement receives a tip about potential violence, they're trained to investigate and take it seriously.

The next Interim Joint Committee on Education meeting is currently scheduled 11 a.m. on Aug. 16.

Legislators learn about plan to boost number of electric vehicle charging stations

by Nancy Royden - LRC Public Information

FRANKFORT – Legislators on the Interim Joint Committee on Transportation learned about steps being taken by state officials and others to make operating electric vehicles more convenient in Kentucky.

During a July 5 committee meeting, John Moore, Assistant State Highway Engineer for Project Development and Cabinet Lead at the Kentucky Transportation Cabinet, presented Kentucky's Electric Vehicle Infrastructure Deployment Plan, which he described as "initial."

"I say initial because we anticipate this being updated routinely over the five-year life of the National Electric Vehicle Infrastructure funding, or NEVI funding. Between updates we will continue to receive input from all sectors, and we will incorporate that into future updates," he said.

Legislators on the committee had several questions and comments for Moore, who said the goal of the funding program is to create a convenient, reliable, affordable and equitable national electric vehicle charging network.

The initial focus of the NEVI Formula Funding Program is for charging stations on interstates to support long distance travel. Kentucky is set to receive $69.5 million over five years for the project from the federal government. This is expected to be matched with $17.4 million from non-federal funds.

Moore said charging stations on highways should work quickly, rather than take several hours to charge vehicles. Under the funding program, the charging stations must use "direct current fast charging" technology and be less than 50 miles apart. These charging stations can work in 30 minutes, providing power for 250 miles.

Rep. Ken Upchurch, R-Monticello, and co-chair of the committee, asked Moore how electric vehicles might affect the power grid.

Moore said state officials have had conversations with electricity providers, and they are not concerned with the current power demand. He said a major impact on the power grid would require the rapid adoption of electric vehicles, which is not expected in Kentucky.

"It will be a slow adoption, and it will be a slow impact is what we are hearing," Moore said.

Sen. David Yates, D-Louisville, asks a question regarding electric vehicles after state officials presented Kentucky's Electric Vehicle Infrastructure Deployment Plan to committee members on July 5.

Sen. Jimmy Higdon, R-Lebanon, and co-chair of the committee, asked Moore how officials will determine who gets to operate the charging stations.

"There are going to be winners and losers. I'm sure there are going to be a lot of people seeking to have one of those charging stations in the beginning."

Moore said the process is yet to be determined but agreed that multiple vendors could be vying for the stations at the same time. He explained that private investment, in addition to the NEVI funding, could help meet some of the demand.

"The demand we see on a lot of the interstates within five to 10 years will require more than what this program will roll out," Moore said. "There is an opportunity for the marketplace to fill in where these funds do not touch."

Sen. David Yates, D-Louisville, said expansion of electric vehicle usage is exciting. He acknowledged that Kentucky is "kind of late in the game," but said one of the benefits is that Kentucky gets to learn from other states, particularly when it comes to avoiding monopolies.

"We know that in four to seven years – Kentucky being a logistic hub – that we are going to need to be on grid in order to not lose that economic impact that is coming through," he said.

Rep. Ashley Tackett Laferty, D-Martin, and Sen. Johnnie Turner, R-Harlan, both expressed a need to include more routes in Eastern Kentucky in the plans.

Rep. Samara Heavrin, R-Leichfield, asked about federal and state matching funds. Moore said the program is unique because private funds can be used to match other funds.

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Charitable bail,

from page 3

Cole said when the organization receives a referral, the bail amount, charge and flight risk are among the factors considered before making a decision.

"Our referrals generally focus on people who are stuck in poverty and can't get out (of jail), and they're usually lower-level offenses," Parrish-Wright added.

Rep. McKenzie Cantrell, D-Louisville, suggested that if Blanton's bill or something similar is proposed again next session, it should focus on the types of charges that charitable bail organizations can post bail for, not the maximum amount.

Rep. Jason Petrie, R-Elkton, said bail acts as a way to ensure a defendant will show up to their court dates. He suggested The Bail Project start posting bail in its name instead of on a client's behalf.

Cole and Parrish-Wright said their clients are motivated to show up to court because they know that once their bail is returned to the organization, the money can be used to help someone else.

The next Interim Joint Committee on Judiciary meeting is currently scheduled for Aug. 18 at 11 a.m.

Electric vehicle charging,

from page 5

Rep. Tom Smith, R-Corbin, said he is a supporter of hybrid vehicles, and he added the Transportation Cabinet should come up with recommendations about how to tax electric vehicles.

Sen. Karen Berg, D-Louisville, asked about charging stations that are not as profitable as others and if they would still be offered.

Moore said he wants deployment of the charging stations to be successful, and Kentucky will learn from other states.

The statewide plan must be approved by the Joint Office of the U.S. Department of Transportation and the U.S. Department of Energy to secure funds for the NEVI Formula Funding Program, Moore said.

The next committee meeting is Aug. 16 at 1 p.m.

LRC Publications

2022 Price List

Daily Record Pick up: $165
Daily Record Mailed: $165
(plus postage)
Friday Record Mailed: $38.50
(plus postage)
Individual Record Pick up: $2.75
Individual Record Mailed: $2.75
(plus postage)

Bills
Complete Set of Bills and Resolutions (Pick up): $630
Individual Bills Per Page: $.05
Amendments Per Page: $.05
Roll Call Votes: $.15 Per Page

Publications
1-10 copies: Free to general public; larger numbers of free copies are available to schools and state agencies *(Copies over preapproved limits require agency approval)*

Administrative Regulations
Administrative Register (monthly): $120.00

Acts of the General Assembly (2022)
Regular Session: $80.00 (2 volumes)
Special Sessions: Priced after printing

Journals
House and Senate Complete Set, House Set, Senate Set: Priced after printing
(All prices subject to 6% Kentucky sales tax within Kentucky, and subject to change)

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Committee Meetings

INTERIM JOINT COMMITTEE ON AGRICULTURE

Minutes of the 1st Meeting of the 2022 Interim

June 9, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Agriculture was held on Thursday, June 9, 2022, at 9:00 AM, in Room 154 of the Capitol Annex. Representative Richard Heath, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Paul Hornback, Co-Chair; Representative Richard Heath, Co-Chair; Senators Dennis Parrett, Damon Thayer, and Max Wise; Representatives Josh Calloway, Daniel Fister, Kelly Flood, Derrick Graham, Mark Hart, Keturah Herron, Mary Beth Imes, Kim King, Matthew Koch, Nima Kulkarni, Shawn McPherson, Michael Sarge Pollock, Phillip Pratt, Josie Raymond, Cherlynn Stevenson, Nancy Tate, Walker Thomas, and James Tipton.

Guests: Dean Schamore, State Executive Director, United States Department of Agriculture, Mike Hoyt and Jennifer Farmer, Farm Service Agency, United States Department of Agriculture, and Dr. Will Snell, University of Kentucky, College of Agriculture, Food and Environment.

LRC Staff: Stefan Kasacavage, CSA, Kelly Ludwig, Hillary Abbott, and Susan Spoonamore, Committee Assistant.

Comments from USDA Farm Service Agency

Dean Schamore, State Executive Director, Farm Service Agency (FSA), United States Department of Agriculture (USDA) explained that FSA-USDA implements agricultural policy, administers credit and loan programs, and manages programs relating to conservation, commodities, disaster, and farm marketing.

Mike Hoyt, Farm Loan Programs, FSA-USDA, explained two loan programs, guaranteed loans and direct loans. Direct loans are made directly from FSA to the farmer and guarantees loans to farmers who are temporarily unable to obtain private commercial credit. The Direct Farm Loan Program has a lower interest rate and requires no down-payment. Under the Guaranteed Loan Program, loans are made by a USDA-approved traditional lender with the backing of FSA. FSA guarantees loans made by commercial agricultural lenders up to 95 percent of any loss. Mr. Hoyt stated that Kentucky is fifth in the nation for eligible applicants in the Microloan Program. The Microloan Program was developed to better serve the unique financial operating needs of beginning farmers and the smallest of family farm operations. The application process is simpler, and requires less paperwork. Eligible applicants may obtain a microloan for up to $50,000.

Jennifer Farmer, FSA-USDA, explained that the Emergency Loan Program is triggered when a natural disaster is designated by the Secretary of Agriculture or a natural disaster or emergency is declared by the President under the Stafford Act. These loans help producers who suffer qualifying farm related losses directly caused by the disaster in a county declared or designated as a primary disaster or quarantine area. Also, farmers located in counties that are contiguous to the declared, designated, or quarantined area may qualify for the Emergency Loan programs. The 19 counties affected by the recent tornado in Western Kentucky are eligible for the program. The Emergency loans assist with debris cleanup, damaged crop fields, and fence repairs. Those 19 counties have requested over $8 million in assistance. The Farm Bill includes a livestock indemnity program which has helped people who have poultry operations. The Farm Storage Facility Loan Program (FSFL) provides low-interest financing so producers can build or upgrade facilities to store commodities. Ms. Farmer said that FSFL is an excellent financing program for on-farm storage for small and mid-sized farms. Loan terms vary from three to 12 years and the current interest rate is from 2.875 percent to three percent. The maximum loan amount for storage facilities is $500,000 and $100,000 for storage and handling trucks. Due to the popularity of the program and supply chain limitations, building back will take longer than usual.

In response to Representative Pratt, Mr. Hoyt said that interest rates are going up incrementally.

In response to Representative King, Ms. Farmer said loans are available for fencing, as long as the fences were are used to contain livestock. The majority of fences have been replaced or repaired. The USDA has not released all the money requested yet, but as the money is released, farmers are reimbursed.

In response to Senator Hornback, Ms. Farmer said that the FSFL is for permanent grain storage structures. Mr. Schamore said that Senator McConnell has been working to provide language to include emergency grain storage structures within the 19 counties impacted by the tornado. Mr. Schamore also stated that staffing for Farm Service Agency offices has remained steady at approximately 300 employees.

In response to Representative Tipton, Ms. Farmer said that funds from the livestock indemnity program were recently approved to assist poultry producers who have lost poultry to Avian Influenza.

In response to Representative Kulkarni, Mr. Hoyt said that interest rates vary for each program.

In response to Representative McPherson, Ms. Farmer stated that not all poultry producers will remain in business following the disaster. It will probably be two years before poultry production stabilizes. Ms. Farmer said that there are no funds available from FSA to purchase birds.

Chairman Heath noted that Pilgrim's Pride Corporation lost two hatcheries in Graves County during the tornado. An issue for Pilgrims is distributing hatched birds. Pilgrim's has to purchase birds from another supplier.

In response to Representative Graham, Ms. Farmer said that individuals who lost older barns would need to go through their private insurance company.

Observations and Implications of Inflation on Ky Agriculture

Dr. Will Snell, Ag Economist, University of Kentucky, College of Agriculture, Food and Environment explained that inflation is a rise in prices for goods and services and reflects a decline of purchasing power for consumers and producers. He stated that government spending, labor supply issues, supply chain disruptions, weather/disease events, war in Ukraine, and monetary policy has contributed to inflation. Since January 2022, farm production input costs have increased 24 percent. Over the past 50 years, statistics show that during periods of higher agriculture commodity prices, farm input prices rose at a fast pace. During periods of lower agriculture commodity prices, farm input prices did not fall as fast. With high inflation, the Federal Reserve generally raises interest rates which affects land values, farm income, commodity prices, exchange rates/trade, farm input prices, and farm living expenses (including food prices). Dr. Snell said that estimates for 2022 show that Kentucky farm cash receipts could approach $7 billion. The Kentucky Grain Profitability outlook for 2022 versus 2020, shows the highest, per acre costs in history. Even with the high input prices, there is the potential that commodity prices should be more than enough to offset the costs. Future cattle prices are also projected to cover input costs, but tobacco producers will have a tighter margin of recouping their costs. Dr. Snell said that 2022 should be a good year for Kentucky agriculture as long as the weather is good and the markets remain strong. Projections for 2023 will be concerning if inflation does not subside.

Dr. Snell explained that higher commodity and fuel prices, increased labor costs, supply chain disruptions, higher packaging costs, increased consumer demand, and increased US food exports are the driving forces behind food price inflation. Another area of concern is that the Russia-Ukraine war is contributing to a global food crisis and food insecurity. It may get much worse as the war continues.

In response to Senator Hornback, Dr. Snell said research indicates that the $6 trillion injected into the economy, is still impacting demand and the rate of inflation.

In response to Representative McPherson, Mr. Snell said that it will cost a family approximately 9.5 percent of their income to feed their family.

Representative Koch noted that farmers are having a difficult time locating equipment parts, and the costs for the parts and labor have nearly doubled. Also, it is difficult to identify laborers who can run the equipment.

Meeting adjourned.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Minutes of the 1st Meeting of the 2022 Interim

June 2, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, June 2, 2022, at 1:00 PM, in Ballroom B of the Northern Kentucky Convention Center. Senator Christian McDaniel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Jason Petrie, Co-Chair; Senators Danny Carroll, Donald Douglas, David P. Givens, Morgan McGarvey, Stephen Meredith, Michael J. Nemes, Robin L. Webb, and Stephen West; Representatives Lynn Bechler, Danny Bentley, Randy Bridges, Joseph M. Fischer, Ken Fleming, Chris Fugate, Al Gentry, David Hale, Mark Hart, Angie Hatton, Melinda Gibbons Prunty, Josie Raymond, Brandon Reed, Steve Riley, and James Tipton.

Guests: Ellen Hesen, Deputy Mayor, Louisville; David James, President, Metro Council District 6; Matt Golden, Chief of Public Services, Louisville; Vicki Reed, Commissioner, Department of Juvenile Justice; George Scott, Deputy Commissioner, Department of Juvenile Justice; Dr. Matthew B. Courtney, Policy Advisor, Kentucky Department of Education; and Natasha Stein, Assistant Director, Kentucky Department of Education.

LRC Staff: Jennifer Hays, Cynthia Brown, Sarah Watts, Hope Rowlett, and Ashton Thompson

Louisville Youth Detention Facility

Ellen Hesen, Deputy Mayor, Louisville; David James, President, Metro Council District 6; Matt Golden, Chief of Public Services, Louisville; Vicki Reed, Commissioner, Department of Juvenile Justice; and George Scott, Deputy Commissioner, Department of Juvenile Justice, discussed the need for additional funding to expand a juvenile detention facility in Jefferson County.

Deputy Mayor Henson testified that 25 years ago, the state developed a unified juvenile justice system in 119 counties, which included regional centers located in Adair County, Ashland County, Breathitt County, Covington, Lexington, Paducah, and Bowling Green. The youth detention center in Louisville, which was not a part of the unified system, was comprised of 96 beds and provided alternative services such as home incarceration and home supervision. To cover operating expenses, the state paid the city a per diem rate of $94 a day per youth. However, total operating costs exceeded what the city was reimbursed by the state.

This led to discussions between the city and the state regarding returning the operation of the youth detention center to the state. To implement the transition, the city appropriated $685,000 to help the state renovate and expand a juvenile day center located in Lyndon. Due to challenges related to the pandemic, the opening of the newly repurposed detention center was delayed.

Mr. Golden testified about Louisville's juvenile transportation system. Despite various challenges, the city has enhanced its public safety response to justice-involved youth. This includes a dedicated group that facilitates youth transportation to and from detention centers, juvenile courts, and medical treatment. Additionally, the Louisville Metro Council approved the allocation of $3 million from the American Rescue Plan to fund a new facility designated for juvenile pre-detention screening, which provides a safe place for youth awaiting the screening decision.

Deputy Mayor Hesen stated that one of the challenges Louisville is facing is the lack of a regional detention center equipped for the city's large population. With 25 percent of incarcerated youth in the state originating from Louisville, the existing detention facility in Lyndon is not equipped to address the needs of the children. Based on a previous expansion of the facility in 2019, it is estimated that it will cost $890,500 to upgrade the facility. The operating budget would need to be approximately $8,307,000 for a 40-bed facility.

Mr. James testified that the expansion of the youth detention facility is jointly supported by the majority and minority caucuses of the Louisville Metro Council.

In response to a question from Senator McDaniel, Deputy Mayor Hesen testified that the city is advocating for additional money to be included in the state's budget to allow for the upgrade of the youth detention facility in Jefferson County, which would be operated by the state. In response to another question from Senator McDaniel, Deputy Mayor Hesen confirmed that the facility would house post-adjudicated youth while allowing them to remain in the Louisville Metro area. The renovation will cost nearly $1 million, and total operating costs will be about $8.4 million annually.

In response to a question from Senator Carroll, Deputy Mayor Hesen testified that transportation to and from court appearances is difficult due to a large volume of youth from Jefferson County detained in facilities around the state.

In response to a question from Senator McDaniel, Mr. Golden testified that kids are held at a pre-detention screening center while a judge determines whether they need to be detained at a state detention facility.

In response to a question from Representative Tipton, Deputy Mayor Hesen testified that the city is advocating for a 40-bed facility that will offer alternative placement options as well as educational and medical services. In response to another question from Representative Tipton, Deputy Mayor Hesen stated that transportation costs are incurred by the Jefferson County Sheriff's Office and Louisville Metro.

Commissioner Reed testified about the costs associated with operating the Jefferson Regional Juvenile Detention Center (JRJDC). In June 2019, juvenile detention was transferred from the Louisville Metro Government to the Department of Juvenile

Justice (DJJ). The DJJ converted the Rice Audubon youth development center into a 16-bed detention center to begin accepting youth. In December 2021, the intake area was expanded to accommodate a maximum of 26 youth. In total, DJJ has spent $350,000 to upgrade the facility from a youth development center to a detention center. The JRJDC costs $4.75 million annually to operate at full staff, and each youth costs $539.31 per day.

Commissioner Reed also testified about the youth detention process. After a judge signs a juvenile detention order, the youth is brought to JRJDC and DJJ takes custody of the youth. DJJ closely monitors capacity numbers to ensure there are open beds and transfers youth as needed to other regional detention centers.

Deputy Commissioner Scott testified about the factors that determine whether a youth remains at JRJDC or is transferred to another facility. These factors include the number of youth at the center, the date of the next court appearance, the need for psychological evaluations, and gang issues. To maintain contact with family and attorneys, youth are allowed daily phone calls, zoom calls, and in-person visitations.

Commissioner Reed stated there are 328 beds state-wide for juvenile detention and there is no shortage of beds available. However, the issue is where the beds are located.

In response to a question from Representative Fleming, Deputy Mayor Hesen testified that the city would be willing to create a report outlining its requests and estimated range costs.

In response to a question from Representative Prunty, Deputy Mayor Hesen stated that, per statute, counties were reimbursed $94 per day per youth, but this amount was not enough to cover actual costs.

In response to a question from Representative Raymond, Deputy Mayor Hesen stated that youth detention centers provide a placement for kids going through the pre-adjudication process and do not provide any treatment or rehabilitation.

Overview of the Kentucky Department of Education's Community Education Programs

Natasha Stein, Assistant Director, Kentucky Department of Education, and Dr. Matthew B. Courtney, Policy Advisor, Kentucky Department of Education discussed the Kentucky Department of Education's (KDE) community education programs.

Dr. Courtney testified that community education programs are defined in KRS 160.155 and are designed to ensure public buildings are used for educational purposes when not in regular use. These programs provide educational, recreational, cultural, healthcare, and other related community services. The five goals of the community education programs are to increase the use of school facilities during non-school hours, enhance lifelong learning opportunities for adults, create opportunities for parents and community members to volunteer within the school system, implement strategies to support the K-12 system through core academic and career readiness activities, and provide opportunities for more collaboration among community partners.

KDE issues continuation awards to 93 districts operating community education programs. Awards provide districts with $20,000 to be used for the salary of a community education director with a 25 percent match from the grantee for a total contribution of $16 million distributed annually.

By July 15th, grantees receiving state funds for a community education program must submit an annual report that includes an evaluation of the program and a financial statement. KDE also prepares the Community Education Annual Report, which measures various outcomes of the programs.

In response to a question from Senator West, Dr. Courtney testified that the curriculum for the adult education program is determined by the community education director, the superintendent, and the school board. In response to another question from Senator West, Dr. Courtney stated the programs are completely local and KDE is only responsible for distributing funds and ensuring compliance.

Review of 22RS HB 8

Jennifer Hays, Committee Staff Administrator, Appropriations and Revenue, Legislative Research Commission (LRC), discussed 22RS House Bill 8 revenue measures.

Ms. Hays testified there was a record number of bills introduced and passed into law during the 2022 General Session. Among the 230 bills that were enacted, 42 had some impact on revenue and taxation.

House Bill 8 enacted several changes to the state's revenue structure and reduces the individual income tax rate over time. On September 5, 2022, the Department of Revenue and the Office of the State Budget Director will review the reduction conditions and will determine whether the individual income tax rate will be reduced. Initially, reduction conditions for the fiscal years 2021 and 2022 will be considered, but subsequent annual reviews will only consider the most recent fiscal year. If conditions are satisfied, rate reductions will be triggered on January 1, 2023, and may be triggered on January 1, 2024, upon the action of the General Assembly.

Each fiscal year, two conditions must be met: the balance reserve trust fund (BRFT) must be equal to or greater than 10 percent of general fund (GF) moneys, and GF moneys must be equal to or greater than GF appropriations plus the Individual Income Tax (IIT) equivalent. If both conditions are met for fiscal years 2020 and 2021, the individual income tax rate will be reduced from five percent to four and a half percent for taxable years beginning January 1, 2023. Action by the General Assembly is required before additional rate reductions can occur.

In response to a question from Senator Carroll, Ms. Hays confirmed that if the legislature enacted laws that broadened the base for consumption-type taxes, like sales and use taxes, it would not result in an immediate reduction of the individual income tax rate, but would be an entire year before the revenues from the broadening of those taxes would be considered in the formula used for reducing the individual income tax rate.

In response to a question from Senator Givens, Ms. Hays acknowledged the LRC staff who contributed to the drafting and economic analysis of House Bill 8.

With no further business before the committee, the meeting was adjourned at 2:01 p.m.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement

Minutes of the 1st Meeting of the 2022 Interim

July 6, 2022

Call to Order and Roll Call

The first meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement of the Interim Joint Committee on Appropriations and Revenue was held on Wednesday, July 6, 2022, at 9:00 AM, in Room 131 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Michael J. Nemes, Co-Chair; Representative Myron Dossett, Co-Chair; Senators Christian McDaniel, Robby Mills, Adrienne Southworth, Reginald Thomas, and Stephen West; Representatives Kevin D. Bratcher, Jeffery Donohue, Jim Gooch Jr., Derrick Graham, Mark Hart, Adam Koenig, Suzanne Miles, Jerry T. Miller, Jason Petrie, Phillip Pratt, and Buddy Wheatley.

Guests: Gerina Whethers, Secretary, Personnel Cabinet; and, Mary Elizabeth Bailey, Commissioner, Department of Human Resources Administration, Personnel Cabinet.

LRC Staff: Emma Mills, Liz Columbia, and Spring Emerson.

Executive Branch Classification and Compensation Report

Secretary Whethers introduced Commissioner Bailey, who provided a brief overview of the Executive Branch Classification and Compensation Report. Commissioner Bailey referenced an illustration in the report and upon questioning, Chair Dossett commented that the report was not provided to the members, due to the Cabinet requesting that it not be released until after the meeting.

Representative Graham expressed his disappointment that the report was not provided before the meeting, due to his continuing support of state government employees.

Secretary Whethers commented that the Cabinet had worked several months to deliver a product and intended to provide the full report to the subcommittee, and it had been withheld due to a miscommunication.

Representative Petrie thanked the Cabinet for their work and commented that the issue of compensation for state government employees is an important one. The issue was discussed in a meeting of this subcommittee on July 7, 2021 and the report was agreed to be due on September 1, 2021, which, in hindsight, was an impossible deadline. A percent increase in compensation was discussed in that meeting, but the scales are horribly skewed due to compression and compaction issues. Annual increments are an effective tool to deal with these issues. An updated salary schedule was expected in this report. Kentucky government exists to render services to citizens in an effective, efficient, and meaningful manner. This cannot be achieved without good employees, and they cannot be recruited or retained without a good compensation package. The report that was provided is a list of bullet points and recommendations, rather than the detailed data and analyses that are required in order to recruit and retain qualified personnel.

Representative Petrie requested that the Personnel Cabinet meet with him in fourteen days to discuss compaction and compression issues in detail.

Adjournment

Upon agreement with Chair Dossett, a motion was made by Representative Petrie to adjourn. The motion was seconded by Senator Thomas, and the meeting was adjourned at 9:31 AM.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Transportation

Minutes of the 1st Meeting of the 2022 Interim

July 6, 2022

Call to Order and Roll Call

The first meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on Wednesday, July 6, 2022, at 10:30 AM, in Room 131 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Senators Christian McDaniel, Johnnie Turner, and Mike Wilson; Representatives Randy Bridges, Chris Fugate, Samara Heavrin, Thomas Huff, Shawn McPherson, Phillip Pratt, Cherlynn Stevenson, and Ken Upchurch.

Guests: Jim Gray, Secretary, Transportation Cabinet (KYTC); Sarah Jackson, Project Manager, Real ID Program, KYTC; and, Matt Cole, Commissioner, Department of Vehicle Regulation, KYTC.

LRC Staff: Justin Perry, David Talley, and Spring Emerson.

Chair Higdon welcomed his grandson David, who was a guest in the audience.

Impact of Inflation on the Road Fund

Secretary Gray provided information relating to the impact of inflation on the Road Fund.

In response to a question from Chair Higdon regarding the Design/Build process, Secretary Gray said the idea had been conceived many years ago and has grown in the past ten to twenty years. Approximately ten years ago, the General Assembly approved the use of the Design/Build model for procurement and delivery, and the process allows the Cabinet to get projects to letting earlier. It is currently in use on the Brent Spence Bridge project, and was used on the Louisville-Southern Indiana Ohio River Bridges project under former Secretary Mike Hancock.

In response to a question from Chair Higdon regarding the Rural and Secondary Roads program, Secretary Gray said that even after the suspension of the two-cent gas tax increase, local governments will receive approximately $17 million more in Revenue Sharing in the upcoming year than in fiscal year 2022, provided motor fuels usage rates remain consistent. This amount represents an $8 million increase for the Rural and Secondary Roads program, a $6.7 million increase for County Road Aid, and a $2.8 million increase in Municipal Road Aid. Local governments will receive the Revenue Sharing payments on schedule, with the first payment at the beginning of August.

In response to a question from Chair Higdon regarding employee pay raises, Secretary Gray said pay disparities are an issue due to the private sector paying more at entry level for engineers than those working for state government. For example, entry-level engineers in the private sector are starting out around $60,000 or $70,000 per year, with the public offers being around $40,000, which puts the public sector at a distinctive disadvantage. Chair Higdon commented that changing engineers from 37.5 hours per week to forty hours would effectively be a 6.5 percent pay increase. In the private sector, engineers would be required to work fifty or sixty hours per week, if not more.

I-69 and Mountain Parkway Mega Projects

Secretary Gray provided an update on the I-69 and Mountain Parkway Mega Projects.

In response to a question from Chair Higdon regarding matching funds for the Brent Spence Bridge project, Secretary Gray said there was a thirty percent match, rather than the more customary twenty percent matching amount.

In response to a question from Chair Higdon regarding the timing of the grant proposal for these mega projects, Secretary Gray said conversations are ongoing with Indiana officials in an attempt to accelerate, and if possible, the grant applications would be complete by next year for the I-69 corridor. The Mountain Parkway corridor grants are expected to be complete by 2024.

Senator McDaniel cautioned that care must be taken when shifting General Fund dollars to the Road Fund, due to the necessary separation of those dollars and the budgetary discipline that includes. With the advent of electric vehicles, there is a real potential to obfuscate a decline in Road Fund revenues, when what is really needed is an understanding of the disproportionate impact it has on the roads.

Chair Higdon commented that the state portion of the vehicle property tax is deposited to the General Fund, and he would recommend that it go to the Road Fund instead.

Louisville Toll Bridges Rate Increases

Secretary Gray provided information regarding rate increases on the Louisville toll bridges.

In response to a question from Chair Higdon regarding the possibility of legislating a cap on toll rate increases, Secretary Gray said the current rate of inflation was not anticipated when the tolling body was created and when finances were developed. The agreement with Indiana requires that both states agree, in order for the Tolling Body to meet.

Regional Drivers Licensing Offices

Sarah Jackson and Matt Cole provided information regarding the thirty-one Regional Drivers Licensing Offices across Kentucky.

Chair Higdon commended KYTC staff for their hard work on this project. He emphasized that Real ID is not a requirement in Kentucky, and is needed only if traveling on a commercial flight, visiting a Military base, or entering a Federal building such as a courthouse or restricted nuclear power plant. He mentioned there are other modes of Real ID, such as passports and Military IDs.

In response to a question from Chair Higdon regarding the Elizabethtown office, Mr. Cole said they are hoping to open that location by this fall.

In response to a question from Chair Higdon regarding vision testing, Ms. Jackson said that should go into effect in July 2024.

In response to questions from Senator Turner regarding drivers testing, Mr. Cole said the Kentucky State Police (KSP) have decided to follow the KYTC regional model. Combining those resources is more efficient and will allow for more available appointments. Evaluation of Kentucky's drivers testing needs is ongoing, and many factors are considered in the process, such as the size of the community, and traffic to and from the testing location. The KSP has an agreement with the county to rent offices and that is paid for from the KSP budget.

Chair Higdon commented that the KSP are committed to address concerns by increasing staff and the use of mobile units, and these efforts will take time.

In response to a question from Representative McPherson regarding partnering with local public libraries, Ms. Jackson said they work with some of the public libraries for the pop-up program. There has been a lot of interest from libraries in local communities to host the pop-ups. In addition, local County Judges-Executive have assisted in steering the program toward their public libraries. Mr. Cole added that Circuit Clerks also participate in the program through the local County Judges-Executive.

Representative Heavrin commented that there had been a previous issue with permit testing in Hardin County, and expressed her appreciation for the cooperation and assistance received. She added that citizens in Grayson County have to drive for thirty-five minutes to reach their Regional Office. Chair Higdon commented that there are more people in the Elizabethtown-Hardin County area than other regions in Kentucky, and expressed his hope that there will be some relief in that area.

In response to a question from Representative Pratt regarding the homeless population, Mr. Cole said homeless IDs are still done in the Regional Offices. There is much effort being expended by local community services that assist with getting the homeless population to the necessary locations.

Representative Upchurch commented that much of the work performed in the Drivers Licensing Offices can be done online, either on a computer or by using a smartphone. He said the use of smartphones is more prevalent than computer usage in many areas.

Chair Higdon commented that a new law was passed in the 2022 Regular Session which became effective on July 1, 2022 that changed the testing requirements for expired licenses. It changed from one year to five years without going through the permit testing process again. They can retake the written and vision tests and forgo the permit testing.

Adjournment

There being no further business before the subcommittee, a motion was made by Senator Turner to adjourn. The motion was seconded by Representative Pratt, and the meeting was adjourned at 11:56 AM.

INTERIM JOINT COMMITTEE ON BANKING AND INSURANCE

Minutes of the 1st Meeting of the 2022 Interim

June 2, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Banking and Insurance was held on Thursday, June 2, 2022, at 2:00 PM, in Covington, Kentucky at the Northern Kentucky Convention Center. Senator Jared Carpenter, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jared Carpenter, Co-Chair; Representative Bart Rowland, Co-Chair; Senators Ralph Alvarado, Donald Douglas, Jason Howell, Morgan McGarvey, and Brandon J. Storm; Representatives Danny Bentley, Joseph M. Fischer, Patrick Flannery, Deanna Frazier Gordon, Derek Lewis, Matt Lockett, Shawn McPherson, Michael Meredith, Michael Sarge Pollock, Rachel Roberts, Sal Santoro, Tom Smith, Cherlynn Stevenson, and Ken Upchurch.

Guests: Pam Goetting, Northern Kentucky Market Director, Heartland Bank; Lee Crume, President & CEO, Northern Kentucky Tri-ED; Ballard Cassady Jr., President & CEO, Kentucky Bankers Association; Robert R. Hawkins, CFA, Chief Investment Officer, Wealth Management & Trust; Christy Carpenter, President, Bluegrass Community Bankers Association; and Gary Broady, Executive Director, Bluegrass Community Bankers Association

LRC Staff: Jessica Sharpe, Breanna Patterson, and Elizabeth Hardy

Introduction

Pam Goetting, Northern Kentucky Market Director of Heartland Bank, gave a brief introduction and thanked the committee for the opportunity to sponsor the event and for coming to Northern Kentucky.

Discussion of recently enacted legislation – local license fee for motor vehicle sharing and rentals

Lee Crume, President and CEO of the non-profit Northern Kentucky Tri-ED, discussed the motor vehicle license fee statute, KRS 68.200. This statute was initially enacted in 1994 and allows a fiscal court or legislative body of an urban county government to collect a three percent fee on gross rental car charges. It is a reliable source of funding for local economic development and is largely paid by visitors to the community. The original legislation was limited because the rate had not been changed since it was enacted, it did not address technological changes, and it lacked flexibility for economic disruptions. 22 RS HB 8 modernized the statute by applying the fee to car sharing companies and transportation network companies, which enables all technologies to support local economic development.

Impact of economic condition on banking industry and credit markets

Ballard Cassady Jr, President and CEO of the Kentucky Bankers Association, introduced Robert Hawkins, Chief Investment Officer of Wealth Management & Trust, who discussed economic conditions and their impact on financial institutions. The year 2022 was the worst start to the stock market since 1933 as well as the worst bond market and largest bear market for bonds since 1980. This is a reaction to inflation caused by COVID-19 pandemic stimulus legislation and market impacts caused by the Russian invasion of Ukraine.

With regard to the economic outlook, financial conditions are tightening. Mr. Hawkins discussed a graph that projected increasing federal funds rates, with a prime rate of about 5.5 to 6 percent by the end of 2022 and 6.5 to 7 percent by the first half of 2023. This tightening makes financing for municipalities more expensive and has resulted in the economic forecast being downgraded by approximately 25 percent. The unemployment rate is positive and better than expected, but inflation raised significantly and is higher than expected.

While the year started with quite a few headwinds, many are starting to abate. One bright spot is that COVID-19 lockdowns are ending. Mr. Hawkins is expecting inflation and the Russia-Ukraine war to continue to impact the economy over the next two to three years. These impacts include high grain and oil prices and supply chain issues caused by bottlenecks.

Mr. Hawkins discussed two charts depicting a period of high inflation during the 1970s and early 1980s and a third chart predicting the inflation forecast through 2024. There is concern that the Federal Reserve will have to resort to a "Volckler moment," which refers to the former Federal Reserve Chairman Paul Volckler shocking the market by suddenly increasing interest rates up to 20 percent in the 1970s to combat high inflation. However, subsequent studies have revealed that you only have to raise rates to the level of inflation, so a Volckler moment this time would not be so high. The best case scenario is that inflation starts to decrease rapidly while the worst case scenario is that a recession begins and the market crashes. It is more likely that inflation will decrease gradually and the Federal Reserve will continue to hike rates at 0.5 percent increments.

Mr. Hawkins next discussed several positive economic tailwinds. The job market is showing signs that it is coming into equilibrium, with low-wage workers and mothers returning to the workforce and wages normalizing. Another tailwind is that consumers are in a strong economic position. Consumers have more cash than debt for the first time in 30 years and are spending more than the rate of inflation. Finally, federal legislation is providing infrastructure funds to the states. Kentucky is getting around $7 billion to spend on infrastructure, such as roads and broadband, over the next five years, which represents about 3.4 percent of Kentucky's gross domestic product (GDP).

Kentucky's economic outlook is mixed. The state is looking at a slowdown with increasing interest rates, but we are not likely to have a "Volcker moment." Also, there are the silver linings of the strong consumer, infrastructure spending, and peak corporate earnings and profits. The biggest issue for Kentucky is that the pension funding gap is growing wider, with Kentucky ranking worst among the states for pension under-funding. However, Kentucky may be able to use its budget surplus to work on the pension gap. Kentucky also has high debt per capita to GDP, so debt might be more costly here in the future.

Next, Mr. Hawkins explained that financial institutions are in fantastic shape. Balance sheets are strong, banks have been conservative and were assisted with stimulus spending, and according to Chase Bank data, consumer debt payments are at their highest level ever, with very few nonpayments. An area of concern is that life insurance companies are using a lot more leverage. Another area to note is that global systemically important banks probably face greater risk and have more collateral damage from lending to other global institutions affected by the Russia-Ukraine conflict. There is also concern with the shadow banking market, where hedge funds are financing private equity loans and collateralized loan obligations, but Kentucky banks have little exposure to this.

As for the lending environment, it is good. There is an oversupply of deposits in the state, credit quality is fantastic, and depositors are being paid next to zero for their deposits. Meanwhile, the prime rate has increased, resulting in increased net interest margins. If the Federal Reserve makes additional increases to the prime rate, then the increase in net interest margins could flatten out, resulting in banks lending less. The biggest issue for banks is that loan demand is mixed due to consumers having more cash and savings.

In response to Chairman Carpenter's question, Mr. Hawkins first discussed a recent statement by Jamie Dimon, CEO of JPMorgan Chase, that the market is becoming more bearish. Mr. Hawkins believes Mr. Dimon is building up a fortress balance sheet so that JPMorgan Chase can make acquisitions and hedge against uncertainty in Europe.

In response to Chairman Carpenter's comments regarding the impact of rising interest rates on the real estate market, Mr. Hawkins explained that the Federal Reserve has been taking certain actions to bring rates down and counteract a perceived housing bubble, but that it prefers to avoid market interference. There is evidence that the housing market is slowly starting to reach equilibrium. He believes the Federal Reserve will try to gently address the economic issues in a deliberative fashion.

In response to Chairman Carpenter's question about rising fuel prices, Mr. Hawkins believes that Europe is going to have a bigger issue because of sanctions on oil from Russia, with spill-over effects into the U.S. Certain global events could alleviate the issue.

Christy Carpenter, President of the Bluegrass Community Bankers Association, discussed the current economic conditions for community banks. In her local community, banks continue to see people travel and spend money, despite the increasing price of gas, goods, and services. While some are bracing for inflation on the horizon, others are incurring debt that will have to be repaid in the future. She advocated for the creation of more childcare opportunities to increase job market participation and support single parents. Kentucky's low unemployment number does not accurately reflect the reality that many people cannot afford to work. The market for manufacturing in her community is strong because employers have decreased employment requirements and do not do as much extreme drug testing, which is a positive thing because it gives a whole new area of the community a chance to get back into a workforce that they've been restricted from because of their past.

Ms. Carpenter spoke about community banks' efforts to educate customers about fraud and the risks of certain loan products. Debit card fraud has decreased at her bank, but social media scams are on the rise, so the bank is educating customers about these types of scams. Community banks are also struggling with refinance loans because individuals find lower rates from nonbank lenders. The goal is to focus on education of customers and the community because there can be more risk, cost, and fees associated with these products. She concluded with a story about making a loan to a person she believed in because that is what community banks do.

Gary Broady, Executive Director of the Bluegrass Community Bankers Association, discussed what he sees in talking with community bankers. The Federal Reserve got behind because they thought inflation in 2021 was transitory but it is here to stay. Inflation and rising interest rates have caused significant depreciation in securities portfolios at banks. First quarter numbers for community banks show some negative trends - net income is down 14 percent year over year, non-interest income is down, loan sales are down 61 percent from what they were the year prior, and net interest margin is down by 15 basis points from the prior year. Community banks have a lot of excess liquidity because of the federal Paycheck Protection Program and government stimulus. Most banks will avoid raising interest rates on deposits for as long as possible. As far as commercial and industrial loans, most of them are variable rate loans that are tied to prime. When these loans come due in three to five years, there will be an increase in loan expenses that will likely be passed on. In January 2021, the 30-year mortgage rate was 2.65 percent and the average new home price was $401,700. Today, the 30-year mortgage rate is 5.25 percent and the average new home cost is $570,300. Assuming a 20 percent down payment, that represents a 95 percent increase in the monthly mortgage payment.

Chairman Carpenter commented on the increased cost and scarcity of materials over the last year which then trickles down to the price of a new home.

There being no further business, the meeting was adjourned.

BOURBON BARREL TAXATION TASK FORCE

Minutes of the 1st Meeting

of the 2022 Interim

June 24, 2022

Call to Order and Roll Call

The 1st meeting of the Bourbon Barrel Taxation Task Force was held on Friday, June 24, 2022, at 10:00 AM, in Room 169 of the Capitol Annex. Representative Chad McCoy, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robert Stivers, Co-Chair; Representative Chad McCoy, Co-Chair; Senator Jimmy Higdon; Representatives Jennifer Decker and Thomas Huff.

Guests: Eric Gregory, President, Kentucky Distillers Association, and John Brent, Judge Executive, Henry County.

LRC Staff: Jennifer Hays, Cynthia Brown, Sarah Watts, and Ashton Thompson

Alcohol Taxation

Jennifer Hays, Committee Staff Administrator, Appropriations and Revenue, Legislative Research Commission, presented an overview of alcohol taxation in Kentucky.

Ms. Hays testified that the distribution and sale of alcohol in Kentucky is controlled by a three-tier system: manufacture, wholesaler, and retailer. While the industry has grown to include microbreweries, small-farm wineries, and direct-to-consumer sales, the tax system has not changed much.

Wholesalers in Kentucky are responsible for three types of taxes: alcohol excise tax, wholesale sales tax, and distilled spirits case sales tax.

The alcohol excise tax is levied upon the use, sale, or distribution by sale or gift and is based on the total volume of products sold. Distilled spirits are taxed at a rate of $1.92 per wine gallon and $0.25 on each gallon when the volume within a retail container is six percent or less. Wine is taxed at a rate of $0.50 on each gallon of wine and no less than $0.04 on the sale or distribution of any retail container of wine. Malt beverages are taxed at a rate of $2.50 on each barrel of 31 gallons, and one percent of the tax collected is deposited to the Malt Beverage Educational Fund. Alcohol used solely for sacramental purposes or is unfit for beverage purposes is exempt from the alcohol excise tax.

In response to a question from Representative McCoy, Ms. Hays said her interpretation is that a product only needs to contain distilled spirits for the excise tax rate to apply. In response to another question from Representative McCoy, Ms. Hays said distilled spirits are defined in Kentucky statute.

Responding to questions from Representative Decker, Ms. Hays agreed that the federal excise tax on distilled spirits is taxes on a proof gallon and that there is no reference to proof gallons in Kentucky taxation laws.

The wholesale sales tax is for the privilege of making wholesale sales of beer, wine, or distilled spirits and is based upon the value of the product sold. The taxable base is gross receipts from the wholesale sale. Prior to July 1, 2015, the rate was 11 percent. Today, it is 11 percent for distilled spirits and 10 percent for wine and beer. Beginning March 12, 2021, the same rates will apply to direct shippers. One percent of the tax due is reimbursed for the collection and reporting of the tax, except for microbreweries and distilleries.

In response to a question from Representative Decker, Ms. Hays said staff would contact the Department of Revenue for information regarding how many taxpayers are in each category of distilled spirits, beer, and wine.

The distilled spirits case sales tax requires each wholesaler to pay $0.05 per case sold in Kentucky.

In response to a question from Representative McCoy, Ms. Hays confirmed that the tax is based on the volume of cases sold.

Ms. Hays directed members' attention to the information in their meeting materials that reviewed the different state tax rates on distilled spirits, beer, and wine.

In response to a question from Representative McCoy, Ms. Hays said that she was not sure if other states tax on a proof gallon, but many states list the rate based on a specific percent of alcohol and that may mean that when the percentage of alcohol reaches that percentage level, the alcohol is taxed at a lower rate.

In response to a question from Senator Stivers, Ms. Hays said the taxes on wholesalers are all general fund receipts, except for the 1 percent that goes to Malt Beverage Educational Fund.

Ms. Hays explained that House Bill 249 of the 2021 Regular Session expanded the definition of "machinery for new and expanded industry" to include machinery directly used for manufacturing distilled spirits, wine, or malt beverages at a plant facility that includes a retail establishment. This created a Sales and Use Tax exemption for that equipment.

The Supreme Court ruled in South Dakota v. Wayfair (2018) that states may impose a sales tax on purchases made from out-of-state retailers even if the retailer does not maintain a physical presence in the state. This case also makes it easier for states to adopt a streamlined sale tax approach which relieves the burden on interstate commerce and creates a more uniform approach among states for imposing sales and use taxes on retailers outside of the taxing state.

Ms. Hays covered the property tax on distilled spirits in bonded warehouses which is imposed on every owner, proprietor, or custodian of a bonded warehouse in which distilled spirits are stored. The value of the tax is assessed by the Department of Revenue and then the certified valuation is returned to the applicable county clerks for local taxation. The distilled spirits are subject to a reduced tangible personal property state tax rate of $0.05 per $100 of assessed value, and the tax is due on September 15th following the assessment by the Department of Revenue on January 1st.

In response to questions from Senator Stivers, Eric Gregory, President, Kentucky Distillers Association, said that the value of distilled spirits is determined by a formula that calculates the volume and age of the barrel. Barrels that have aged longer are worth more in value.

In response to a question from Representative Decker, Mr. Gregory said that the Department of Revenue does not distinguish between distilleries when calculating the value of barrels. In response to another question from Representative Decker, Mr. Gregory said it would be difficult to determine the true market value based solely on the brand of the barrel.

Ms. Hays said that the distilled spirits tax credit allows taxpayers who pay Kentucky property taxes on distilled spirits to claim a nonrefundable and nontransferable credit on their income tax return. The income tax credit is equal to the distilled spirits, total property tax assessed and paid, and must only be used for capital improvements at the premises of the distiller.

In response to a question from Representative Decker, Ms. Hays said that you can accumulate the income tax credit over years, but once it is taken on the tax return there is no carry forward of the credit.

Ms. Hays directed members' attention to the information provided by the Kentucky Distillers Association that listed the net loss in revenue in each county if the property tax on distilled spirits was repealed. School districts would be impacted by a total of $18.5 million but would be able to recoup $13 million through the Support Education Excellence in Kentucky (SEEK) funding program. A total of $1.2 million would be lost if cities were to impose a tax on distilled spirits, and there would be no way to recover the lost revenue through any other formula. County fiscal courts would also be impacted by a loss of $3.5 million. Total countywide net loss is $15.6 million in revenue.

In response to a question from Representative McCoy, Ms. Hays said the property tax estimates in the chart were calculated using the most current data available, and therefore, are based upon assessed values from one year and property tax rates of another year, due to the timing of the assessment and collection of the tax under the property tax calendar.

In response to questions from Representative Decker, Ms. Hays said that the amounts on the chart are county revenues that are not collected by the state. The tax revenues are collected and distributed at the local level.

In response to questions from Senator Stivers, Ms. Hays confirmed the amounts of state and local taxes paid in relation to distilled spirits.

Ms. Hays explained that there are two alcohol license fees that are assessed at the local level. In accordance with KRS 243.060, a county or consolidated local government in which traffic in alcoholic beverages is permitted may impose a license fee that is based on business activity. Per KRS 243.070, a city or consolidated local government may impose a license fee on any person holding a city license. KRS 243.075 permits a regulatory license fee of up to 5% to be imposed by cities and counties based on population requirements, but the use of the revenues from the fee is limited.

At the local level, regulatory fees can be imposed on a city or a county without a city with a population of less than 20,000. This fee applies to gross receipts of the sale of alcoholic beverages at each licensed establishment. The local jurisdiction must use the funds specifically for any policing, regulatory, or administrative expenses related to the sale of alcohol.

In response to a question from Representative Decker, Ms. Hays said that the number of license fees per county varies depending on the jurisdiction.

In response to comments made by Senator Higdon, Ms. Hays said there is a simple change that could be made to make the income tax credit refundable and remove the requirements in place to claim the credit. It would cost money, but is a simple solution.

In response to a question from Senator Stivers, Mr. Gregory said that a moist county is a county in which alcoholic beverage sales are permitted in certain parts of the county, like at golf courses. A wet county is a county in which alcohol is sold countywide. In response to other questions from Senator Stivers, Ms. Hays responded that Department for Local Government has Uniform Financial Information Report (UFIR) data, but it is not consistent. John Brent, Judge Executive, Henry County, said the fees associated with retail sales can only be used to run the administration of the program. In his county, the fees generate $100,000 in revenues a year. His county has a population of about 16,000 people and has a couple of restaurants and convenience stores selling beer.

With there being no further business, the meeting was adjourned at 11:36 p.m.

EARLY CHILDHOOD EDUCATION TASK FORCE

Minutes of the 1st Meeting of the 2022 Interim

June 28, 2022

Call to Order and Roll Call

The 1st meeting of the Early Childhood Education Task Force was held on Tuesday, June 28, 2022, at 1:00 p.m., in Room 131 of the Capitol Annex. Senator Danny Carroll, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representative Samara Heavrin, Co-Chair; Senators Wil Schroder, Reginald Thomas, and Mike Wilson; Representatives Adam Bowling, Josie Raymond, and Scott Sharp.

Guests: Dr. Sarah Vanover, Policy and Research Director, Kentucky Youth Advocates; and Mahak Kalra, Chief Policy Advisor, Kentucky Youth Advocates.

LRC Staff: Ben Payne, Eric Rodenberg, and Maurya Allen.

Opening Remarks about the Charge of the Early Childhood Education Task Force

Co-Chair Carroll gave a brief overview of the jurisdiction of the task force and previewed the topics to be covered over the course of the interim. The task force plans to be systematic, hear from interested parties, including providers, and compare Kentucky to other states throughout the nation. It will be necessary to look at the funding of early childhood education and daycares, including childcare assistance, as an investment in the workforce. Special attention will also be paid to early childhood education for children with special needs.

Co-Chair Heavrin provided her opening remarks and discusses how conversations with constituents highlighted the need to invest in early childhood education in Kentucky. She shared a quote from Desmond Tutu that she feels speaks to the charge of the task force: "There comes a point where we need to stop just pulling people out of the river. We need to go upstream and find out why they are falling in." Investment in early childhood education is investment in the workforce and the private sector needs to get involved to help provide solutions.

Both Co-Chairs stated they are looking forward to what the task force can discover and hope the task force can propose innovative policy recommendations to address the very real needs of the Commonwealth. Co-Chair Carroll said in future meetings there will be invited individuals from various expert organizations present in the meetings to engage in these discussions and provide their input and expertise.

Overview of Early Childhood Education in Kentucky

Dr. Sarah Vanover, Policy and Research Director, Kentucky Youth Advocates (KYA), and Mahak Kalra, Chief Policy Advisor, KYA, were present to provide an overview of early childhood education in the state to the members.

Ms. Kalra said the early childhood education system is a win for parents who participate in the workforce, a win for students who benefit academically from early education supports, and a win for the economy of the Commonwealth. KYA is supportive of policies that build up childcare through affordability and autonomy, and applaud the legislature for their focus on this very important issue. Dr. Vanover said she has worked in the field for over 24 years in all facets of childcare and early education. All of the programs work very differently, but are critical to early childhood education.

There are five pillars to early childhood education in Kentucky, HANDS, First Steps, Head Start/Early Head Start, public pre-kindergarten, and independent childcare providers. The HANDS program is a home visiting program for pregnant women and very young children. The support begins with the prenatal stage by providing models of education engagement for mothers that can be implemented in the home starting from birth. The First Steps program brings dedicated special education therapy services into homes or daycares to provide for children, ages birth to 3, that may be exhibiting the early signs of a developmental delay. First Steps allows the therapists to provide training to parents and daycare employees. These interventions are very successful in creating a strong educational foundation.

One of the most recognized programs for early childhood education is the Head Start and Early Head Start program. Head Start provides services to children ages three through kindergarten while Early Head Start is for children from birth to age three. Both are federally funded. In addition to early childhood education, Head Start/Early Head Start provide access to various health screenings and medical services, and often provide poverty assistance for at-risk families. Currently, every county in Kentucky has an active Head Start program but not all are participating in the expanded Early Head Start program.

Public pre-kindergarten or preschool is the largest support service for children ages three through five with disabilities. The supports provided through public preschool make it possible for these students to be as successful as possible when they enter kindergarten. Most schools have only half-day programs, so many parents rely on private daycare for the remaining half day. While the public school system has the specially trained teachers, the private organizations to which these children transition may not be capable of meeting their needs. Often this can result in children being dismissed from private daycare facilities because of issues stemming from their un-met special needs.

There are approximately 2,000 independent daycares in Kentucky. While the state requires minimum standards, there are additional standards and accreditations that care organizations can enroll in to distinguish themselves in a highly competitive market. Some of these businesses are in homes providing care to a handful of children, while some are much larger operating one or many centers providing care to dozens of children. Programs can be full-day or part-day. These are largely paid for by parents. The Child Care Assistance Program (CCAP) exists to help parents afford tuition at these private daycares, often by covering a percentage of the tuition, and approximately 13 to 15 percent of children receive assistance. Independent childcare programs exist for children ages birth to age 13 years.

In response to a question from Co-Chair Carroll, Dr. Vanover said that if a child qualifies for public school preschool because they are at-risk financially or they have an individualized education plan (IEP) the county is obligated to find a Head Start placement for them. This has led to a rapid expansion in Head Start programs throughout the state. While early childhood education has received more funding in recent years through the state budget expansion for full-day kindergarten, preschool has received significantly less investment. Dr. Vanover said when a school offers a full-day preschool program, the school district typically funds the portion not covered by state funding through their own budgets or by charging a fee to parents. Some public school preschools also have a childcare license and can tap into the CCAP or choose to partner with a Head Start program.

In response to a question from Representative Raymond, Dr. Vanover said she does not have data at this time on the number of enrolled children in each of the five areas of early childhood education, but there is a maximum of 158,264 slots for childcare in the state. Unfortunately, many programs cannot fill their maximum number of slots based on staffing shortages. Many programs have rooms closed at this time and this vastly decreases the number of actual students enrolled. Dr. Vanover directed members' attention to the fact sheets distributed in the meeting materials which described the funding and enrollment in Kentucky. As a result of the coronavirus pandemic, every state in the nation lost programs and slots in 2020-2021. Kentucky lost nine percent of their slots, but there have been signs of recovery as the state is rebounding from the pandemic. Compared to surrounding states which have more home-based childcare, Kentucky is largely center based and these account for most of the available slots, especially in larger cities. Home-based childcare is more prevalent in rural areas, but there are significant childcare deserts throughout the state. Even in counties designated as not having a childcare desert on the distributed fact sheet, such as Jefferson County, communities may be experiencing a childcare "drought" because the childcare centers are concentrated on the opposite side of the county from where they live and/or work.

Responding to a question from Representative Bowling, Dr. Vanover said the public school system provides the assessments to certify that a child has special needs impacting their ability to learn and creates an IEP for the child. This means there can be students who are diagnosed with a disability who would not qualify because the public school does not feel the disability significantly impairs their learning ability.

In response to a question from Co-Chair Carroll, Dr. Vanover said because there is sometimes overlap between licensing and accreditation, blended classrooms between Head Start and public school preschool are more easily created than other kinds of blended childcare.

Responding to questions and comments from Co-Chair Heavrin, it was acknowledged that some of these programs, such as the HANDS program, do not have an income threshold or special needs requirement and that is often not well understood by parents. Dr. Vanover said the Department of Public Health supervises the HANDS and First Steps programs, so those programs complement one another nicely. Additionally, parents and childcare providers can refer children to the First Steps program. However, because of the high degree of turnover in early childhood education staffing, it is sometimes difficult for staff to be knowledgeable enough about these programs to make recommendations.

Co-Chair Carroll said parents may need to be proactive in seeking out assistance, especially for children with special needs. Dr. Vanover agreed and shared that some school-based Child Find programs go door-to-door to find families and inform them about the availability of these programs. In counties that are struggling to fill teacher positions, it is unlikely they are able to staff a dedicated Child Find program. It is also difficult for young and inexperienced teachers to approach families to discuss the possibility a child needs special education services, largely due to the stigma surrounding special education and disabilities in general.

Kentucky's independent childcare programs are housed in various locations including private homes, churches, community centers, non-profit organizations, and for-profit businesses. During the last couple of years there has been a push to have communities address their local zoning bylaws to see if they are presenting a challenge to opening home-based childcare. Partnerships are also valuable between Head Start and licensed childcare to provide additional Head Start slots in underserved areas.

Regarding standards and accreditation, the All-STARS program is mandatory for programs wishing to utilize state and federal funds. Facilities that do not participate are ranked zero, while participating centers are ranked from one to five stars. The largest number of centers are one star programs, which is the minimum necessary ranking to receive funding. Higher ranking programs frequently achieve that through lower teacher to child ratios and better compensation of teachers and staff. Prior to the pandemic, Kentucky tried to attract more individuals to work in childcare through a push for higher wages; however, currently both the hospitality and the retail sectors are higher paying and are more attractive to job seekers. The median income for early childhood education employees is approximately $22,000 a year and hourly wages for administrators can range from $5 to $22. Often the childcare manager does not pay their own salary until after all other bills are paid, resulting in potentially below minimum wage earnings. Improving wages is critical to improving the field and addressing staffing shortages.

Dr. Vanover also gave the members an overview of the Childcare and Development Block Grant. This is a federal funding source that must be used to target supports for minority groups, those in poverty, and other at-risk populations. The state must provide some matching funds and audits are performed at both the state and federal level to ensure the funds are being appropriately used. The state administers the Child Care Assistance Program (CCAP) to help families pay for childcare through the Division of Child Care. In some instances parents may be required to pay a co-pay or be responsible for overage costs if the amount charged for childcare tuition is greater than the state maximum rate.

Dr. Vanover briefly covered the fragility of childcare center budgets and the great cost of childcare, especially for infants whose tuition can be more than $1000 a month. Many mothers are forced to leave the workforce because the costs of childcare required to return are too high, which impacts the economy as a whole. Dr. Vanover also briefly illustrated the tight margins by which many daycares survive with a sample program budget from an urban setting with many at-risk/low-income families. Centers and other independent childcare programs can easily be forced to close in the event of a large unexpected expense such as the failure of a HVAC unit. She emphasized that the sample budget also assumed 90 percent enrollment and all tuition being paid on time, which is rare for any facility. Kentucky has a higher child to teacher ratio than any of the surrounding states, and even at those ratios, centers can lose money. Centers with closed classrooms are reducing statewide capacity, and there are significant childcare deserts throughout the state. Children with disabilities and children of color lack access to high quality child care and parents of all incomes are struggling to find the funds to afford full-time childcare.

Co-Chair Carroll said the sustainability of childcare is critical for parents, providers, and for the economy of Kentucky. There is a need to create quality affordable childcare and increase access throughout the state. This will likely require an increase in state funding to supplement childcare worker salaries, especially in light of current inflation.

In response to questions from Senator Schroder, Co-Chair Carroll said the Benefits Cliff Task Force will likely not address the CCAP in the same depth as this task force will. Dr. Vanover said the lower the income is for a family, the greater the assistance provided by the CCAP. Every twelve months a family has to re-certify their need, and if they no longer meet the criteria, they have three months to readjust their budgets before they lose assistance. There has been recent discussion about needing to extend that time frame.

Dr. Vanover also explained that there are base credentials for childcare workers at both the state and federal level. An employee who receives a Kentucky state credential is halfway towards meeting the requirements for the federal credential. Additionally, there are various certificate and credentialing programs for early childhood education throughout the state, especially in community and technical colleges. She cautioned that while the federal credential is the same nationwide, state credentials and pay scales, vary widely. Kentucky has a great credential, but the expectation from other states can be very different, and leads to an inequality among employees who may be coming from out of state.

Responding to questions from Senator Thomas, Dr. Vanover explained that the childcare desert map is based on census data, and not every child needs childcare. Some will be cared for by a parent or family member. The goal is to achieve enough slots to meet demand She reiterated that the map also does not illustrate pockets within a county that are oversaturated versus those that are underserved.

In response to a question from Co-Chair Carroll, Dr. Vanover said individuals interested in starting a childcare business apply through the Office of Regulated Child Care. These applications are referred to the University of Kentucky which provides training on all the aspects of opening and running a childcare business. They also connect individuals with technical advisors to assist interested parties in getting a temporary childcare license. Once mandated training for instructors and a series of audits are completed, a permanent license can be granted. A market rate survey is conducted periodically by the state as is a workplace survey conducted by the University of Kentucky. These are not exhaustive data collection tools, but they do give a general idea of the scope of the market and benefits available to workers.

In conclusion, Co-Chair Heavrin asked the members, presenters, and other advocate groups to come to future meetings with policy recommendations that could be implemented through legislation. She also asked that the members think outside the box and innovate to address these issues. Perspectives have changed as women currently represent a significant part of the workforce, and will continue to be part of the workforce. The private sector needs to be engaged in ways of keeping women in the workforce through childcare assistance as a benefit of employment.

Co-Chair Carroll referred to House Bill 499 of the 2022 Regular Session as a starting point and an illustration of how inclusion of employers is critical. He also encouraged members to do their own investigations into childcare including models from communities and from other states. He welcomed individuals, including Amy Neal, Governor's Office of Early Childhood, to introduce themselves and become active participants with the task force. Ms. Neal directed members to the wealth of data available through KY STATS regarding childcare, specifically as it relates to funding. With no further business to come before the task force, he said the next meeting of the task force will be July 26, 2022 at 1:00 p.m. The task force adjourned at 3:00 p.m.

INTERIM JOINT COMMITTEE ON EDUCATION

Minutes of the 1st Meeting

of the 2022 Interim

June 7, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Education was held on Tuesday, June 7, 2022, at 11:00 a.m., in Room 154 of the Capitol Annex. Representative Regina Huff, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Max Wise, Co-Chair; Representative Regina Huff, Co-Chair; Senators Danny Carroll, Jimmy Higdon, Alice Forgy Kerr, Stephen Meredith, Reginald Thomas, Stephen West, and Mike Wilson; Representatives Shane Baker, Kim Banta, Tina Bojanowski, Jeffery Donohue, Myron Dossett, Mark Hart, Scott Lewis, C. Ed Massey, Bobby McCool, Chad McCoy, Charles Miller, Felicia Rabourn, Steve Riley, Killian Timoney, James Tipton, and Russell Webber.

Guests: Beau Barnes, Deputy Executive Secretary of Operations and General Counsel, Teachers' Retirement System; Dr. Jason Glass, Commissioner, Kentucky Department of Education; Dr. George Hruby, Executive Director, Collaborative Center for Literacy Development; and Dr. Melinda Harmon, Director, Reading Recovery, Collaborative Center for Literacy Development.

LRC Staff: Jo Carole Ellis and Maurya Allen.

Recent Changes for Rehiring Retired Teachers

Beau Barnes, Deputy Executive Secretary of Operations and General Counsel, Teachers' Retirement System (TRS), was present to discuss the changes to the retirement system with the implementation of recent legislation allowing the rehiring of retired teachers.

KRS 161.605 allows retirees to help schools meet needs but has several provisions to make retirement less attractive and maintain compliance with federal tax law. There is a provision which limits retirees returning as full-time teachers to three percent of teachers working in a district, but there is also a procedure to allow districts to borrow slots from other districts if they get close to that threshold. However, as the overwhelming majority of retired teachers are returning as substitutes, there are no districts currently in danger of needing to use that provision. Before 2002, teachers could retire at 27 years, go back into the classroom for 100 days, and receive their full salary. This was problematic for the Education Professional Standards Board (EPSB) and TRS because there was an exponential increase in early retirees coming back part-time and receiving full pay. This prompted the changes to statute that limit days, limit earnings, and require breaks in service.

Mr. Barnes said there are two sets of rules for return to work – one is permanent and the other is an emergency set of rules to address current critical teaching shortages. The option to allow teachers to return to work, including which program is used, is at the employer's discretion. Non-codified language in Senate Bill 1 of the 2021 Special Session was used to assist districts that were struggling during the pandemic. This relaxed aspect of the return to work program was set to sunset on January 15, 2022, with all rules returning to normal. Eligibility was limited to TRS retirees returning to a teaching position with a local school district who retired on or before August 1, 2021.

Other recent statutory changes included Senate Bill 25 of the 2022 Regular Session, which had the same provisions as the special session legislation but extended the sunset date to June 30, 2022, and extended the provisions to classified staff. This allowed, for example, retired teachers to return as bus drivers. Also, in the 2022 Regular Session, House Bill 1 provided temporary changes for local school districts to address staffing concerns by relaxing certain aspects of return to work with a sunset date of June 30, 2024.

Mr. Barnes illustrated how many schools are utilizing the critical shortage positions and the percentage used of both the permanent and temporary critical shortage positions available in the state. He also discussed provisions of the return to work program that did not change, including the prohibition for any member to have an agreement before retirement to return to work for any position, whether certified or classified. Breaks in service with reciprocal systems must also be observed, as well as contributions to health and other insurance programs. In closing, he said that there are 73,198 current members, and of those 8,890 are eligible to retire today or roughly 12 percent. Approximately 11 percent of the 7,700 K-12 teachers are eligible to retire, but most would not receive full retirement (they would be young retirees and be penalized). This percentage has remained stable since the first return to work provisions went into effect in 2002.

Chair Huff thanked Mr. Barnes for his presentation. In response to questions about a measureable effect of members leaving to other professions, Mr. Barnes said numbers were relatively stable, with 2020 being an outlier. The numbers coming in during 2022 have been strong for an overall stable membership.

In response to questions from Representative Donohue, Mr. Barnes said it is critically important for potential retirees who want to return to consult with their insurance experts to make sure they can get back on the proper health insurance plan.

Responding to questions from Senator Higdon, Mr. Barnes said the sick leave and COLA payments were made and invested to benefit the system and its members.

Teacher Shortage Issues: Recruitment and Retention

Dr. Jason Glass, Commissioner, Kentucky Department of Education (KDE), was present with Brian Perry, Director of Governmental Relations, KDE; Dr. Byron Darnall, Associate Commissioner, Office of Educator Licensure and Effectiveness, KDE; and Veda Stewart, Director, Division of Educator Recruitment and Development, KDE.

Commissioner Glass covered some of the teacher data available, including retention as reflected by turnover. The 2020-2021 teacher turnover rate was 16.2 percent, and this is near the national average of about 17 percent. The impact of COVID on the data has been significant but not enough to cause great deviation from the national average. Impacts of COVID were illustrated through posted and filled positions, but the gap between filled and open positions remained steady even with COVID. The number of certifications issued over time illustrates that while more new certifications are being issued, the number of shortages in specific areas has remained steady. Additionally, KDE has found it difficult to get new teachers graduating from in-state credentialing programs to apply for and accept positions teaching in Kentucky. All of this has combined to mean that more emergency certifications are being used to fill positions than have been used in previous years.

Commissioner Glass highlighted the numbers at risk of leaving the profession based on those that are eligible to retire, those who have less than five years' experience and are more vulnerable to leaving, and those who are retired and have returned to work. This data indicates that approximately 72 percent of full-time teachers in Kentucky are at risk of leaving the profession.

Commissioner Glass also covered the various pathways that bring teachers into the profession. Currently, the traditional program still trains and certifies 80 percent of the full-time teachers and this is where impacts will be most felt. He introduced the GoTeach KY program, started by the previous KDE commissioner, which encourages more young people into the profession. The program borrows from the career and technical education model by inviting high school students to consider teaching as a career and increases access to the teaching and learning career pathways in high schools. This program elevates the prestige of the profession, provides supports, and also includes ways to support new teachers and keep them in the classroom.

Another program is the Educators Rising program which helps create scholarships to reduce barriers to high school students going into college education programs. Other ways that the legislature can support and elevate the teaching profession's appeal is to increase efforts to raise the wage of teachers and improve the retirement system, because while they go into the profession for altruistic reasons, teachers need a livable wage and a sound retirement. This will take significant financial contributions, but modest investment in the right places will have real impact. Commissioner Glass closed by suggesting potential strategies that could be used to increase teacher recruitment and retention. He said these proposals are simply suggestions, but he encouraged members to consider them and the ways that the legislature can support their implementation.

Responding to questions from Representative Bojanowski, Dr. Darnall said it was true the General Assembly's investment in Teach for America does not seem to be paying off for the state and there may be other ways to spend those dollars that would be more effective. Dr. Glass agreed that alternative pathways are valuable, but we may need to do something different. Representative Bojanowski said the Go Teach KY model has been very successful in recruiting teachers, particularly in STEM, from out-of-state and it could be expanded.

Responding to comments from Representative Banta, Commissioner Glass thanked her for the suggestions of ways to incorporate substitute teaching into the student teaching program. He also said he supports not filling front office positions before filling teaching positions because that can damage individual schools. Regarding the EPSB and barriers to certification, specifically the pathway to teaching special education, he supports alternative pathways but does not want to lower standards, especially for those that work with the most vulnerable special needs students.

In response to questions from Senator Thomas, Commissioner Glass said there are things that Kentucky is doing right in education. The relationship that school districts have with their communities is powerful and creates a sense of place. Secondly, Kentucky has worked hard to lift teaching up as a profession. Not everyone can or should do it, because it requires a lengthy education and a lifetime of work to be really successful. Finally, people remember the KERA legislation because it was one of the most influential education reform measures. He reminded members that Kentucky has a history of doing big, impactful things, and we are being asked to do that again.

Responding to questions from Representative Timoney, Commissioner Glass agreed that the PRAXIS serves as a gateway toward certification, but it does not measure the things that are really important. We need a way to make the profession strong, but perhaps something different would better serve the purpose.

In response to questions from Representative Miller, Dr. Darnall said there are several alternative pathways to certification, and 'option nine' recently created by legislation addresses ways to provide resources to individuals already working in schools who wish to become fully certified teachers.

Responding to questions from Senator Meredith, Commissioner Glass agreed that the work-life balance is certainly something that needs to be addressed. Also, the additional duties and responsibilities that are required, the erosion of planning time, and other barriers make it harder for individuals to see themselves in the profession long-term without burn out.

In response to questions from Senator Carroll, Commissioner Glass said the legislature has significantly funded education through SEEK and TRS funding, and that needs to continue because inflation continues to rise. In many regards, this shortage is a labor market challenge, and it indicates that salaries and the whole package are not currently strong enough to attract new teachers. There are also problems from the pandemic and the hyper-partisan environment where teachers feel they are asked to solve the world's problems or are being blamed as the cause of all societal problems.

Responding to additional questions from Representative Banta, Commissioner Glass said the EPSB is a group of practicing teachers and instructors who are a decision-making group who can be tasked to look at gifted/talented programs and other areas. Requirements to becoming a teacher are also in statute and could be changed by the legislature directly. The PRAXIS has its challenges, specifically in terms of cost and reliability, and bears evaluation.

Chair Huff said that while she supports innovation and changing pathways, we need to keep in mind that this is a profession that requires high standards.

Reading Instruction Methods and Interventions

Dr. George Hruby, Executive Director, Collaborative Center for Literacy Development (CCLD), was present with Dr. Melinda Harmon, Director, Reading Recovery, CCLD, to discuss the research and strategies that are provided to teachers through professional development to aid in reading instruction improvement. The CCLD also provides advisory services and evaluates teaching strategies in order to recommend the best evidence-based models.

Dr. Hruby began by addressing the reading scores from recent KPrep testing and illustrated that if a student had one or more KY Reading Project teachers, they were significantly more likely to score distinguished and much less likely to score novice. This trend continues throughout the students' school career and illustrates that this program gets a lot of 'bang for your buck' in terms of investment. Additionally, underperforming students using Read to Achieve are able to close the gap on their peers through the intervention of qualified specialists and well-trained classroom teachers. His data also illustrated the 'summer slide' and how a community based approach to reading intervention is very effective. Every year since 1998, Kentucky's reading score has been above the national average, even though we are one of the poorest states in the nation. The one year that saw a significant drop was due to a drop specifically in early reading scores in Jefferson County Public Schools during that time.

Dr. Hruby explained that reading is a product of decoding and comprehension. Both must be strong for students to do well on end-of-year exams, and both can be taught and promoted to improve scores. He illustrated the different models of understanding that prove how students read and where struggling readers are struggling. He emphasized that there are no one size fits all models to help all students, but the models must be tailored for each struggling student. In closing, he provided members with a Science of Reading Fundamentals handout that explains the science behind reading and ways reading interventions can be implemented most effectively.

Dr. Harmon spoke to how the Reading Recovery model is an effective early intervention and in-service professional development program for teachers. Goals of Reading Recovery include reducing the number of first grade students who have extreme difficulty learning to read and write and the long-term cost of these learners to education systems. Reading Recovery develops children's reading and writing skills and strategies so they can make faster than average progress to catch up with their peers and work successfully in their regular classrooms. Because teacher knowledge and expertise is necessary to change the trajectory of students, quality professional development, such as that provided by Reading Recovery, are invaluable. Reading Recovery instruction provided by CCLD for teachers is equivalent to a year's graduate level instruction and prepares them to become teacher leaders in their schools.

In response to criticism and questions from Representative Bojanowski, Dr. Hruby said the two alternatives to Reading Recovery that are evidence-based and recommended by CCLD are early intervention and leveraged intervention. The CCLD does support other interventions, but Reading Recovery has always been part of the CCLD for administrative purposes and ensures continued funding. He agreed there is some inherent difficulty with using KPrep scores for reading because they use a different measure than MAPP tests.

In response to criticisms and questions from Representative Tipton, Dr. Hruby said the referenced study was not a peer reviewed study and statistics show that cognitive psychology measures different things and is unreliable at early grade levels. He agreed that there is a need for more evidence-based research and other models. Dr. Harmon said the students in the I3 study on Reading Recovery showed great advancement, but that study was not peer reviewed at the time of presentation. A peer reviewed study presented at the same time showed positive results for children in England through age 16. Aggregate meta-analysis proves the effectiveness of Reading Recovery but there is much more that teachers can be taught on how to meet individual learners where they are and get them back on target and into regular classroom instruction. Dr. Hruby also said that when students are 'good to go' upon completion of the Reading Recovery program, he meant they are ready to return to the classroom, but that does not necessarily mean they will be able to keep up because of other influences and barriers to learning.

In response to questions from Senator West, Dr. Hruby said the CCLD does not receive any funding from Reading Recovery. Dr. Hruby said he does not necessarily advocate for Reading Recovery but he does admire the data they have. There are other evidence-based methods, and if something is working for a district, whether or not recommended by CCLD, they should continue doing it. Regarding the startling drop in JCPS, it seems there may have been a change in what programs were available to teachers for professional development. Effective programs must incorporate a phonics component, but how to incorporate it and what other strategies to employ is a matter that needs more research.

With no further business to come before the committee, the meeting adjourned at 1:25 p.m.

EXECUTIVE BRANCH EFFICIENCY TASK FORCE

Minutes of the 1st Meeting

of the 2022 Interim

June 27, 2022

Call to Order and Roll Call

The 1st meeting of the Executive Branch Efficiency Task Force was held on Monday, June 27, 2022, at 1:00 PM, in Room 171 of the Capitol Annex. Senator Robby Mills, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representative Jerry T. Miller, Co-Chair; Senators Michael J. Nemes, Whitney Westerfield, and David Yates; Representatives Shane Baker, Bobby McCool, and Patti Minter.

Guests: Dennis Keene, Billie Renee Johnson, Matt Stephens, and Laura Redmon, Department for Local Government.

LRC Staff: Daniel Carter, Alisha Miller, and Cheryl Walters.

Charge of the Task Force

After the introduction of guests, Senator Mills stated the objectives of the task force, which are to look into the functions of the executive branch of the Commonwealth, allow agencies to explain their structure, funding, and budget building practices and grant agencies the opportunity to propose to the legislature future reorganization plans and proposals to make their internal processes more efficient.

Department for Local Government—Organizational, Operational, and Budgetary Overview

Guest speakers from the Department for Local Government (DLG) were Dennis Keene, Commissioner; Billie Renee Johnson, Executive Director, Office of Federal Grants, Office of State Grants; Matt Stephens, Executive Director, Office of Legal Services; and Laura Redmon, Budget Manager. Commissioner Keene read a statement about the function and mission of DLG and the offices that comprise it, which are the Office of Financial Management and Administration, Office of Legal Services, Office of Field Services, Office of State Grants, and Office of Federal Grants. Mrs. Redmon stated that DLG has taken an operational cut of approximately 39%, a 41% decrease in personnel and an increase of funding by 177%.

In response to a question by Senator Yates, Commissioner Keene stated that DLG could use more staff, but are "doing more with less".

In responding to questions from Representative Miller, Mrs. Redmon confirmed that the increase in funding was primarily federal funds, and the announcement of the grant projects in Jefferson County were line items that were included in HB 1 of the 2022 Regular Session. The project ID number indicates that the projects are for fiscal year 2023, and funding for the projects are available on July 1.

In response to a series of questions by Senator Westerfield, Mrs. Redmon testified that DLG uses three main databases: e-clearinghouse, Project 1, and SPGE. Each system is currently undergoing an overhaul to be upgraded and modernized, and each system is at a different phase of the overhaul process. E-clearinghouse is a statewide database in which all state agencies have to register. Technology upgrades for e-clearinghouse have not begun yet.

Project 1 is an internal database that contains information for all of the grants DLG administers. DLG is working with the Commonwealth Office of Technology (COT) to upgrade Project 1 to a cloud format, and mapping out each program to see how many "touches" a program has with other systems DLG uses, such as e-clearinghouse, e-MARS, and county government systems. When a state agency, like DLG, submits a grant, it has to go through the e-clearinghouse system, which will be reviewed to ensure that the grant proposal does not conflict with other laws or policies.

SPGE is a database for special purpose governmental entities and receives fee revenue that helps offset some of the costs for the technology upgrades. It is the furthest along in the technology upgrades, with Phase 1 of the project almost complete. There are more phases with the project, which will take approximately two to three years to complete. The upgrades have been ongoing for a year. Soon, special purpose governmental entities will receive information on how to enter reporting information into the new portal.

The state is responsible for all upgrades for the three databases, and Mrs. Redmon was unsure whether the three databases could be combined into one. COT would be better equipped to answer whether combining the three databases is possible.

DLG also uses a federal database system called Housing Development Software, a proprietary system, which is the only system that offers a grant management system that can communicate with the HUD disbursement system.

In response to follow-up questions from Senator Westerfield, Commissioner Keene testified that DLG relies on Area Development Districts (ADDs), which are the communication "fingers" to cities and counties. ADDs write grants for cities and counties. DLG will receive a grant, and converse with ADDs to proceed and ensure the grant gets approved. Mrs. Johnson added that some counties and cities have their own grant writers and do not work through ADDs. Examples mentioned were the city of Frankfort and Pike County. If a city or county uses their own grant writer, they have to procure the grant writer via contract. Commissioner Keene stated that DLG meets with cabinet secretaries weekly and meets with ADDs monthly, and more frequently if needed. They have also worked with the Cabinet for Economic Development through ADDs to help secure space for businesses wanting to locate to Kentucky.

In response to a question by Senator Westerfield, DLG has multiple funding sources and Mrs. Johnson stated that DLG has a funding guide and left materials for the members. Commissioner Keene stated examples of some of the funds administered by DLG are Community Block Development Grants (CDBG), Rural Development, and Appalachian Regional Commission (ARC) Grants.

Responding to a question from Representative McCool, Commissioner Keene stated that DLG staff is limited to approximately 250 hours of comp time, and once that limit is reached, staff is required to take time off, but projects still get completed with fewer staff.

In response to a series of questions by Representative Baker, Commissioner Keene testified that if there have been backlogs, it has been because not all of the required information was received (by an agency) to proceed. There have been issues with smaller cities and counties providing required information timely. Mrs. Johnson added that some examples of backlog could be with ARC grants, which have a small staff, and no CDBG money is tied to ARC grants. Some grants have a long time span, like Land & Water Conservation Funds, which can last up to three years. The application is due by May of one year, but the applicant does not receive any money until the following calendar year. There are also problems with incomplete applications, and the limited time window for submitting a grant application; usually two times a year. If a form is missing, DLG will not submit the application, because they know it will be "kicked out". It takes approximately three to four months for the federal government to approve a grant application. The pandemic has also made the grant application process more difficult, along with delayed appropriation from federal agencies. If there is any way to streamline and make the process more efficient, it would have to be through a state basic agency. DLG is not a state basic agency.

Responding to a question by Representative Minter, Mrs. Johnson stated that DLG submitted an RFP and are already in contract with ICF, Inc. to work on an action plan and data collection for unmet needs to ensure that Bowling Green receives CDBG fund relief after the December 10 tornado. They are encountering roadblocks in data sharing with their other partners, primarily HUD, but are moving forward with all other areas. Recipients have to meet CDBG guidelines, which are primarily persons with low to moderate income. DLG are getting surveys translated into Spanish, will have public meetings once information has been disseminated, and DLG is meeting weekly with ICF. Once FEMA has completed their work, DLG should be able to receive more information on who qualifies for assistance and how they can administer funds and relief to those who qualify.

In responding to questions by Senator Mills about DLG employees, Commissioner Keene testified that some of their employees work remotely, but not full-time remote. He thought they would be returning to office full-time, but some employees caught COVID. He thinks that employees will be going back to the office full-time after January 2023. About 70 percent of DLG employees are merit with some employees having 15 to 20 years of experience. DLG employees generally do not leave their positions and are generally happy with their jobs. In response to a follow-up question by Senator Mills, Mrs. Redmon testified that their office space was about 30,000 square feet and located in the Kentucky Higher Education building near the state police post in Frankfort.

In response to questions by Senator Mills, Mrs. Redmon testified that the Joint Funding Administration (JFA) is comprised of state and federal funds through Economic Development Administration (EDA) funds and CBDG. JFA funds are provided for ADDs for planning and technical assistance. JFA funding through EDA is 80 percent federal, 20 percent state, and CDBG is 50 percent federal, and 50 percent state funds. The rest of the JFA are funded through state dollars, unmatched. ADDs have typically received $2 million in funds. There is a defined scope of work through JFA to use any money through JFA. The defined scope of work for EDA is for planning the comprehensive economic development strategy (CEDS). ADDs keep close tabs on economic development in their communities to create annual plans based off of community need. The CDBG component is to allow ADDs to prepare cities and counties to apply for CDBG funds. There are many compliance components required to receive CDBG funds. ADDs will use the funds for a regional clearinghouse that all ADD projects must go through first. One of the pieces of the scope of work is to identify areas with no broadband. The additional $2 million in funding help ADDs take care of training needs.

In response to a question by Senator Mills, Mrs. Johnson confirmed that ADDs prepare applications and maintain those applications, DLG monitors and audits those applications.

In responding to questions from Senator Mills about budget and revenue streams, Mrs. Redmon testified that administrative costs through CDBG are 50 percent state (general) fund and 50 percent from federal funds. They expend federal funds first, and then get reimbursed for any amounts spent. At times, CDBG will allow for 100 percent reimbursement for technical assistance, for CDBG specific staff. There are eight DLG staff members that work with CDBG. DLG has 42 total staff. ARC costs are 50 percent state and 50 percent federal funds. There are two staff members that manage the ARC program and draw from ARC funds. JFA gets $50 thousand EDA annually. Field staff working with ADDs will often bill to the EDA fund. Recreational trails is 50 percent federal funds and 50 percent state funds, and there is one staff person who works with the recreational trails. Every other employee is either through the general fund or SPGE funds.

Ms. Redmon does monthly reconciliations and has a close out around the 10th of every month. She runs reports on the 11th from each of the funding streams. She tracks funding on Excel and all of the available reports for each funding source can be pulled from e-MARS. The e-MARS program helps her track the funds and find any billing errors.

In response to questions from Senator Mills about budgeting process, Mrs. Redmon thought their process was similar to other executive branch agencies, and the procedures were outlined via statute. For their last budget, DLG reviewed all programs to determine where they would have increases and decreases, and reviewed forecasts for the next two years. If they expected new programs to come their way, they would include all of this information in building their budget. Any appropriation requested for the 2022-2024 fiscal biennium could not be more than what they had in fiscal year 2021. If they had to make any adjustments for increased costs, they would submit an additional budget request and document why the increase was needed. They had to submit their budget request to the state budget director's office by either October 31 or November 1, then it bounced back and forth between their office and the state budget director's office, and then to the Governor.

In response to follow-up questions by Representative Miller about backlogs, Mrs. Redmon stated that the most significant backlog is with ARC. Most of the money that comes to ARC does not go through the state. It either goes through the federal government or Rural Development. ARC needs a pass-through vehicle in order to obtain their money. Sometimes the vehicle is through CDBG, and other times the money will go through Rural Development, through the U.S. Department of Agriculture (USDA). USDA has had backlogs, which DLG cannot control. DLG does not have the capability to take the responsibility from USDA to help with backlog. Mrs. Redmon stated that the problem with some state programs, like Land and Water, is due to incomplete applications rather than a backlog. Commissioner Keene added that ARC money has to be the last in; and ARC will not dedicate their funds if an agency does not have their application complete, which can be a problem if a project is with multiple agencies.

Responding to questions from Senator Mills about strategic planning and performance outcomes, Commissioner Keene testified that they will try to give projects a regional approach. For instance, they will see if they can put in a sewage system that can address four or five cities, as opposed to one city.

In response to questions and comments by Representative Miller about ADD districts, Commissioner Keene commented that eastern Kentucky has more demand than ever, and their populations are shrinking. Economic development is a huge challenge in eastern Kentucky. The urban areas of the state do not have the challenges like eastern Kentucky.

Senator Mills thanked the Department for Local Government representatives for their testimony, and the meeting was adjourned at 2:03 p.m.

INTERIM JOINT COMMITTEE ON JUDICIARY

Minutes of the 1st Meeting

of the 2022 Interim

June 9, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Judiciary was held on Thursday, June 9, 2022, at 11:00 AM, in Room 149 of the Capitol Annex. Representative C. Ed Massey, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Whitney Westerfield, Co-Chair; Representative C. Ed Massey, Co-Chair; Senators Karen Berg, Danny Carroll, Alice Forgy Kerr, John Schickel, Wil Schroder, Robert Stivers, and Johnnie Turner; Representatives Kim Banta, John Blanton, Kevin D. Bratcher, McKenzie Cantrell, Jennifer Decker, Daniel Elliott, Joseph M. Fischer, Samara Heavrin, Nima Kulkarni, Derek Lewis, Savannah Maddox, Chad McCoy, Patti Minter, Jason Petrie, and Pamela Stevenson.

Guests: Circuit Judge, Julie Goodman; Commonwealth's Attorney, Rob Sanders; Deputy Public Advocate, Scott West; Department of Public Advocacy, Directing Attorney, Ashley Graham; Organizing Coordinator of the ACLU of Kentucky, Marcus Jackson; Directing Attorney of the Kentucky Innocence Project, Suzanne Hopf; State Policy Advocate of the Kentucky Innocence Project, Laurie Roberts; Johnnetta Carr, Mike Von Allman; and Tennessee House District 24 Representative, Mark Hall.

LRC Staff: Roberta Kiser, Randall Roof, Michelle Spears, Lexington Souers, Stacy Byrns Taulbee, and Chelsea Fallis

Tennessee General Assembly-House Bill 1834

Tennessee House District 24, Representative Mark Hall discussed House Bill 1834 from the Tennessee 2022 Regular Session relating to driving under the influence.

In response to Representative Massey, Representative Hall stated that House Bill 1834 passed the Tennessee General Assembly unanimously, and restitution orders would be at the discretion of the district attorney or judges.

In response to President Stivers, Representative Massey stated that if a parent is killed as a result of a drinking and driving accident, the offender would be obligated to pay child support. If a child support order was in place prior to the accident the offender would replace the party paying child support as the obligor.

In response to President Stivers and Senator Turner, Representative Hall stated that the potential offset in litigation of a wrongful death case would be at the discretion of the court, taking into account the needs of the child and the income of the offender.

In response to Senator Berg, Representative Hall stated if an offender cannot pay child support due to lack of finances, the child support will still be owed and can be collected through garnishments and liens. Whether the offender would have to serve additional time for not paying child support would be at the discretion of the judge.

KRS 532.080-Persistent Felony Offender Sentencing

Representative Massey explained that there are many inconsistencies with persistent felony offender (PFO) charges, how they are being implemented, and the effects on defendants.

Organizing Coordinator for the ACLU of Kentucky, Marcus Jackson, urged for removal of the language prohibiting probation, shock probation, conditional discharge, and mandatory minimums for non-violent, non-Class D offenders sentenced to a first degree PFO.

Commonwealth's Attorney Rob Sanders urged the General Assembly to consider the effects that language removal to the existing PFO statutes would have on the judicial system.

Circuit Judge Julie Goodman discussed the effects that the current PFO statutes have on the judicial system and parameters that could be implemented for defendants that are on probation and owe restitution.

Directing Attorney Ashley Graham and Deputy Public Advocate Scott West with the Department of Public Advocacy spoke on the discrepancies of the current PFO statutes. Ms. Graham stated that jurors have confusion with PFO enhancements and penalty ranges.

In response to Senator Turner, Mr. West stated that an additional area of focus for the General Assembly should be the approach to violent crimes. Senator Turner requested a copy of provisions made by the Commonwealth's Attorney's office and the Department of Public Advocacy to current PFO statutes.

Representative Petrie suggested that the scope of review of the applicability of the statute should include to whom is it applied; to what cases and to what charges is it applied; along with the levels of offense. The discretion of a judge in sentencing a PFO conviction, and allowing juries to use discretion, should also be considerations.

In response to Senator Berg, Mr. West stated that in order to get a Class D felony for possession of marijuana, a defendant has to have eight ounces of marijuana with intent of trafficking and there is no data in the state of Kentucky regarding PFO charges being placed based on ethnicity.

Exoneration Compensation

Directing Attorney with the Kentucky Innocence Project, Suzanne Hopf, urged legislation for wrongful conviction compensation in Kentucky that would allow compensation for past and present exonerees.

Past exonerees, Johnetta Carr and Mike Von Allman, spoke on their wrongful conviction experiences.

Director of Policy with the Innocence Project, Rebecca Brown, spoke on the financial hardships that exonerees face after release. Ms. Brown stated that a compensation law should be in place for wrongfully convicted individuals.

In response to Representative Bratcher, Ms. Hopf stated per the statistics of the Innocence Project and National Registry of Exonerations there are approximately 1.25 exonerations in Kentucky per year. Moving forward there would be a two year statute of limitation for filing in a circuit court.

There being no further business the meeting adjourned at 12:57 P.M.

INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT

Minutes of the 1st Meeting

of the 2022 Interim

June 21, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Local Government was held on Tuesday, June 21, 2022, at 10:00 AM, in Room 171 of the Capitol Annex. Representative Michael Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representative Michael Meredith, Co-Chair; Senators Ralph Alvarado, Christian McDaniel, Michael J. Nemes, Wil Schroder, Brandon J. Storm, and Phillip Wheeler; Representatives Danny Bentley, Josh Bray, George Brown Jr, Jeffery Donohue, Ken Fleming, Deanna Frazier Gordon, Keturah Herron, Mary Beth Imes, DJ Johnson, Matt Lockett, Mary Lou Marzian, Jerry T. Miller, Brandon Reed, Rachel Roberts, and Walker Thomas.

Guests: State Representative Killian Timoney; Allison Brown and Amanda Sayle, Department of Corrections; James Dale and Renee McDaniel, Kentucky Jailers Association; Patti Broadbent, Diane Atchison, and David Kloiber, City of Lexington residents; Linda Bridwell and Karen Wilson, Public Service Commission; Josh Lindblom, Hardin County Jailer; and J.C. Young, Kentucky Magistrates and Commissioners Association.

LRC Staff: Mark Mitchell, Joe Pinczewski-Lee, Christopher Jacovitch, and Cheryl Walters.

Jail Reimbursement

Representative Meredith noted that the Corrections Impact Statement for 2022 HB 211, relating to reimbursements to jails, was not ready in time for the bill to be voted on in Committee so the bill was only discussed. The Department of Corrections (DOC) was invited to present their comments regarding the impact statement at this meeting.

Ms. Allison Brown, Assistant General Counsel with DOC, said that inmate time spent in custody prior to sentencing is paid for by counties. The state begins payment after sentencing for a felony. Pursuant to 2022 HB 211, the state would have had to pay for time spent in custody prior to conviction. The wording in HB 211 would result in a payment regardless of whether an inmate in custody was sentenced to incarceration or received probation. When the corrections impact statement was crafted, the annual estimated cost was between \$112 and \$138 million dollars as calculated using the per diem of \$31.34. During the session, the per diem was increased to \$35.34. The revised annual estimated cost based on the new per diem is between \$126.9 and \$156.4 million.

In estimating the number of individuals sentenced to incarceration, data was used for the past 5 years, as this data is tracked. The yearly average number of days spent in jail over that span equaled 2,062,497.4. Multiplying this number by the new per diem of $35.34 equals $72.89 million, just for individuals sentenced to incarceration.

In estimating the number of individuals sentenced to probation, there is no method for tracking the yearly number of days spent in jail. An alternative method was used. For the previous 5 years of data, there was an average of 129.4 days of jail time for persons sentenced to incarceration. During that same span, there was an average of 11,809 persons sentenced to probation. Multiplying the average number of jail time with the average number of persons sentenced to probation and the new per diem equates to just over $54 million.

A separate estimate was provided for 2021 figures. There were more individuals placed on probation and the number of days spent in jail were higher. It is unclear if this is anomalous. For 2021, the number of days spent is custody increased to 173.5. The number of individuals placed on probation equaled 13,615. Using those 2021 numbers, the estimate equals $83.48 million for people placed on probation.

Ms. Amanda Sayle, Director of Offender Services with the DOC, told the Committee about changes that DOC will need to make if the bill were to become law. The Kentucky Offender Management System would need to be updated to allow invoicing for jail credit only, as offenders may spend time in multiple jails. This will allow each jail to receive the amount due it. An additional staff person, with an annual salary of around $31,000, would be needed to process the credit invoices on a monthly basis. Payments for the amount due would be paid a month after the invoices are submitted due to auditing and processing.

In response to a question from Representative Meredith, Ms. Brown replied there was not a separate incarceration figure for 2021, just probation, but that she could get that figure for Representative Meredith.

In response to another question from Representative Meredith, Ms. Brown could not say for sure why the use of an ankle monitor, or other means of release, would not have been used if a decision were made for a probated sentence. What a person is charged with may not ultimately be what they are convicted of.

In response to a question from Senator McDaniel, Ms. Sayle stated that not all of DOC staff is back working fulltime. Staff works two days a week in the office and three days from home.

In response to another question from Senator McDaniel, Ms. Sayle said staff is continuing to be available even if working from home. Senator McDaniel commented that county jail employees are not afforded that opportunity.

Mr. James Daley, President of the Kentucky Jailers Association and Campbell County Jailer, told the Committee that 2022 HB 211 would have required the Commonwealth to reimburse counties for an inmate's credit for time served against the inmate's state mandatory sentence. KRS 532.120 mandates that all inmates serving time pre-conviction shall be given credit for that time served. The law specifies if the inmates are on home incarceration, they shall get credit for that time.

The Campbell County Detention Center is currently holding 118 pretrial felons. The full capacity of the jail is 656. The total population at present is about 350. An average population of felons equals 230 to 240. An inmate's stay ranges from days to years. Currently, the longest held pretrial felon has been awaiting trial or plea for 888 days, over two years. Campbell County taxpayers have been paying for that inmate's healthcare, transportation, meals, electric, and water for over two and half years with financial help from the state. However, once the inmate's trial is complete, Campbell County taxpayers' loss is the DOC's gain. The inmate will get credit for years of imprisonment and that time will be taken from the sentence. Pre-trial prisoners can spend several hundred to over a thousand days in the facility, and when given credit for time served, local taxpayers pay the cost, rather than the state.

In response to a question from Senator Wheeler, Mr. Daley answered that housing costs vary from jail to jail. In Northern Kentucky, it presently costs $60-plus a day to house an inmate. Previous costs were at $35-$40 per day.

In response to another question from Senator Wheeler, Mr. Daley said that housing a pre-trial prisoner for just under 2,000 days was an exceptional case.

Representative Johnson commented that relative to jail costs, even with the increased per diem, Daviess County is at a $3.3 million shortfall, and it's going to get worse.

In response to a question from Representative Bray, Mr. Daley said as far as Campbell County is concerned, delays for trials could be a result of defense strategies and prosecutor and court staffing problems.

Vegetation Management by Utilities

Ms. Diane Atchison, President of the Lansdowne Neighborhood Association, told the Committee that a utility easement is a designated parcel of land that gives utility companies the right to use the real property of another for a specific purpose. Those easements are vital to supplying the utilities that are used daily. However, should the utilities have the ability to perform extreme measure on easements in a wide area without contacting local government and filing a plan? Does the Kentucky Legislature not have the power and duty to assure the rights of Kentucky residents are protected? Protection and limitations are imperative. The issues under discussion are prompted by the vegetation management plan used by Kentucky Utilities (KU), but apply to all utilities.

In fall, 2020, virtually every tree was clear-cut on Southpoint Drive in Lexington. Southpoint residents were given two weeks' notice through vague wording that KU would be working in their area. The short notice did not allow enough time for residents to work with their homeowner's association. The re-plantings performed by KU after the fact were unsatisfactory. More vegetation maintenance of the 42 miles of transmission lines would be occurring throughout Fayette County. KU indicated that it would proceed as planned without variance from that plan. The Public Service Commission (PSC) and the Kentucky Attorney General's office forwarded the concerns to KU with no response from KU to the homeowners.

There are over 5,400 miles of transmission lines in KU's service area within 77 counties in Kentucky. KU's vegetation maintenance program will remove hundreds of thousands of trees. The program was approved in 2016 by PSC as part of a rate increase request.

The primary concerns of the residents are as follows: the "one size fits all" program implemented by KU is unfair and dangerous to communities; Lexington was not originally notified by KU that over 42 miles of transmission lines in the urban service area would virtually cleared of trees; property owners were not given ample notification or explanation of what would happen on their property; KU notified small areas to keep their plans from being widely known; decisions for areas of the state need to be made as close as possible to the point of service; without legislation to limit the use of easements by utility companies, Kentucky stands to lose significant control over the land; and property owners in Kentucky deserve local input into utilities' plans.

Ms. Pattie Broadbent, Lexington resident, told the Committee that last September, residents received notice about KU's plan for transmission line maintenance, followed by a visit from an arborist who explained what would happen to the trees. Everything maturing at ten feet or more was to be removed; even though, the closest wire to her property was measured at 63 feet from the ground.

Questions that arise are: "Why would a utility damage the neighborhood infrastructure already subject to flooding issues," and "Why have a plan that is more aggressive than national standards." The utility has not made any changes to the vegetation management plan.

Lexington deals with water runoff issues. Removing trees that mitigate these issues will be destructive. KU has indicated that it can remove only hazardous trees only to maintain safe and reliable energy transmission but has continued with its more aggressive approach.

Citizens need a responsible, active, regulatory body to protect the interests of Kentucky. When detrimental situations arise, legislation is needed. Legislation that gives jurisdiction to the local government, closest to the delivery of service, allowing leaders the power to act on the behalf of the communities they serve. Without legislation for protection, Kentucky will remain vulnerable.

Mr. David Kloiber told the Committee that on January 3, 2011, the Environmental Protection Agency (EPA) placed a consent decree on Lexington to manage its waste water. As of September 20, 2021, Lexington has spent $311 million remediating waste water. Trees provide tremendous water absorption that in their absence requires millions of dollars in infrastructure investment to control water runoff.

There is a lack of city control. Removal of trees represents a substantial cost to tax payers far exceeding any savings to the utility. Maintenance costs incurred by utilities are already passed on through regular rate increases. Local leaders have worked hard to negotiate policies that would protect both the utility and the citizens' interests. However, Lexington had very little leverage in negotiations.

The PSC requires that utilities approve a plan for maintenance of the power grid, which includes a wide range of options from trimming to tree removal to herbicide use. The utilities have been given full discretion on which plans to implement without any further oversight from local or state levels. This removes large powers of oversight from the PSC while simultaneously placing the burden of regional engagement and oversight unfairly on the utility.

Lexington, being the first municipality to face this issue, has gone through every legal avenue available to address it. Residents have offered pay for additional trimming services in order avoid full removal from their properties, but the utility has been unwilling to waiver in their position.

Recommendations include the following: residents support the intention of 2022 HB 485 and would like to see it amended to provide more protections and input from local municipalities; within the discretion granted by the PSC, local governments should have some say in what happens to their infrastructure, especially if all methods will provide adequate transmission security by the standards of the PSC; the creation of a new mechanism for local input or oversight in the vegetation management process, requiring either local approval for regional plans, or a well-defined process for local area variances through the PSC; and in considering that all members of the PSC being appointed positions holding unchecked discretion over these issues, additional avenues for accountability on regional variance are in everyone's best interest.

In response to a question from Representative Bray, Mr. Kloiber said roots from the trees prevent soil erosion and absorb water to prevent flooding. Representative Bray noted that utility line maintenance involves more than vegetation maintenance and said that utilities having to conform to conditions imposed by many communities will increase costs all throughout the state.

In response to a question from Representative Fleming, Mr. Kloiber stated that the city has reached out to Louisville regarding their tree canopy issue. Lexington has been advised that it has little control over tree maintenance within utility easements.

In response to a question from Representative Bentley, Ms. Atchison said an arborist has been consulted prior to the execution of the maintenance activities.

Ms. Linda Bridwell, Executive Director of the PSC, told the Committee that PSC's mission is to foster the provision of safe and reliable services at a reasonable price to the customers of jurisdictional utilities while providing for the financial stability of those utilities by setting fair and just rates, and supporting their operational competency. Since 1934, the primary statutory directive of utility regulation in Kentucky revolves around fair, just and reasonable rates, and adequate, efficient, and reasonable service. Most everything in utility regulation relates to those principles.

The agency has a quasi-judicial function in regulating the 1,100 utilities under its jurisdiction. The PSC does not regulate municipal utilities, with some limited exceptions, nor does it regulate cooperatives served by the Tennessee Valley Authority (TVA). The relevant statutes and regulations include KRS 278.042, KRS 278.010(14), and 807 KAR 5:041.

PSC's role in utility vegetation management is to ensure jurisdictional utilities provide reliable service to its customers. In doing so, utilities submit vegetation management plans and reliability reports which are posted on-line. Persistent problems might require more PSC oversight. Vegetation management expenses, if deemed prudent or reasonable during PSC review, are eligible for recovery in customer rates. Utilities are required to provide details regarding vegetation management expenses, but the PSC does not oversee vegetation management operations.

There are three administrative cases which guide vegetation management issues. The first was in 2006 relating to reliable provision of service by utilities. In 2011, a case was opened wherein the PSC looked at utility reporting requirements. In 2009, Hurricane Ike and other weather events near that time prompted another case opening.

Vegetation management costs include escalating expenditures occurring among all utilities because of significant increase in labor, fuel, and equipment costs. Those costs vary across utilities for many reasons including location, miles of lines, and topography. Costs can range from hundreds of thousands to $20 million or more a year. Costs of deferred vegetation management include degraded service reliability; service restoration; vegetation growth and control; vegetation removal; maintenance outside of regular vegetation management cycle; liability when damages or outages occur; and increased insurance premiums to cover risks.

In response to a question from Representative Miller, Ms. Bridwell stated that the PSC does not provide guidelines for vegetation maintenance. The National Electric Safety Code and the Federal Energy Regulatory Committee aid in the provision of guidelines for the removal of vegetation, but the utilities develop their plans as they believe will best maintain reliability.

In response to a question from Representative Bray, Ms. Bridwell said franchise agreements could be an avenue in controlling vegetation management issues.

In response to a question from Representative Lockett, Mr. Kloiber said approval was received from KU to plant the original trees in Lansdowne and Southpoint which have now been removed by KU.

Regarding Representative Bray's earlier question, Mr. Kloiber answered that franchise agreements only apply to distribution lines and not transmission lines.

In response to a question from Representative Meredith, Ms. Bridwell replied that 22 cooperatives are regulated by PSC, and four utilities are investor owned and are regulated by PSC.

Representative Meredith expressed concerns that if local controls in a particular local jurisdiction were expressed that increased maintenance costs to the utility, ratepayers beyond the local jurisdiction may also be responsible for paying for those increased costs.

Representative Meredith announced that the next meeting of the Committee would be held on July 19th.

There being no further business, the meeting was adjourned at 11:30 a.m.

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 1st Meeting

of the 2022 Interim

June 9, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Natural Resources and Energy was held on Thursday, June 9, 2022, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Brandon Smith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Brandon Smith, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Senators Johnnie Turner, Robin L. Webb, and Phillip Wheeler; Representatives John Blanton, Randy Bridges, Tom Burch, Myron Dossett, Ryan Dotson, Patrick Flannery, DJ Johnson, Norma Kirk-McCormick, Suzanne Miles, Melinda Gibbons Prunty, Bill Wesley, and Richard White.

Guests: Dr. Rodney Andrews, Center for Applied Energy Research, University of Kentucky; Kent Chandler, Chairman, Kentucky Public Service Commission; Christine King, Director, Gateway for Accelerated Innovation in Nuclear, Idaho National Laboratory; Bob Deacy, Senior Vice President, Clinch River Nuclear Project, Tennessee Valley Authority (TVA); Joe Shea, Vice President for Advanced Nuclear Technology, TVA; and Dave Jones, Executive Director, United States Nuclear Industry Council.

LRC Staff: Stefan Kasacavage, Tanya Monsanto, and Rachel Hartley.

Emerging Trends in Energy Markets

Dr. Rodney Andrews stated the major concerns for energy markets are high-levels of uncertainty in price and supply of petroleum and natural gas. Natural gas futures have hit a 13-year high. According to Citibank, petroleum is overvalued by $50 per barrel and should be trading around $70 per barrel.

The factors driving energy supply uncertainty are sanctions on Russian oil production, restrictive production decisions made by the Organization of the Petroleum Exporting Countries (OPEC), and the low rate of drilling by United States oil and natural gas producers.

Retail gasoline and diesel prices have increased in the past year. The prices reflect refining margins at record highs amid low levels of inventory. The United States Energy Information Administration forecasts retail gasoline prices to average $4.27 per gallon in the third quarter of 2022. A downward adjustment in price is expected in mid-2023. Retail diesel prices are predicted to have a similar trend. Natural gas prices are increasing due to low inventories, steady demand for natural gas exports, and high demand for natural gas from the electric power sector.

Coal-fired power plant closures are continuing in the United States, which can cause reliability issues since the baseload generation they provide is no longer available. Kentucky remains stable due to its diversity in electric generation. There has been a continued decrease in the cost of solar generation, but no energy storage options are yet available to offset its intermittency problem. There is increased interest in nuclear energy, which would provide carbon-free baseload generation to offset renewables.

In response to Senator Wheeler, Dr. Andrews stated banks are unwilling to finance the construction of new coal-fired power plants due to the cost and risk. The concern is not regarding enacted federal policy, but of potential federal policy.

In response to Representative Gooch, Dr. Andrews stated new refineries are not being built, but existing refineries are being expanded. There is enough refinement capacity in the United States to handle the current demand.

In response to Representative Johnson, Dr. Andrews stated electric vehicles are powered by a generation mix including fossil fuels, nuclear energy, and renewable energy.

In response to Representative Blanton, Dr. Andrews stated battery storage technology for intermittent energy sources is estimated to be feasible in 10 to 15 years.

In response to Representative Gibbons Prunty, Dr. Andrews stated crude oil inventories are low due to the release of crude oil from the United States petroleum reserve into the market to decrease the price. The sanctions on Russian oil have impacted the global market.

Implications of Energy Market Trends on Utility Regulation

Kent Chandler stated the Public Service Commission (PSC) is a three-member independent regulatory agency, which regulates non-municipal utilities in Kentucky. The PSC does not regulate cooperatives served by the Tennessee Valley Authority. Since 1934, the primary statutory directive of utility regulation in Kentucky revolves around fair, just, and reasonable rates and adequate, efficient, and reasonable service.

The energy market trends that impact utility regulation include the fuel adjustment clause, integrated resource planning, certificates of public convenience and necessity, and rate cases.

Regulatory considerations by the PSC include plant retirements, reliability and resource adequacy, costs of emerging technologies, and wholesale markets. The PSC is committed to ensuring utilities have enough generating capacity to meet demand.

There are several generation options that are studied in integrated resource plans. Wind and solar are less reliable in Kentucky due to wind speeds, topography, and less sun in the winter months. Nuclear is an emerging option and advanced technologies could increase its viability. Natural gas is often chosen by generation modeling as the least-cost resource, but there are risks regarding the ability to site infrastructure. There is a lot of interest in battery storage; however, batteries have limited duration and are expensive. Hydrogen power has not yet been proven to be cost-effective or readily available.

The current generation mix in Kentucky is 69 percent coal energy, 23 percent natural gas energy, 7 percent hydroelectric energy, and 0.5 percent renewable energy.

In response to Representative Flannery, Mr. Chandler stated the PSC has a limited role in the deployment of broadband services. The primary role of the PSC regarding broadband is to act as the Federal Communications Commission designee to determine which internet providers should be allocated funds from the Federal Universal Service Fund to assist low-income customers. The General Assembly passed HB 320 in the 2021 Regular Session, which allows electric distribution cooperatives to create affiliated subsidiaries that could provide broadband.

Advanced Nuclear Power Feasibility

Bob Deacy stated the Tennessee Valley Authority (TVA) has a diversified generation mix, and 39 percent of the baseload capacity is nuclear energy. From 2005 to 2020, the TVA has reduced carbon emissions by 63 percent. The TVA is leveraging advanced nuclear to reduce or neutralize carbon while adding generation capacity.

The TVA operates the third largest nuclear reactor fleet in the United States and has approximately 900 active projects totaling $12 billion in approved funding for construction and refurbishment projects for coal and natural gas plants, hydroelectric dams, and transmission infrastructure. The Clinch River Nuclear Project is the TVA's first advanced nuclear small modular reactor located in Oak Ridge, Tennessee.

Joe Shea stated the TVA has been actively studying advanced nuclear technologies for a decade. The focus was on technologies with the least financial risk, which led to the selection of a variation of an existing light-water reactor.

In response to Senator Smith, Mr. Shea stated the reactors operated by the TVA are natural uranium-powered reactors.

In response to Representative Gibbons-Prunty, Mr. Deacy stated TVA is looking for future sites in Kentucky for a nuclear plant. Mr. Shea stated there is no federal solution for nuclear waste. The existing operating nuclear reactors utilize temporary on-site storage.

In response to Representative Bridges, Mr. Shea stated the first deployment of the AP1000 technology should not impose financial risk to the ratepayers.

In response to Senator Smith, Mr. Deacy stated nuclear is very safe, and Mr. Shea added there are layers of safety with a defensive approach.

In response to Representative Kirk-McCormick, Mr. Shea stated studies have not found a correlation between the operation of a nuclear reactor and health effects.

Christine King stated the Gateway for Accelerated Innovation in Nuclear facilitates private and public partnerships to assist private companies that are sustaining their existing nuclear fleet or designing and commercializing new nuclear technologies.

Dave Jones stated the United States Nuclear Industry Council is a leading advocate for advanced nuclear energy technologies and represents more than 80 companies engaged in nuclear innovation and supply chain development. The acceleration of global deployment of advanced nuclear technology is important to decrease carbon emissions.

There being no further business, the meeting was adjourned.

CHFS ORGANIZATIONAL STRUCTURE, OPERATIONS & ADMINISTRATION TF

Minutes of the 1st Meeting of the 2022 Interim

July 6, 2022

Call to Order and Roll Call

The 1st meeting of the CHFS Organizational Structure, Operations & Administration TF was held on Wednesday, July 6, 2022, at 3:00 PM, in Room 131 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative David Meade, Co-Chair; Senators Ralph Alvarado, and Karen Berg; Representatives Danny Bentley, and Keturah Herron.

Guests: Representative Jason Petrie, 16th House District; Eric Friedlander, Secretary, Cabinet for Health and Family Services; Eric Lowery, Executive Director, Officer of Finance and Budget, Cabinet for Health and Family Services; and Jackie Richardson, Chief of Staff, Office of the Secretary, Cabinet for Health and Family Services.

LRC Staff: Samir Nasir, Katie Carney, and Eric Rodenberg.

Before introducing the presenters, Senator Meredith made opening remarks about the origins and goals of the task force.

Introduction to the Cabinet

Eric Friedlander, Secretary, Cabinet for Health and Family Services and Eric Lowery, Executive Director, Office of Finance and Budget, Cabinet for Health and Family Services, provided a presentation with a breakdown of the Cabinet for Health and Family Services including divisions, funding, expenditures, and statistics for each department. Secretary Friedlander provided a chart to the committee showing all the departments and divisions that make up the Cabinet for Health and Family Services. Before beginning the presentation, Secretary Friedlander suggested the committee look at the budget narratives, and also remember "F" forms which are federal funds, and "G" forms which are agency funds or grants.

In response to comments from Senator Meredith, Secretary Friedlander confirmed the reorganization bill passed during the 2022 Regular Session will go into effect on July 14, 2022, but the information given in the meeting incorporates the reorganization bill.

The first portion of the presentation centered on cabinet fund sources and how the funds are spent. One of the biggest funding sources for the cabinet is Medicaid. Providers, such as doctors or hospitals, make up the biggest portion of where the funding is spent. Recognition was given to Mr. Lowery for the cost allocation system and maximizing the federal funds received. With the cost allocation system, administrative costs are allocated across all departments. This system captures approximately 50 million dollars a year of federal indirect costs.

In response to questions from Senator Berg, Secretary Friedlander discussed Medicaid contracts. Medicaid contract fees are set and the vast majority of the providers work within the managed care organization (MCO) framework. Other contracts are done by a request for proposal (RFP). Another way is that a non-profit or a quasi- governmental group are contracted directly.

In response to questions and comments from Senator Berg, Secretary Friedlander provided the example of how to properly reimburse dentists for the services provided. Secretary Friedlander commented it is extremely difficult to set or agree upon the correct rate.

In response to questions from Senator Meredith, Mr. Lowery explained the federally approved cost allocation plan and how it can capture the indirect costs. It can include IT, personnel, and administrative support. The goal is to maximize the federal funds as much as possible, reduce reliance on general fund dollars, and maintain a base level of support to all departments. The cost allocation plan is based on salaries, and statistical analysis is done monthly to see what programs the employees have charged. With this information, a pro rata allocation is written against the grant or program. The indirect costs captured has increased from 50 million dollars in fiscal year 2019 to 54 million dollars in fiscal year 2022. COVID-19 was one possible explanation for the increase in the indirect cost captured. Secretary Freelander discussed when the cabinet was split into 2 separate cabinets.

In response to questions from Senator Alvarado, Mr. Lowery responded that several programs are 100 percent state funded. CHFS had not figured out how to attach some of the programs to federal dollars. At the current moment, CHFS might be at the limit for federal funding. Secretary Friedlander spoke about testimony recently given regarding hospitals during the Medicaid Oversight and Advisory Committee.

Within the Inspector General's office, there are investigators who explore claims of fraud or abuse and try to recover the funds. Regarding the Supplemental Nutrition Assistance Program (SNAP), Secretary Friedlander believed Kentucky leads the southeast region in disqualifying people for SNAP benefits due to intentional program violations.

Testimony was given regarding the Department for Medicaid Services. Secretary Friedlander discussed SB 50 from the 2021 Regular Session which changed to the single pharmacy benefits manager. There is a report being generated that will possibly show savings by switching to a single pharmacy benefits manager.

In response to comments from Senator Meredith, Secretary Friedlander spoke about also increasing the dispensing fees for all pharmacies and hoping to get back to a tiered dispensing fee.

Senator Alvarado made comments about one in three Kentuckians and 60 percent of Kentucky's children being insured within the Medicaid or Kentucky Children's Health Insurance program (KCHIP). In response to the statistics, Secretary Friedlander discussed another bill passed during the 2022 Regular Session that extended the benefits for pregnant and postpartum women up to a year. The number one expenditure for KCHIP is uncomplicated deliveries.

The main expenditure for the Department for Medicaid Services is the payments to health care providers. Traditional Medicaid (age, blind, disabled) typically has a Federal Medical Assistance Percentage (FMAP) of 72 percent.

In response to questions from Senator Meredith, Secretary Friedlander clarified that the 10 percent to MCOs is not included or combined with the three percent administration fee. The payments to the MCOs are considered to be benefits.

Secretary Friedlander discussed the Department for Community Based Services (DCBS). The money goes to the provider, not necessarily the individual. Testimony included a discussion about foster care and child abuse. The increase in phone calls a month, from 100,000 to 200,000, has caused wait times on phone calls to increase. The cabinet is trying to reduce the wait times.

In response to questions from Senator Meredith, Secretary Friedlander agreed that some of the increase in phone calls to DCBS could be COVID-19 driven; but also with more money for programs comes an increase in demand for those programs.

Secretary Friedlander highlighted the Low Income Home Energy Assistance Program (LIHEAP), stating the "cooling period" portion of the program is now functioning in addition to the "heating period."

Secretary Friedlander turned the focus to the Department for Public Health and discussed several programs including the Health Access Nurturing Development Services (HANDS), abuse and neglect programs, and the First Steps programs.

In response to questions and comments from Senator Meredith, Secretary Friedlander commented that COVID-19 showed the significance of the Department for Public Health but also commented on the varying number of services the department provides including radon kits, restaurant inspections, and inspections of septic systems.

Secretary Friedlander spoke to the implementation of HB 499 from the 2022 Regular Session and how they are working with the employers to help with child care.

A lot of the restricted funds listed for Public Health comes from fees, such as birth and death certificate. The department's funding is not as heavily dependent on Medicaid; but Medicaid is still present. Secretary Friedlander spoke of a future request for a new lab for the Department for Public Health.

The testimony on Department for Behavioral Health, Developmental and Intellectual Disabilities included topics such as the implementation of 988, a suicide prevention hotline; implementation of SB 90 from the 2022 Regular Session; mobile crisis centers; and ideas or ways to support law enforcement when answering a behavioral health call. Secretary Friedlander noted the numerous workforce initiatives and the shortage of behavioral health providers. Medicaid funds about 90 percent of the restricted funds of the department, and Medicaid facilities take up over half of the budget.

The Department for Aging and Independent Living provides services and programs to people who may not qualify for Medicaid but still need services due to significant disabilities. During the 2021 Regular Session, a bill was passed that created, within the department, the Office of Alzheimer's, and the cabinet is working to expand that office with grants. Secretary Friedlander testified that the office was much needed as there is an aging population that is seeing an increase in dementia and Alzheimer's. Within the funds for the department, a small portion of Medicaid was able to be accessed through the guardianship side of this department.

In response to questions from Senator Berg, Secretary Friedlander clarified the Student Drug Prevention Education actually falls under Serve Kentucky.

Serve Kentucky and the Division of Family Resource and Youth Services Centers (FRYSCs) are based on volunteerism and supporting the local communities within schools. The FRYSCs are designed to respond to local needs with plans and solutions that work within the community. There is no Medicaid within this fund, it is mostly general and federal funds.

The Department for Income Support has two divisions: Child Support Enforcement which enforces the child support payments, and the Disability Determination Services which contracts for the Social Security Office and is able to make determinations on whether someone qualifies for social security disability payments. Secretary Friedlander noted the money in the capital planning budget is for an update to the computer system for the child support payments.

In response to questions from Representative Meade, Secretary Friedlander confirmed that 56 percent of the budget for the Department for Income Support is child support. Representative Meade requested information regarding the amount of child support collected versus the amount not collected.

The presentation ended with statistics about the Office for Children with Special Health Care Needs. The office follows up on newborn hearing screenings. The office also has several specialty clinics such as neurology and orthopedic. Within this office, restricted funds is almost all Medicaid.

Senator Alvarado made comments regarding volunteerism, Ombudsman offices, Serve Kentucky and FRYSCs. He spoke of the concept of consolidating different organizations that require volunteers within one department so volunteers could possibly serve in various different aspects of the department. Secretary Friedlander thought it was an interesting point and worthy of possible consideration.

In response to comments and questions from Representative Herron, Secretary Friedlander thought the seven percent in the Department for Public Health programs, labeled Public Health Protection and Safety, included the inspectors such as milk, radiation, lead paint, swimming pools, and restaurants etc. Secretary Friedlander would update Representative Herron if he was incorrect.

In response to comments and questions from Senator Meredith, Secretary Friedlander will share

CHFS and each department's mission statements. He spoke to the different lenses the cabinet tries to look through when applying the mission statements. Secretary Friedlander commented that it is a fundamental shift in thinking there is no money for a program to go about finding funding for a program.

Senator Berg requested the Secretary think about three wishes that could significantly impact the care or quality of care of people within the state, that require legislation. Secretary Friedlander commented the most important things were education, wages and living wage jobs, and housing.

Senator Meredith announced the next meeting will be Tuesday, July 19, 2022 at 3 p.m. in Annex Room 131.

The meeting adjourned at 4:37 p.m.

COMMISSION ON RACE & ACCESS TO OPPORTUNITY

Minutes of the 1st Meeting

of the 2022 Interim

June 22, 2022

Call to Order and Roll Call

The 1st meeting of the Commission on Race & Access to Opportunity was held on Wednesday, June 22, 2022, at 3:00 PM, in Room 129 of the Capitol Annex. Representative Samara Heavrin, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator David P. Givens, Co-Chair; Representative Samara Heavrin, Co-Chair; Senators Karen Berg, and Whitney Westerfield; Representatives George Brown Jr., and Killian Timoney; Jamir Davis, and OJ Oleka.

Guests:

LRC Staff: Brandon White and Elishea Schweickart.

Introductions

Chair Heavrin welcomed everyone who was in attendance and announced that Brandon White had been named the CSA (Committee Staff Administrator) for the Commission on Race and Access to Opportunity. Mr. White has been employed with the Legislative Research Commission (LRC) for 22 years, and was a Committee Analyst for the LRC Transportation Committee before accepting the CSA position.

Chair Heavrin also spoke about the purpose of the commission, which is to conduct studies and research on issues where disparities may exist across the sectors of educational equity, child welfare, health, economic opportunity, juvenile justice, criminal justice, and any other sectors that are deemed relevant in providing services and opportunity for minority communities. Members of the commission also gave brief introductions.

Overview of 2022 Regular Session Legislation

Chair Givens opened discussion on legislation that was filed and/or passed during the 2022 Regular Session. He stated that they would go over the bills, and asked that commission members speak on any legislation they felt strongly about.

HB 31 and SB 363: Known as The Crown Act, were bills that prevent hair-related discrimination at workplaces and Schools. HB 31 was reported favorably out of the House Education Committee. Senator Westerfield stated that this is an important piece of legislation that has support. He hopes to see it passed into law in 2023. Dr. Oleka also spoke in support, stating that hair is not something you can change when it comes to the texture of your hair. Many black girls and women are discriminated against because of their hair. This negatively affects self-esteem, educational performance, and opportunities for advancement in education and careers.

SB 275: Creates a new section of KRS 532 to provide enhanced term of imprisonment for any defendant convicted of certain crimes when the victim was intentionally selected because of race, color, ethnicity, religion, mental or physical disability, or sexual orientation. This legislation had bipartisan sponsors.

SB 276: Known as Emily's Law, Provides Medicaid coverage for sickle cell disease. It was signed by Governor Andy Beshear.

SB 163: Allowed convicted felons to access KEES money they earned when they graduated high school. It went through several changes, passed out of the House and Senate, and then was vetoed by Governor Beshear in its entirety.

Representative Timoney stated that this was an important piece of legislation, because it helps individuals, who have been incarcerated, return to normal life. He stated that it is not a way to reward felons but gives them a tool to be successful and allows them to access money they earned while they were a student.

Responding to a question from Senator Berg, Representative Timoney stated that KEES money comes in two different allotments that total to $2500.00 per year towards college tuition.

Representative Brown also expressed support in opening pathways for felons to improve their lives when they are released from incarceration. He stated that it is important to help individuals be successful and become contributing members of society so that they are not condemned to repeat their past mistakes.

HB 9: Legislation establishing a funding mechanism for public charter schools, establish a category of public charter schools called "urban academies" that must have enrollment preference for students who live in close proximity to the school, and required public charter schools to establish food programs that provide free and reduced-price meals to students. The Governor's veto was overridden, and the bill was sent to the Secretary of State.

Representative Brown stated that he does not support HB 9 because he feels that it takes funding from public education and puts it into private charter schools when private schooling is already available. Representative Brown also stated that he is concerned that charter schools boards will pick "winners and losers" when it comes to selecting students.

Co-Chair Givens spoke briefly in support of HB 9 stating that statutory requirements when it comes to student selection will make it difficult for charter schools to cherry-pick students. Co-Chair Givens also stated the goal is for the students to get a quality education, and that he does not believe charter schools will thrive in areas that have a successful public school system.

Dr. Oleka spoke briefly in support of HB 9 stating that school choice is important at every level of education. A student and their family should be able to make the decision on where they want to go based on what works for them.

Responding to a question from Representative Brown, Co-Chair Heavrin stated that if a student who attended a charter school went back to a public school the public money for that student would be returned to the public school when they transfer.

HB 37: Legislation requiring licensed health facilities to provide each patient with written information regarding the patient's rights, as well as implementation of an evidence-based implicit bias program for all health providers involved in the perinatal care of patients. It also required the Department for Public Health to track data on maternal death and severe morbidity. Co-Chair Heavrin spoke in support of legislation that improves maternal care and tracks data on maternal mortality. She also stated that she has been working with the Cabinet for Health and Family Services to collect data. Senator Berg stated that the maternal mortality rate in America is higher for black women. She stated that data needs to be gathered and studied to find out why there is such a difference in the rates based on race, and that suggested looking at models that other states have implemented to try and impact the data.

HB 120: Legislation expanding eligibility for preschool education programs to children who reside in households with an income at or below 200 percent of the federal poverty level. It had bipartisan sponsorship.

HB 126: Legislation making FAFSA a requirement for High School completion. It was reported favorably out of the House Education Committee. Co-Chair Givens explained that FAFSA stands for the Free Application for Federal Student Aid and it analyzes a household's income, taxes, gifts, etc. to qualify the student for financial aid for higher education. Dr. Oleka stated that FAFSA is the way for students who are seeking to higher education to get the most financial aid possible. He also pointed out that there are waivers for those who do not wish to give out certain personal information. He stated that a bill like HB 126 could help increase the number of students who continue on to higher education. Senator Berg stated that in a recent meeting University of Louisville representatives asked that this legislation be passed to help students and families.

HB 131: Legislation allowing governing body of consolidated local government to implement rent control ordinances in a developing area.

HB 250: Legislation appropriating $23 million as a bail out loan to Kentucky State University to address their budget shortfall; and address repayment and improvement plans. It passed and was signed by Governor Beshear.

HB 737: Legislation establishing the Kentucky Urban Farming Youth Initiative in at least one urban University of Kentucky Cooperative Extension

Service office.

SB 10: Legislation establishing temporary work permit requirements for a registered nurse who is a graduate of a foreign nursing school. It passed and was signed by Governor Beshear.

SB 103: Legislation requiring racial and ethnic community criminal justice and public safety impact statements for certain administrative regulations and legislation.

SB 173: Legislation requiring the Medical Orders for Scope of Treatment into Spanish and other languages as needed. It passed and was signed by Governor Beshear. Mr. Davis stated that as a civil rights attorney he has seen small actions, like addressed in this bill, that lead to differential treatment to an individual and action must be taken.

SB 238: Legislation requiring cosmetology exams be available in multiple languages.

SB 265: Legislation directing the Governor to replace the Kentucky State University board of regents. It passed and was signed by Governor Beshear.

SB 319: Create and appropriate to Black and minority contractor assistance fund. Representative Brown spoke in support of this bill and commended those who are supporting minority vendors.

SB 331: Eligible defendants shall not be detained on money bail. Senator Westerfield stated that this was a complicated bill that needed further debate to be reformed. He also stated that the solution is to elect judges and prosecutors that will apply fair standards of bail and making sure they are not using poor discretion. Representative Brown requested more information on incarceration and bail in Kentucky.

SJR 158: Legislation directing the Department of Education to create a task force to examine the equity and inclusivity of racial and demographic representation in education curricula.

Future Meetings

Co-Chair Heavrin stated that the commission will cover a different topic at each monthly meeting. So far this schedule includes:

July – Economic Opportunity;
August – Educational equity;
September – Justice;
October – Child welfare and health outcomes; and
November – Data and potential legislation.

With there being no further business, the meeting was adjourned at 4:05 PM.

JOINT COMMITTEE ON STATE GOVERNMENT

Minutes of the 1st Meeting of the 2022 Interim

June 21, 2022

Call to Order and Roll Call

The first meeting of the Interim Joint Committee on State Government was held on Tuesday, June 21, 2022, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Robby Mills, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representatives Jerry T. Miller, Co-Chair, and Kevin D. Bratcher, Co-Chair; Senators Ralph Alvarado, Christian McDaniel, Michael J. Nemes, Wil Schroder, Adrienne Southworth, Brandon J. Storm, and Phillip Wheeler; Representatives John Blanton, Adam Bowling, McKenzie Cantrell, Jennifer Decker, Joseph M. Fischer, Jim Gooch Jr., Derrick Graham, Richard Heath, Samara Heavrin, Keturah Herron, Mary Beth Imes, DJ Johnson, Matthew Koch, Savannah Maddox, Jason Nemes, Tom Smith, Nancy Tate, James Tipton, Ken Upchurch, and Russell Webber.

Guests: Senator David Givens; Vic Maddox, Chris Lewis, Bryan Hubbard and Blake Christopher, Office of the Attorney General.

LRC Staff: Alisha Miller, Daniel Carter, Michael Callan, Andrew Salman, Shannon Tubbs, and Peggy Sciantarelli.

Moment of Silence

At the request of Representative Graham, the committee observed a moment of silence in memory of former state representative Wilson Stone, who passed away on June 17, 2022.

Opioid Settlement

Guest speakers from the Office of the Attorney General were Victor Maddox, Deputy Attorney General; Chris Lewis, Executive Director, Office of Consumer Protection; Bryan Hubbard, Chair and Executive Director of the Kentucky Opioid Abatement Advisory Commission, and Special Counsel to the Office of Medicaid Fraud and Abuse Control; and Blake Christopher, Deputy General Counsel. The speakers from the Attorney General's office provided an update on opioid litigation and the status of related settlements with opioid distributors and manufacturers. Their slide presentation included charts showing yearly settlement totals for the 18-year payment period.

Mr. Maddox told the committee that suits were brought in circuit courts around the state against national pharmaceutical distributors of opioids—McKesson, Cardinal Health, and AmerisourceBergen—and Janssen/Johnson & Johnson (Janssen J&J), a manufacturer of opioid products. They were sued for their roles in contributing to the country's opioid epidemic. Kentucky will receive $483 million, approximately 2.09 percent of the $26 billion global settlement. The $26 billion includes about $1.6 billion for attorney fees; the remainder is abatement funds for distribution to the states according to an agreed upon formula established by the multi-state attorney-general plaintiffs. The formula is a function of state population and the severity of a state's opioid crisis.

HB 427, enacted during the 2021 Regular Session—codified as KRS 15.291 and 15.293—provides for creation of the Kentucky Opioid Abatement Advisory Commission, which is responsible for administering and distributing the funds at the state level. The statute provides for Kentucky's $483 million to be divided on a 50/50 basis, with half going directly to the Commonwealth and the other half to city and county governments. The payments are to be spread over an 18-year period. The first payment was due in April 2022, and the second annual payment is due around July 15, 2022.

Mr. Maddox stated that in February 2020, he attended a conference at which the broad terms of the settlement were completed. It took almost another year to finalize the settlement, largely due to questions about attorney fees and the size of the attorney pool. The Commonwealth used outside counsel for the settlement, and he and Mr. Lewis assisted in renegotiating that contract in July 2020. The contract provided that the Commonwealth's lawyers would not be paid anything from funds directed to the Commonwealth of Kentucky.

Mr. Lewis pointed out that the Janssen/J&J settlement structure differs somewhat from the distributor settlement. The statutory bar provided that any state which had 100 percent representation would receive the entire first four years' payments in the first payment. As a result, Kentucky's fifth payment for that settlement is due in July 2025. The amount is not reduced because of early payment, and Kentucky will receive the full amount that would have been paid over the four years. Combined totals for the distributor and the Jansen/J&J settlements show that over the 18-year period Kentucky will receive $483,774,596.96, with half of that amount going to cities and counties.

Mr. Maddox reviewed the Commonwealth's pending litigation against TEVA/Allergan (Fayette Circuit), CVS (Franklin County), Walgreens (Boone County), Endo (Franklin County), and Mallinckrodt (Madison County/Delaware Bankruptcy Court). Kentucky also has a claim pending in the Purdue bankruptcy case (Southern District of New York). Endo is a manufacturer of pharmaceuticals and has been settling some of its cases around the country. The Mallinckrodt case is now final. The Kentucky Attorney General's office served as one of the lead states on an adhoc committee to represent states' interest in the Mallinckrodt case. Payment in that case is expected to begin in the next 80-90 days. Depending on the chosen payoff option, Kentucky should receive between $15.3 million and $21.8 million. Payout in the Purdue bankruptcy case represents a settlement to Kentucky of about $91 million, half of which will go directly to cities and counties. There was a challenge to the approval of the bankruptcy plan, and that case is currently before the Second Circuit Court of Appeals. A decision in that case is expected in the next 3-4 months. Mr. Maddox noted that in December 2015, the Commonwealth settled some litigation against Purdue Pharma that resulted in a $24 million settlement to the state; however, there are two remaining payments on that settlement.

Mr. Christopher emphasized that all settlement funds must be used for opioid abatement. Settlement payments will first go to the national administrator, who will then send the payments to the Commonwealth's Opioid Abatement Trust Fund. HB 427 provides for annual certification, and local governments and recipients of Commission funds must submit regular certifications of compliance.

Mr. Hubbard stated that he is the Attorney General's designee on the 11-member Commission.

General Cameron's other five appointees are Dr. Jason Roop, faculty member of Campbellsville University, representing victims of the opioid crisis; Van Ingram, executive director of the Kentucky Office of Drug Control Policy, representing the drug treatment and prevention community; Vic Brown, executive director, Appalachian High Intensity Drug Trafficking Area (AHIDTA), representing law enforcement; Von Purdy, vice president of Simmons College, representing citizens at large; and Karen Butcher of Georgetown KY, also representing citizens at large. Other members are State Treasurer Allison Ball; Eric Friedlander, Secretary of the Cabinet for Health and Family Services; and Dr. Sharon Walsh, representing the University of Kentucky's HEALing Communities Study Team. The Commission also includes two nonvoting members: state Representative Danny Bentley, appointed by the Speaker of the House, and Karen Kelly of Somerset KY, appointed by the President of the Senate. After initial staggered terms, voting members serve two-year terms. Nonvoting members serve at the pleasure of the Senate President and the Speaker of the House. The Commission expects to begin meeting during late summer in locations throughout the state. The first meetings will address drafting and publishing regulations. An online application process is expected to be in place by the end of 2022, with review of the applications beginning in 2023.

Representative Nemes commended the speakers and the office of Attorney General Cameron for their efforts. He stated that Kentucky communities have been devastated as a direct consequence of the over prescribing of opioids and the problem of illegal drugs coming across the border. He questioned why a physician is not included in the litigation list and why doctors are not being held more accountable. Mr. Maddox stated that, to his knowledge, claims have not been brought against doctors. Because of physician licensure requirements and government oversight, to do so would probably require a different series of lawsuits. That is something to consider, however, and he will relay that to General Cameron and others who are involved in the multi-state effort.

Mr. Maddox emphasized that KRS 15.291 includes 29 separate categories of abatement. The settlement agreement itself provides for a much larger list of potential abatement programs. He expects the Commission, on the state's behalf, to dedicate substantial time and effort toward identifying the most effective abatement programs and then developing priorities for use of the funds. There is good information from federal law enforcement agencies that drug cartels are bringing in huge quantities of fentanyl and other drugs, which are then distributed across the country, including in Louisville and Lexington and small towns in the Commonwealth. He recommended that the legislature look at ways to enhance law enforcement's ability to bring resources to bear against these illegal drug operations. Hopefully, the litigation and the settlements that have been put in place will impose serious abatement and injunctive measures and be effective in stopping the abuses at the company level.

Senator McDaniel asked about the Attorney General's involvement relating to SB 90, which was enacted during the 2022 Regular Session and appropriated funds from the Opioid Abatement Trust Fund for a behavioral health conditional dismissal program. Mr. Christopher said it is his understanding that the Commission will not play a specific role in setting up the diversion, housing, and assistance program envisioned in SB 90, but he suspects that the Commission will be looking at that program's effectiveness. Mr. Hubbard said the Commission is going to have open eyes, minds, and ears to whatever models demonstrate the greatest promise of delivering durable recovery going forward. Senator McDaniel said the problem is driven by the tremendous financial motivation inside the drug distribution industry. As plans are developed, thought must be given to ways to make it financially painful for those who exist outside of the current legal construct.

Senator Wheeler also questioned why the litigations do not include any physicians. He stated that because of the financial rewards, some in the medical community have collaborated with drug dealers and drug companies, and few have been held accountable. A physician in his region agreed to a $20 million consent judgment based on his dispensing of opioids. Suboxone clinics that are supported by Medicaid funds have begun to contribute to the problem, and that medication is becoming a street drug. The prosecutorial system has done little to stop this type of abuse. He hopes the agency and the Commission will look at abuses at the local level that have arisen from the opioid pandemic. Mr. Maddox stated that they will look at that issue more closely. He added that the AG's office has had some successful criminal prosecutions, especially in the Medicaid fraud area.

Mr. Hubbard stated that although there are no doctors or physician practices on the Commission's list, within the Attorney General's Medicaid fraud office there is a list of physicians who are subject to criminal investigation. Some members of his office favor direct prosecution of physicians for their prescribing behavior, but their enforcement ability to prosecute prescribing behavior as part of trafficking is hobbled by the lack of the necessary legal framework. His office also works on some cases jointly with federal partners in the Department of Justice, the U.S. Attorney's offices in the eastern and western districts of Kentucky, the FBI, and the DEA. The AG's Medicaid office has also supplied a tremendous amount of evidentiary ammunition for some high profile federal cases.

Mr. Hubbard told the committee that suboxone demonstrates promise in the treatment of opioid addiction when it is administered in a clinically appropriate and ethical manner. The reality is that there are bad actors who are engaged in rehabilitation medicine when in fact they are glorified drug dealers who do their drug dealing via the respectability of a prescription pad. Data shows that suboxone pill prescriptions have proliferated over the past five years, and it is an arresting figure. The suboxone issue is one that the Commission will need to look at seriously. He opined that, over time, the Commission will be able to demonstrate, too, that the prescription drug problem in eastern Kentucky is linked with the drug problems in Louisville—the west end in particular—with the intent to take appropriate action.

Senator Wheeler mentioned the possibility of decreasing the reimbursement rate for suboxone therapy to make it less profitable for the bad actors. Mr. Hubbard said that the actual cost of individual pills has decreased over the past five years. It would require a significant amount of prosecutorial firepower for his office to prosecute operators of suboxone clinics who foster addiction rather than cure it.

Representative Tipton spoke of the need to work cooperatively with cities and counties to ensure that the funds are not being directed to programs that are repetitive or overlapping. Mr. Hubbard said that it would be an absolute priority of the Commission to communicate and coordinate with cities and counties and to make sure that funds are not used wastefully or repetitively. Mr. Christopher suggested that conversations regarding funding needs should begin beyond county borders now, prior to the online application process going live later in 2022.

Senate Bill 88/GA (2022 RS) - AN ACT relating to sessions of the General Assembly

Senator David Givens, sponsor of SB 88, told the committee that the legislation was prompted by enactment of HB 4, a proposed constitutional amendment passed during the 2021 Regular Session. He briefly touched on the provisions of HB 4. (As summarized on the LRC website, HB 4 proposes to repeal existing Sections 36, 42, and 55 of the Kentucky Constitution to eliminate the existing dates by which the General Assembly must adjourn in any regular session; propose new sections of the Kentucky Constitution to establish that no regular session of the General Assembly shall extend beyond 30 legislative days in odd-numbered years or 60 legislative days in even-numbered years; establish that the General Assembly may be convened upon a Joint Proclamation of the President of the Senate and the Speaker of the House for no more than 12 legislative days annually; establish that no Act of the General Assembly shall become law until July 1 of the year passed, or 90 days after passage, or as otherwise provided by the Kentucky Constitution; and specify in cases of emergency a bill becomes law when signed by the Governor or when it otherwise becomes law under Section 88 of the Kentucky Constitution.)

Senator Givens stated his overarching goal and hopeful charge is for the members of the committee to advocate for passage of the constitutional amendment when it appears on the ballot in November 2022. SB 88 would provide the statutory framework upon passage of the constitutional amendment. It would establish parameters for the General Assembly when called into session by joint proclamation; adjust the compensation of members of the General Assembly during a veto recess period; and would be effective only upon ratification of HB 4, the proposed constitutional amendment. Senator Givens said he feels that this is likely the most significant legislation he has ever have worked on. However, since SB 88 did not pass during the 2022 Regular Session, the General Assembly will need to pass other legislation in January 2023 to provide the statutory framework if voters ratify the constitutional amendment. He noted that SB 181—legislation similar to SB 88—did not pass during the 2021 Regular Session when HB 4 was enacted.

Senator Givens briefly discussed concerns that had been voiced about the executive powers of the Governor in times of emergency. He urged the committee to be ambassadors for passage of the constitutional amendment and the enabling provisions outlined in SB 88.

When Senator Mills asked about the “life” of proposed legislation if the General Assembly is able to call itself into session, Senator Givens stated that a bipartisan group that worked on the legislation decided that rather than allowing a bill to die at the end of a regular session, it could be held over for purposes of legislative action until December 31 of the year in which it was filed. He stated that many legislative bodies do this, and he thinks it is appropriate.

Representative Gooch asked whether allowing legislation to remain open until the end of the year might lead to the deliberate holding over of politically controversial bills in an election year until after the November elections. Senator Givens stated that the possibility would exist, but he believes there are built-in constraints relating to legislative sessions which he hopes would prevent that sort of abuse.

Representative Heath said he supports the proposed constitutional amendment, and he believes his constituents are on board with it. People in his area have expressed concern about some of the executive actions taken by the Governor relating to COVID, and they were surprised to learn that the General Assembly, when called into special session, is only able to consider issues decided by the Governor. Representative Heath said he will do his part to promote passage of the constitutional amendment in his district.

Senator Givens stated that during the uncertain times of the COVID emergency in 2020, when the Senate President was temporarily ill, he, as President Pro Tem, and Speaker Osborne sent a letter to the Governor requesting a pause in the legislative session and asked him to later call the General Assembly back into session to conclude the business of the regular session. The Governor’s response was “no,” and this put the General Assembly in the position of sometimes having to make rush decisions without sufficient information. Under the proposed constitutional amendment, the legislature would have been able to pause itself and then move forward later in an effective manner. In closing, Senator Givens asked the members to support passage of the constitutional amendment and the statutory framework as set forth in SB 88. He also encouraged them to contact him if they have questions or concerns.

Senator Mills thanked Senator Givens for his testimony. There were no further questions, and the meeting was adjourned at 2:11 p.m.

INTERIM JOINT COMMITTEE ON TRANSPORTATION

Minutes of the 1st Meeting of the 2022 Interim

June 2, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Transportation was held on Thursday, June 2, 2022, at 12:00 PM, in Ballroom D and E at the Northern Kentucky Convention Center in Covington, Kentucky. Representative Ken Upchurch, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Ken Upchurch, Co-Chair; Senators Karen Berg, Brandon J. Storm, Johnnie Turner, Phillip Wheeler, Mike Wilson, Max Wise, and David Yates; Representatives Josh Branscum, Kevin D. Bratcher, Randy Bridges, Jonathan Dixon, Ken Fleming, David Hale, Samara Heavrin, Regina Huff, Thomas Huff, Derek Lewis, Savannah Maddox, Shawn McPherson, Sal Santoro, Tom Smith, Cherlynn Stevenson, Ashley Tackett Laferty, Walker Thomas, and Buddy Wheatley.

Guests: Brent Cooper, President and CEO, Northern Kentucky Chamber of Commerce; Mark Policinski, CEO, Executive Director, OKI - Regional Council of Governments; Mike Hancock, Deputy Secretary, Transportation Cabinet (KYTC); Sarah Jackson, REAL ID Project Manager, KYTC; Bob Yeager, District 6, Chief District Engineer, KYTC

LRC Staff: John Snyder, Dana Fugazzi, Brandon White, and Christina Williams

Opening Remarks

Brent Cooper, President and CEO, Northern Kentucky Chamber of Commerce gave welcoming remarks and stressed the major economic impact Northern Kentucky has across Kentucky. He thanked the members for the General Assembly’s role in the development of Northern Kentucky’s robust economy.

Road Fund Update

Deputy Secretary Hancock updated the committee on Road Fund receipts through April, which were up by 2.3 percent according to the Office of the State Budget Director. Based on year-to-date tax collections, revenues must increase by 2.2 percent for the remainder of the year to meet the revenue estimate for this year. The interim revenue estimate calls for Road Fund revenues to increase only 1.6 percent for the remainder of FY-2022, which would result in a small revenue shortfall of about $11.2 million. Motor fuel revenue is up 4.8 percent through April, but motor vehicle usage tax collections fell 18.1 percent during the same period. Deputy Secretary Hancock stated there were timing issues associated with the collections in April which yielded lower numbers than expected. He added May receipts will be available around June 10th.

Brent Spence Bridge Project

Mark Policinski, CEO, Executive Director, OKI - Regional Council of Governments briefly commented on the Brent Spence Bridge project. Mr. Policinski stated OKI is the Metropolitan Planning Organization (MPO) for the greater Cincinnati region, which includes Campbell, Boone, and Kenton counties in Kentucky. As the MPO, OKI has authority over all federally funded surface transportation projects in the Northern Kentucky region.

Mr. Policinski discussed the need for modern infrastructure for the United States to win globally. The Brent Spence Bridge has literally been the poster child for American infrastructure projects. When the previous federal infrastructure bill was being debated on the floor of the United States Senate, there was only one picture of an infrastructure project on display, the Brent Spence Bridge project. This bridge has been nationally recognized by industry professionals, freight experts, and a line of American Presidents for its preeminence among necessary American infrastructure projects.

The specifics of the Bridge’s failings support this dire distinction. The Brent Spence Bridge opened in 1963 and was designed to handle approximately 80,000 vehicles per day. Today, upwards of 160,000 vehicles cross the bridge daily. The bridge was designed to handle 3,000 to 4,000 trucks per day but currently handles more than 13,000. The bridge is projected to carry 200,000 vehicles each day by 2030. As such, the Brent Spence Bridge was designated as functionally obsolete in the 1990s. While the Bridge is structurally sound, it is unable to carry the amount of its daily traffic. For over two decades, experts have known the bridge cannot be modified to meet today’s traffic and safety needs.

Several safety instances have occurred, including chunks of concrete falling from bridge’s upper deck onto the lower deck’s traffic, shutting down the bridge in both directions for hours while crews worked to clear the debris. A concrete beam fell from the bridge and onto parked cars during Cincinnati Bengals game. An 8-car crash sent one car hurtling off the top deck, falling 25 feet to the bottom deck. Most recently, a truck accident with a 1,500 degree fire with a 1,000 foot fire ball, shut down the bridge for 41 days in November 2020.

The national impact of the bridge’s failures is obvious, as the northern entry of the Brent Spence Bridge brings together three international trade corridors, I-75, I-74 and I-71. These trade corridors connect Minnesota, Canada and New England to not only Northern Kentucky but also Atlanta and Miami. The lynchpin of freight movements along these corridors is the Brent Spence Bridge. The bridge is one of the busiest trucking routes in US, carrying more than $1 billion worth of freight daily. With expected significant future growth, the lack of a companion bridge will limit the region’s ability to prosper in the years to come.

The Brent Spence Bridge leads to and from Northern Kentucky International Airport (CVG), which is home to billion-dollar investments from DHL and Amazon. Mr. Policinski stated CVG deserves special mention because it is going to be the economic driver of the Northern Kentucky region for the next decade, as CVG is the 7th largest cargo airport in North America. It is the only top ten North American port that is not reliant on energy. CVG relies on ecommerce.

There are one million jobs in the OKI region and 70% are located within five miles of this corridor of which the Brent Spence Bridge is the backbone. Approximately $650 million of local freight goes over the bridge daily.

Deputy Secretary Hancock stated the Brent Spence Bridge project is actually more than one bridge, it is an eight-mile-long corridor project from Dixie Highway in Kentucky through the Western Hills Viaduct in Ohio. The existing Brent Spence Bridge is structurally sound and will remain in service; however, it does need help.

The Brent Spence Bridge carries both I-71 and I-75 and approximately 160,000 vehicles per day including more than 13,000 trucks per day. The bridge was originally built to carry approximately 80,000 vehicles per day. In 1985, the bridge was reconfigured to provide an additional travel lane on each deck. Presently there are four 11-foot lanes and one-foot shoulders.

New funding for the project will support construction of a new companion bridge, not a replacement bridge, as well as updates to the existing bridge and the interstate network throughout the corridor. Long-term use of the existing Brent Spence Bridge, as well as a new companion structure, would allow for the separation of local and through traffic. This separation would improve safety and support better access to the Covington and Cincinnati business districts. Project costs will be shared by each state. The cost of the new companion bridge will be split 50/50 by Ohio and Kentucky, and each state will pay for the approach work on its respective end of the bridge.

The Brent Spence Bridge project will cost approximately $2.9 billion, a cost too large to fund through traditional funding sources. The passage by Congress of the Bipartisan Infrastructure Law and its mega-project grant programs has created a once-in-a-generation shot at getting the kind of federal dollar infusion needed to launch this project.

Ohio and Kentucky submitted a Multimodal Project Discretionary Grant application for nearly $1.7 billion in federal grant funding. There is also a plan to submit the same basic application for an upcoming Bridge Discretionary Grant Program to give the United States Department of Transportation (USDOT) maximum opportunity to cover a majority of the project costs.

The Kentucky General Assembly strengthened the position in the federal grant process by approving Governor Beshear's request for $250 million from the State General Fund to enhance the offer of matching funds. From past experience with federal grant programs, bringing additional matching funds to the table clearly demonstrates to USDOT the importance of the project to the state and encourages them to be more responsive to the grant funding request.

Near-Term activities for the project team include completing the environmental reevaluation, developing the Initial Financial Plan (IFP), and preparing the Project Management Plan (PMP), all necessary for federal approval to be granted. With regard to the ultimate construction of the project, there is already considerable interest from the road and bridge-building industry. On Tuesday, June 7th, Kentucky and Ohio will be hosting an industry forum for interested potential contractors.

Completion of the Brent Spence Bridge Corridor Project will not only improve the quality of life for millions of Americans who use the federal highway system, but it will present the opportunity to invest in local businesses and a growing workforce by improving travel safety along one of the most important national corridors for commerce and freight.

In response to a question asked by Chairman Ken Upchurch concerning the approximate $11.2 million shortfall in Road Fund dollars, Deputy Secretary Hancock stated those estimates were made based on fuel prices in April 2022.

In response to a question asked by Chairman Upchurch concerning inflation costs and the $2.9 billion price tag for the Brent Spence Bridge project, Deputy Secretary Hancock stated KYTC is looking for ways to shave costs of the project even more in order to keep the project within the projected budget.

Chairman Upchurch acknowledged Northern Kentucky legislators, specifically Representative Sal Santoro, and their mission to keep the Brent Spence Bridge toll-free. In response to a question asked by Chairman Upchurch, Deputy Secretary Hancock stated there are no estimates on what revenue tolls would have brought in from the bridge as this project was pursued without the intent of tolling.

In response to a question asked by Chairman Upchurch, Deputy Secretary Hancock stated approximately $104 million was collected in 2021 from tolls on the Louisville-Southern Indiana Ohio River Bridge. Mr. Hancock added financially the two projects are very different. The Louisville-Southern Indiana Ohio River Bridge project is a system that is still being built, and the Brent Spence Bridge is a mature transportation system in the greater Cincinnati area.

In response to a question asked by Representative Kevin Bratcher, Deputy Secretary Hancock stated the reason behind the Louisville Bridge being tolled and the Brent Spence Bridge not being considered for tolling is that the projects were on two different time-frames. He added when the Louisville-Southern Indiana Ohio River Bridge project was pursued, there was not a federal highway investment program the size of the recent infrastructure bill passed by congress.. He added with the Louisville-Southern Indiana Ohio River Bridge project, KYTC was working to use all of the tools at their disposal to get the project implemented as quickly as possible, and at that time that was the avenue that was available to complete the project.

Representative Kevin Bratcher discussed the Louisville Metro-Council's desire to do away with tolling of the Louisville bridges. Deputy Hancock added that the tolls are structured around long-term debt mechanisms which is not simple and difficult to pay the costs off and move on.

Senator David Yates stated as a former member and President of the Louisville Metro-Council, the reduction of tolls was considered for the Louisville Bridges in the event a circumstance would allow.

In response to a question asked by Representative Tom Smith, Deputy Secretary Hancock stated he can provide a breakdown of what Kentucky will receive out of the $1.7 trillion infrastructure bill that was passed by Congress.

Regional Driver License Model and Processes in the Northern Kentucky Region

Sarah Jackson, REAL ID Project Manager, briefly updated the committee on Northern Kentucky regional driver licensing offices. The regional offices for Northern Kentucky include offices in Burlington, Covington, Independence, and Maysville. A person may choose any regional office in Kentucky regardless of county of residence for their driver licensing needs. The driver may choose to obtain a standard license or a REAL ID license, and can choose from a four or an eight year card lifespan. The driver licensing regional offices accept appointments or walk-ins. Payment options include credit/debit cards, cash, personal check, certified check, or money order.

One option that is available to renew a driver's license is the mail-in program for those who want to skip a trip to a regional office. The program also offers an address change feature. To date, nearly 12,500 Kentuckians have renewed their credentials by mail.

Another option that is available for renewing a driver's license is to utilize the online license renewal program. The program easily handles the most traffic from Kentuckians wanting to not travel to a regional office. To date, nearly 147,000 Kentuckians have renewed their licenses or ID card online.

Popup portable driver licensing offices are also an option to obtain credentials. The popup driver licensing program has already been in 82 of the state's 94 popup-eligible counties in just five months. The popup driver licensing offices will travel to Bracken and Harrison Counties in July.

Kentucky State Police (KSP) administers all permit, driver, and commercial driver license testing for the Commonwealth. Testing services are offered Monday through Friday by appointment only. Applicants who require testing by KSP for a permit, driver license, or commercial driver license may make an appointment with KSP through its website.

The REAL ID enforcement date is May 3, 2023. By that date, a form of REAL ID will be required for U.S. commercial air travel, to visit military bases, and to visit federal facilities that require identification. Other federally approved documents, such as a valid passport, are acceptable forms of REAL ID.

In response to a question asked by Representative Walker Thomas, Ms. Jackson stated when finding and obtaining property for regional licensing offices, KYTC must go through the Finance Cabinet.

Northern Kentucky Transportation Projects

Bob Yeager, District 6, Chief District Engineer, KYTC gave a brief overview of several important transportation projects in various stages in Northern Kentucky. The 4th Street Bridge project connecting Covington to Newport over the Licking River is currently forming an aesthetics committee to assist in developing final bridge design features. This project is planning for a construction letting in late fall of 2023.

The I-275/I-71/75 interchange reconstruction project currently has people developing possible solutions to the congested interchange. As of now, there is no construction date or funding for construction of this project. The initial study of the I-75 interchange at Walton Kentucky is underway with planning to include a new interchange on I-75 south of Walton. This was recently added to the Six-Year Road Plan.

The Donaldson Road reconstruction letting is scheduled for September 2022. The Mineola Pike reconstruction project has been awarded with work to begin soon. The Infra Grant Project (KY338 interchange, KY536 interchange, and I-75 lane addition) has a total cost of $120 million, with Grant funding of $70 million.

The I71/75 additional lanes project is expected to be completed by the fall of 2022. The KY338 interchange project is expected to be completed by the fall of 2023. The KY536 interchange project is expected to be completed by the fall of 2022.

The Graves Road project (the new interchange on I-275 in Boone County) has been delivered by design/build and the interchange opened in December 2020. The project is expected to be completed by July 2022.

Staff Recognition

Chairman Upchurch recognized long-time LRC Transportation Staff Committee Analyst Brandon White for his exemplary service to the committee. Mr. White has been named the Committee Staff Administrator for the newly established Commission on Race and Access to Opportunity within the LRC.

With no further business to come before the committee, Chairman Upchurch adjourned at 1:19 P.M.

INTERIM JOINT COMMITTEE ON TRANSPORTATION

Minutes of the 2nd Meeting of the 2022 Interim

July 5, 2022

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Transportation was held on Tuesday, July 5, 2022, at 1:00 PM, in Room 149 of the Capitol Annex. Representative Ken Upchurch, Chair, called the meeting to order, and the secretary called the roll. The minutes from the June 2, 2022 meeting were approved.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Ken Upchurch, Co-Chair; Senators Karen Berg, Johnnie Turner, Mike Wilson, Max Wise, and David Yates; Representatives Josh Branscum, Kevin D. Bratcher, Jonathan Dixon, Ken Fleming, David Hale, Samara Heavrin, Thomas Huff, Derek Lewis, Bobby McCool, Shawn McPherson, Charles Miller, Ruth Ann Palumbo, Tom Smith, Cherlynn Stevenson, Ashley Tackett Laferty, Walker Thomas, and Buddy Wheatley.

Guests: John Moore, Assistant State Highway Engineer for Project Development, Kentucky Transportation Cabinet (KYTC); Justin Harrod, Planning Lead, KYTC; Michael Kennedy, Director, Division for Air Quality, Energy and Environment Cabinet (EEC); Rachel Hamilton, Director, Louisville Metro Air Pollution Control District

LRC Staff: John Snyder, Dana Fugazzi, and Christina Williams

Recognition of Fallen Officers

Representative Ashley Tackett Laferty recognized Prestonsburg Police Captain Ralph Frasure, Prestonsburg Police Officer Jacob Chaffins, Floyd County Sheriff's Deputy William Petry, and Floyd County Sheriff's K9 Officer Drago who were killed while responding to an incident in Allen, Kentucky on June 30, 2022. A moment of silence was held for the fallen officers.

Kentucky's Electric Vehicle (EV) Infrastructure Deployment Plan

John Moore, Assistant State Highway Engineer for Project Development, KYTC, gave a brief update on Kentucky's EV Infrastructure Deployment Plan (EVIDP). The National Electric Vehicle Infrastructure (NEVI) Formula Funding Program's goal is to fund a convenient, reliable, affordable, and equitable national EV charging network. The initial focus is to have charging stations on interstates to support long distance travel. The NEVI program will provide Kentucky with $69.5 million over five years, and $10.3 million in 2022. Upon approval, Fiscal Year (FY) 2022 and 2023 funding will be available. The Federal Highway Administration (FHWA) indicates approval by September 30, 2022. The program requires a 20 percent match with a potential for either state or private parties to provide the match. The funds will be used to build-out Alternative Fuel Corridors (AFCs) first, then other charging locations. Charging station requirements include direct current fast charging (DCFC) stations, also known as level three stations, spaced less than 50 miles apart, with each station having four ports at 150 kilowatts each. A statewide plan to secure funds must be approved by the joint office of the United States Department of Transportation (USDOT) and the United States Department of Energy (USDOE).

There are three types of EV charging stations. Level one charging stations, generally used in the home, are alternating current (AC) powered through a standard outlet and are the slowest charging. It takes approximately 48 to 72 hours to obtain enough charge to travel 250 miles with a level one charger. Level two charging stations are also AC powered but connect through a dryer outlet. They are also slow charging, and can take up to ten hours to charge enough to travel 250 miles. A level three charging station is powered by DCFC. It is the fastest charging and can charge enough to travel 250 miles in 30 minutes. The initial NEVI funding is exclusively for level three stations. Mr. Moore stated that proprietary stations such as Tesla Superchargers are not part of the NEVI formula program.

A map was shown to highlight Kentucky's priority EV corridors. The map indicated existing out-of-state EV Alternative Fuel Corridors, existing EV Alternative Fuel Corridors in Kentucky, NEVI build-out corridors (proposed AFC), and existing NEVI compliant DC fast current charge stations.

Phase one of the funding plan involves $16.8 million in funding of the primary interstates. Phase two funds parkways and other freeways for $20.4 million. Phase three funds other priority highways at a funding amount to be determined. Phase four funds community and park charges, also at an amount to be determined.

Most states, Kentucky included, are completing very high-level planning and not yet identifying any locations. Currently, the plan has evaluated the suitability and priority of interchanges, and promises the private sector will be involved during contracting to optimize the site selection. The factors considered for deployment of EVIDP are the distance to existing level three stations, which meet the NEVI standards, rural designation, equity designation, miles of corridor coverage, intersecting road traffic, presence of amenities, and power availability and reliability.

Kentucky, like the vast majority of states, does not plan to own or operate charging stations. The NEVI funds are intended to jumpstart the EV industry rather than build-out public EV infrastructure. With the critical role of private entities, Public-Private Partnerships (PPPs) may be the most effective manner to secure private sector investment. The KYTC has initiated a process to select a method and is reaching out to the industry for feedback.

The EVIDP plan development requires getting the plan approved by the FHWA and coordination with FHWA and joint offices, with annual plan updates from 2023 onward. Implementation includes finalizing the contracting method which includes the consideration of bundling strategies, and coordination with the Finance and Administration Cabinet. The procurement phases involve the development and evaluation of procurement documents, and evaluating submittals and awarding contracts. Deployment phases involve monitoring construction, operations, and compliance. The plan meets the federal requirements and will be submitted before the August 1, 2022 deadline. Stakeholders include private companies, utility operators, government entities, nonprofit organizations, and manufacturers.

In response to a question asked by Chairman Upchurch, Mr. Moore stated there is not a concern on the effects the deployment plan will have on Kentucky's electrical grid. It would take a very rapid adoption of the plan, which is not forecasted for Kentucky, for there to be an issue.

In response to a question asked by Senator Jimmy Higdon, Mr. Moore stated in utilizing PPPs, the process of determining which company will acquire the charging stations has yet to be determined. He added they anticipate bundling the charging stations so there is a potential for multiple vendors to bid for those deployments.

Senator David Yates stated Kentucky wants to maintain its positive economic growth and economic hub standing, and encouraged speed of deployment and the use of the latest technology available.

Representative Ashley Tackett Laferty expressed concern over the lack of charging stations to be rolled out in Eastern Kentucky. Mr. Moore stated the intent was to rollout on interstates and parkways initially, and then to other priority roads, which more extensively touch eastern Kentucky.

Representative Samara Heavrin expressed her appreciation for the involvement of the private sector in the rollout of the program, as it alleviates some funds the government would have to provide. In response to a question asked by Representative Heavrin concerning the $17.4 million match needed for the deployment plan, Mr. Moore stated the matching funds were anticipated to be provided by the private sector, which is unique to this program. Senator Higdon added that $17 million was budgeted out of the General Fund for the federal match.

In response to a question asked by Representative Heavrin, Mr. Moore stated they have tried to overestimate the cost of the initial deployment to take inflation into consideration. He added because there will be vendors competing for the project there will be pressure on competitive pricing.

In response to a question asked by Representative Heavrin, Mr. Moore stated it is not unreasonable to deploy a charging station every 50 miles, even in rural areas of Kentucky.

In response to a question asked by Senator Johnnie Turner, Mr. Moore stated all of the federal funds to be used for the deployment of the program are restricted to the designated Alternative Fuels Corridor, which currently in Kentucky consists of interstates and parkways. He added once those corridors are built out, then those funds can be extended to other priority highways, such as US 23. Mr. Moore added that a timeframe is unknown when US 23 will be considered for deployment. In response to a follow-up question by Senator Turner, Mr. Moore stated KY 80 is also a part of the Alternative Fuels Corridor network.

In response to a question asked by Representative Tom Smith, Mr. Moore stated he is unaware of a dollar figure that an average family would be pay for electric vehicle (EV) usage per year. Representative Smith expressed his concern that EV owners are not paying a fair share for the usage of Kentucky's roads, as revenue must come in to substitute for the loss of gas tax revenues. Senator Higdon added that the General Assembly had several discussions on what cost to implement on the use of EVs and that determination has been delayed until 2024 so that more discussion can occur. He added for now, the consensus that was reached was a $120 user fee for EVs per year, and a $60 user fee for hybrid vehicles. For the commercial charging stations, a three cent user fee is to be collected for each kilowatt hour, this does not include what the facility will charge for electricity. The Road Fund will receive that three cents per kilowatt hour.

Senator Karen Berg expressed her concern with the use of PPPs because of the possibility that the installation of charging stations will slow if profit margins begin to decrease.

Use of Reformulated Gasoline (RFG) in the Commonwealth

Michael Kennedy, Director, Division for Air Quality, EEC gave a brief presentation on the use of RFG in the Commonwealth. The mission for the Division for Air Quality is to protect human health and the environment by achieving and maintaining acceptable air quality through the operation of a comprehensive air monitoring network; creating effective partnerships with air pollution sources and the public; timely dissemination of accurate and useful information and data; judicious use of program resources; and maintenance of a reasonable and effective compliance program.

The federal Environmental Protection Agency (EPA) set national ambient air quality standards for six criteria of pollutants, one of those being ozone. Ozone is formed through the combination of nitrogen oxides (NOx), volatile organic compounds (VOC) and sunlight. Therefore there is not a particular source that emits ozone, but the sources that emit NOx and VOC have a chemical reaction that produces ozone. Emissions from industrial facilities and electric utilities, motor vehicle exhaust, gasoline vapors, and chemical solvents are some of the major sources of NOx and VOC.

In 1990, the Clean Air Act was created to reduce ozone levels in certain areas of the country by decreasing the VOCs in vehicle emissions. The EPA required areas that had serious non-attainment to adopt RFG. Louisville and Northern Kentucky were declared moderate; therefore, those areas were not required to be in that program. But to take advantage of the reduction in VOC and NOx, in September of 1993, Governor Jones requested to opt-in to the implementation of RFG in Kentucky. Reformulated gasoline served as an air pollution control measure beginning January 1, 1995 for Northern Kentucky and the Louisville area. Initially, the RFG program reduced NOx and VOC by an estimated 17 percent.

There is a multi-step process to opt-out of the RFG program. The first step requires a petition for removal from the RFG program. Next a non-interference demonstration showing that the removal of RFG will not cause the area to exceed the ozone standard must be submitted to the EPA. The EPA must then approve the non-interference demonstration and the approval of the petition request. In April of 2017, EEC submitted a petition to EPA to opt-out of the RFG program for the Northern Kentucky and Cincinnati area. The EPA approval of the petition to remove the area from the federal RFG program was effective July 1, 2018. The current RFG areas include all of Jefferson County, portions of Bullitt County, and portions of Oldham County.

An annual cost comparison of the average gas prices in Kentucky in 2021 was presented for Cincinnati, Covington, Louisville, Lexington, Bowling Green, and Clarksville, Indiana. Also provided was an ozone season cost comparison for Cincinnati, Covington, Louisville, and Clarksville. The RFG summer ozone season, when more ozone is typically produced, is May 1 through September 15. More precautions to reduce ozone formation must be taken during the summer ozone season.

Since Kentucky opted-in to RFG, gasoline has improved over time because of federal policies such as the Energy Policy Act of 2005 which removed the oxygenate requirement of RFG, and mandated gasoline nationwide to contain increasing volumes of renewable fuels (i.e. ethanol). The EPA also adopted Mobile Source Air Toxics (MSAT) rule which applied a benzene content standard to all types of gasoline, including special blends. Since Kentucky opted in to RFG, vehicle emission controls have also significantly improved.

Rachel Hamilton, Director, Louisville Metro Air Pollution Control District, gave a brief update on ozone and how its impact is being dealt with in Louisville. Ms. Hamilton stated that the Clean Air Act at its core is a public health strategy. She stated the health effects of ozone can include irritated throat, eyes, and mucus membranes, wheezing, shortness of breath, cough, asthma, chest pain during inhalation, and increased respiratory issues. Pulmonary inflammation and a greater risk of heart attack are also health effects of ozone.

The Clean Air Act is a continuous improvement program. The national ambient air quality standards are set and Congress requires the EPA to review the most recent health-based science. When that science says that there are still public health impacts, they require a lower standard and then leave it to state and local air pollution control agencies to develop the plan to reach that next level.

In 2018 Louisville and Northern Kentucky were designated as marginal non-attainment, which is the lowest level of ozone non-attainment. The new standard to be reached was 70 parts per billion. This goal was attempted to be reached using a three year design set from 2018 to 2020. Neither Louisville nor Northern Kentucky were able to make that demonstration a reality.

Because the deadline of August 2021 in that three year design was missed, it requires a proposal of bumping the areas up to moderate non-attainment. It allows for more stringent controls on emission sources such as electric generating utilities or industrial sources of NOx or VOCs. Once EPA finalizes the bump up to moderate non-attainment, which would be in 2023, if those areas continue to be in moderate non-attainment, then by 2026 there is a requirement for the areas to implement a vehicle emissions testing, or other programs.

However, even though these plans are in process, both areas are now currently meeting the standard of 70 parts per billion. Because that standard is now being met, Louisville and Northern Kentucky, through EEC, have prepared the request for redesignation. If the areas are redesignated to attainment, then planning and other requirements for moderate non-attainment cease. Currently the requests for redesignation have been noticed, and the EEC's public comment period ends on July 27, 2022, with the local public comment period ending July 29, 2022. After that, the proposal goes to EPA. Once it is approved, then those area would be designated in attainment.

In response to a question asked by Senator Higdon, Ms. Hamilton stated Kentucky has achieved the reductions that were expected under the initial Clean Power Plan which was passed by the Obama administration and then rescinded under the Affordable Clean Energy Rule. That milestone was achieved approximately nine years early. She added going forward, how the work implementation will proceed is yet to be seen.

Representative Kevin Bratcher expressed his displeasure over the RFG requirement, citing that the Louisville area has been bound by a decision made by a governor some 30 years ago.

In response to a question from Representative Bratcher, Ms. Hamilton said she did not think the recent Supreme Court ruling in the West Virginia vs. EPA case would have much effect on the situation in Louisville because that was a narrow decision dealing with the EPA's authority to regulate greenhouse gas emissions from an electric generation facility.

In response to a question from Representative Bratcher, Ms. Hamilton said the conversion of the Cane Run coal fired power plant to natural gas in 2015 was done in response to another EPA requirement to reduced mercury and sulfur dioxide, and under EPA rules, this reduction in pollutant could not be considered when looking at the ozone issue.

In response to a question from Representative Bratcher, Ms. Hamilton said that during the early parts of the COVID pandemic, there was a temporary decrease in pollution form mobile sources, but by the summer of 2020, numbers reverted almost all the way back to normal levels.

In response to a question from Representative Bratcher, Ms. Hamilton said that clean air standards are continuously updated by the EPA, in accordance with the requirements of the Clean Air Act. The standard was reduced from 72 to 70 parts per billion (PPB) in 2015, and the PEA decided not to change that number in 2020. She also emphasized that the standard does fluctuate.

In response to a question from Representative Bratcher, Mr. Kennedy said that RFG does cost approximately 5 to 7 cents per gallon more to produce, but the cost of gasoline at the pump is a result of many factors. Ms. Hamilton stated that they do track gas prices across the state and currently, gas is cheaper in the Louisville area than it is in Northern Kentucky, where they use standard gasoline.

In response to a question from Representative Bratcher, Ms. Hamilton said the Air Pollution Control Board was established by the General Assembly in 1952 under KRS Chapter 77. Its predecessor, the Smoke Commission, has been in existence since the 1940s. Ms. Hamilton stated that the Louisville area has essentially that same pollution sources as the entire state of Wyoming, including two major auto assembly plants, both a coal fired and natural gas electric generation facility, the Rubbertown chemical plants, and the state's largest wastewater treatment facility.

In response to a question asked by Representative Buddy Wheatley, Ms. Hamilton stated that the state of California and much of the southwest are required to use reformulated gas, so a large number of the population is required to use RFG gas.

In response to a question asked by Representative Wheatley, Ms. Hamilton stated with respect to ozone designation and how a non-attainment area may impact an area nearby, when a new standard is passed, there is an 18 month process to properly define the area. That process begins with what the state proposes based on understanding of the population, the sources of pollution, and the types of pollution. Ozone is unique in that it is not directly emitted from a stationary source. After the state proposal, a recommendation is made to the EPA. The EPA then responds with an agreement, or they go through their own process where they might reject a finding based on their analysis. A technical support document is then made where different factors are taken into account.

In response to a question asked by Representative Ken Fleming, Ms. Hamilton stated the current primary goal is to bring the area into attainment. If the area is not brought into attainment, and bumped up to moderate, those additional controls the Reasonably Achievable Control Technology (RACT) and Reasonably Achievable Control Measures (RACM) will include additional control for Kentucky utilities. Once attainment is reached, then an opportunity can be presented to evaluate removing RFG at that time.

In response to a question asked by Representative Fleming, Ms. Hamilton stated she will provide a copy of the EPAs Regulatory Impact Analysis for the 2015 Ozone Standard, where they evaluate public health standards. She stated there are several other publications that she could share as well.

Representative Thomas Huff read a statement from the Air Pollution Control District as reported by WLKY news that stated based off of the 2019, 2020, and 2021 air monitoring data, the Louisville area is now meeting the National Ambient Air Quality Standards. Ms. Hamilton stated the data has been obtained that shows the areas are now meeting the standards. Certifying the data for the ozone season from 2020 to 2021 was completed early in January of 2022. Because Louisville has the state's incore monitor, which is required to monitor ozone year-round, the full years' worth of ozone data must be certified. There are also other requirements under the Clean Air Act that must be met before preparation of the request for redesignation. Both Louisville and Northern Kentucky have prepared the request for redesignation. The public comment portion of the process is now underway. Once that is complete it will go to the EPA. Once approved by the EPA they will designate the area as attaining the standard.

Study Report

The June Report for the Interim Staff Study on Electric Vehicles and Transportation Funding was provided to members. In the 2022 regular session of the General Assembly, House Bill 8, Section 56 required staff to report to LRC monthly during the interim on these topics for referral to the Interim Joint Committees on Appropriations and Revenue and Transportation. The study is being done over five months, and the study report provided the first ten states reviewed. Studies will be issued each month, with a compilation of all 50 states produced at the end of the interim.

This report was produced by the staff of the Appropriations and Revenue Committee, and was reviewed by the staff of the Transportation Committee prior to publication.

With no further business to come before the committee, Chairman Upchurch adjourned the meeting at 2:42 P.M.

INTERIM JOINT COMMITTEE ON VETERANS, MILITARY AFFAIRS, AND PUBLIC PROTECTION

Minutes of the 1st Meeting of the 2022 Interim

June 22, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Veterans, Military Affairs, and Public Protection was held on Wednesday, June 22, 2022, at 10:00 AM, in Room 154 of the Capitol Annex. Representative Walker Thomas, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Walker Thomas, Co-Chair; Senators Jimmy Higdon, Alice Forgy Kerr, Stephen Meredith, Dennis Parrett, Wil Schroder, Brandon Smith, Whitney Westerfield, and Mike Wilson; Representatives John Blanton, Kevin D. Bratcher, Chris Freeland, Chris Fugate, Jim Gooch Jr., Mark Hart, Matthew Koch, Patti Minter, Scott Sharp, Ashley Tackett Laferty, and Bill Wesley.

Guests: Lee Robertson, Distinguished Veteran; Brigadier General (Ret.) Steve Bullard, Executive Director, Kentucky Commission on Military Affairs; Lieutenant Colonel (Ret.) Dr. Dallas Kratzer, C4 Grant Manager, KCMA; Dr. Jeffrey Sun, Professor and SKILL Collaborative Director, University of Louisville; Dr. David McFaddin, President, Eastern Kentucky University; Barbara Kent, Director, EKU Office of Military & Veterans Affairs.

LRC Staff: Jessica Zeh and Logan Schaaf.

Distinguished Veteran

Lee "Mr. Western" Robertson spoke to the committee about his service in the Pacific in World War II and his work for Western Kentucky University over the last sixty years. Mr. Robertson turned 100 earlier in the month. He received challenge coins from the committee, the Kentucky Department of Veterans Affairs, the Governor's Office, and received a quilt of valor from the Capital City Quilts of Valor group.

Kentucky Commission on Military Affairs

Brigadier General (Ret.) Steve Bullard, Director of the Kentucky Commission on Military Affairs; Lieutenant Colonel (Ret.) Dr. Dallas Kratzer, C4 Grant Manager for the KCMA; and Dr. Jeffrey Sun, Professor and SKILL Collaborative Director for the University of Louisville delivered a presentation on Cybersecurity, Certifications, Careers, and Communities (C4). Gen. Bullard said that the C4 Program is the third phase of a grant program. The KCMA is partnered with the University of Louisville for this program, which began in February of 2020.

Dr. Sun provided an overview of the C4 Program, including its certification workshops, cyber experiences, and work with employers on cybersecurity. Dr. Sun noted that a major goal of the program is to ensure that participants are fluent in cybersecurity and that they encourage their family, friends, and coworkers to take it seriously. He also emphasized the importance of integrating veterans.

Dr. Kratzer highlighted the efforts of the SKILL Program, a workforce initiative supporting veterans in their post-military careers. He spoke about the coming launch of a program designed to foster compliance with the Cybersecurity Maturity Model Continuum (CMMC), an upcoming Department of Defense cybersecurity effort.

Gen. Bullard covered some of the upcoming legislative priorities for the KCMA and spoke about including the proximity to a military base on real estate disclosures.

Eastern Kentucky University

Dr. David McFaddin, President of Eastern Kentucky University, and Barbara Kent, Director of the EKU Office of Military & Veterans Affairs, spoke about EKU's efforts to serve veterans. Dr. McFaddin highlighted EKU's accolades, including being named the number one military friendly school in Kentucky and number three in the U.S.

Ms. Kent covered the four main aspects of EKU's VETS Ready Program: top-down support and resources, pathways to degree completion, campus and community partnerships, and program and faculty. The VETS Ready Opportunity Portal allows veterans and service members to plan their path to degree completion. At the beginning of the 2021-22 school year, 1540 active duty service members, veterans, military dependents, reserve members, and military spouses were enrolled in EKU. Ms. Kent spoke about EKU's grant proposal to the Department of Education to establish a Veterans Upward Bound (VUB) Federal Trio program, which would prepare first-generation, low-income veterans to enter postsecondary education at no cost to the veteran. EKU expects to receive notification of the award in August or September of this year.

Gen. Bullard praised the efforts of Ms. Kent. Senator Meredith asked how Dr. McFaddin and Ms. Kent anticipated the growth of the VETS Ready Program. Ms. Kent said, in response to Sen. Meredith's question about the growth of VET ready program, that three years ago, the goal was 2000 students by 2024. The pandemic disrupted some recruiting efforts, but enrollment continues to grow. Responding to another question from Senator Meredith, Ms. Kent said that the program is marketed online and in person on military bases.

Representative Wesley praised EKU's service to veterans. In response to Representative Sharp, Ms. Kent invited all of the committee members to visit the campus to see the programs, and Dr. McFaddin mentioned new facility needs for future growth. He also noted that there could be premiums added to the performance funding model for service to veterans.

Review of Administrative Regulation

The committee took no action on the referred administrative regulation, 800 KAR 001:020 Emergency - Team Western Kentucky Tornado Relief Fund.

With no further business before the committee, the meeting adjourned at 11:30 a.m. The second meeting of the Interim Joint Committee on Veterans, Military Affairs, and Public Protection will be on July 20, 2022, at 10:00 a.m.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

June 23, 2022

Call to Order and Roll Call

The June Capital Projects and Bond Oversight Committee meeting was held on Thursday, June 23, 2022, at 2:00 PM, in Room 169 of the Capitol Annex. Representative Chris Freeland, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Chris Freeland, Co-Chair; Senator Robin L. Webb; Representatives Keturah Herron, Jason Petrie, and Walker Thomas.

Guests: Meg Campbell, Executive Director of University Planning, Design, and Construction, University of Louisville; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Jennifer Linton, Executive Director, Office of Facility Development and Efficiency, Department for Facilities and Support Services; Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; Steve Starkweather, Deputy Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Korey Sallee, Committee Analyst; and Liz Hardy, Committee Assistant.

Approval of Minutes (May 19, 2022)

Representative Petrie moved to approve the May 19, 2022 meeting minutes. Representative Thomas seconded the motion, and the committee approved without objection.

Information Items

Ms. Halloran referenced four information items. Pursuant to KRS 45.760(5), the University of Kentucky reported the $607,500 purchase of a L3 Meld machine for its Center for Robotics and Manufacturing Systems Building as part of its "Next Generation Materials and Processing Technologies" project. Last year, UK announced the $50 million partnership with the University of Tennessee, Knoxville and the U.S. Army Combat Capabilities Development Command's Army Research Laboratory to improve U.S. manufacturing capabilities.

Pursuant to KRS 45.810(4); the secretary of the Finance and Administration Cabinet notified the committee that after consultation with the Cabinet for Economic Development and in consideration of the local tax dispute, the proposed use of Kentucky Economic Development Finance Authority bond proceeds for Masonic Homes will be canceled.

Pursuant to KRS 45.812(1); six school districts, none of which needed an additional tax levy to pay debt service, reported upcoming debt issues through their fiscal agents for new projects. The school districts were Clay County, Elliott County, Green County, Nicholas County, Rowan County, and Russell Independent (Greenup County).

Pursuant to KRS 45A.860(3); the Auditor of Public Accounts provided reports certifying procedural statutory compliance with KRS 45A.840 to KRS 45A.879 (Underwriter and Bond Counsel Services) for four fiscal year 2022 selection committees and six fiscal year 2021 selection committees.

Lease Report from the Postsecondary Institutions University of Louisville

Ms. Campbell submitted a new lease [Cardinal Station for the Human Resources and Risk Management offices as well as the Get Healthy Now program], moving one group from two University of Louisville Foundation buildings to another ULF location.

Representative Thomas moved to approve the new lease, Co-Chair Freeland seconded the motion, and the committee approved by unanimous roll call vote.

Project Report from the Finance and Administration Cabinet

Ms. Tomes submitted the $971,800 Capital Construction and Equipment Purchase Contingency Account transfer for the nonrecurring moving costs of Finance and Administration Cabinet agencies and the Office of State Budget Director, over 170 executive branch employees, from the West Wing of the Capital Annex to the fifth floor of Transportation Cabinet Office Building. The Cabinet assessed both state-owned and leased space prior to selecting the Transportation Cabinet Office Building. Costs included fifth floor renovations; Commonwealth Office of Technology expenses, including audio/visual equipment for conference rooms; and moving services.

In response to Representative Petrie, Ms. Linton said that she would provide the committee with an itemized list of moving costs. Representative Petrie moved to defer action until review of said costs, Representative Thomas seconded the motion, and the committee approved without objection.

Ms. Tomes reported the $5 million Department of Veterans' Affairs emergency repair, maintenance, or replacement Radcliff Veterans' Center Building Repairs project; $4,977,500 from the Emergency Repair, Maintenance, and Replacement account, $20,000 from KDVA's 2020-2022 investment income maintenance pool, and $2,500 from KDVA's agency restricted funds. The RVC has structural defects due to errors during initial construction, correction of which is necessary to ensure the RVC is usable and to maintain its operations. The project includes roof and siding replacement; repairs to the concrete sealant, fence posts, gutters, retaining walls, and soffits; and rectification of related issues.

Lease Report from the Finance and Administration Cabinet

Representative Petrie moved to roll the lease renewal and tenant improvement fund disbursement request into one roll call vote, Co-Chair Freeland seconded the motion, and the committee approved without objection.

Mr. Aubrey submitted a Cabinet for Health and Family Services lease renewal under the same terms and conditions for space in Clark County and an Education and Labor Cabinet tenant improvement fund disbursement request for the installation of six ADA door openers on the first floor of the Mayo-Underwood Building in Frankfort. CHFS's renewal was for 10,946 square feet at $10 per square foot for total $109,460 annual cost through June 30, 2023. For the six ADA door openers; DRP received one quote from CMR of $37,871.36. Including this disbursement, the cumulative Mayo-Underwood disbursements were $45,701.29.

Representative Thomas moved to approve the lease renewal and tenant improvement fund disbursement request, Representative Herron seconded the motion, and the committee approved by unanimous roll call vote.

Mr. Aubrey reported an amended Transportation Cabinet, Kentucky Division of Highways emergency lease for space in Warren County and a Justice and Public Safety Cabinet, Department of Corrections lease modification, amortizing leasehold improvements, for space in Calloway County. The amended emergency lease is to house travel trailers [KYTC purchased two hundred with House Bill 5 proceeds for the Commonwealth Sheltering Program] for families whose primary residences were majorly damaged, destroyed, or not habitable due to the December 2021 tornadoes. The site had utility hookups; therefore the lease was procured through non-competitive negotiation at $500 per site per month. DRP amended the month-to-month lease to add two lots to the original twelve.

For the leasehold improvements, DRP received two estimates; $16,975 from Cleaver Construction and $17,480 from Adams Construction. DRP selected the lower bid, the amount of which will be amortized through the June 30, 2027 current lease expiration date.

Kentucky Infrastructure Authority (KIA)

Representative Thomas moved to roll the Clean Water State Revolving Fund (Fund A) Program loan increase and loan, Drinking Water State Revolving Fund (Fund F) Program loan increase, and seventy-three Cleaner Water Program grants into one roll call vote; Senator Webb seconded the motion, the committee approved without objection.

Ms. Williams submitted a Fund A Program loan increase and loan, Fund F loan increase, and seventy-three CWP grants. The City of Hopkinsville, for the benefit of the Hopkinsville Water Environment Authority, requested a $15 million Fund A planned construction loan increase to the $30 million KIA loaned over the previous three funding cycles, for the multi-phased $48.3 million Hammond-Wood Wastewater Treatment Renovation and Expansion project; bringing the total Fund A loan amount to $45 million. The loan term is thirty years at a half percent interest rate.

The City of Frenchburg requested a $722,040 Fund A loan, [of which KIA will apply $361,020 in principal forgiveness,] for the $1,972,040 City of Frenchburg Wastewater Collection System Rehab project; replacing up to 10,000 linear feet of sewer lines as well as realigning and raising manholes. A $750,000 Community Development Block Grant and $500,000 Appalachian Regional Commission grant will finance the remaining project costs. The loan term is thirty years at a quarter percent interest rate.

Due to higher than projected bids, the City of Albany requested a $268,000, director level (200 KAR 17:070 Section 8(6)) Fund F loan increase to its previously approved $2.68 million Fund F loan of which KIA will apply $680,000 in principal forgiveness for the $2.951 million Albany - Water Treatment Plant (A & B) Improvements. The loan term for the $2.948 million total loan amount is thirty years at a quarter percent interest rate.

Of the seventy-three CWP grants, twenty-two were for sewer projects in fourteen counties and fifty-one were for water projects in twenty-two counties.

Representative Petrie moved to approve KIA's submittal, Senator Webb seconded the motion, and the committee approved by unanimous roll call vote.

Cabinet for Economic Development

Ms. Smith submitted a $500,000 economic development grant, [from the Kentucky Product Development Initiative (PDI) program which, administered in conjunction with the Kentucky Association for Economic Development and codified in House Bill 745, uses EDF monies for industrial site upgrades], for the County of Trigg on behalf of the Cadiz-Trigg County Industrial Development Authority. The two organizations are partnering to construct a $3.5 million, 100,000 square foot speculative building on a fifteen acre Build-Ready pad site at Interstate 24 Business Park. [A $2.25 million bank loan and $750,000 Tennessee Valley Authority grant will finance the remaining project costs]. An independent site selection consultant identified the project as having potential for future economic development opportunities. CED will disburse funds on a reimbursement basis upon review and approval of supporting documentation including invoices, proof of payment, matching funds, and progress report.

Representative Thomas moved to approve the EDF grant, Senator Webb seconded the motion, and the committee approved by unanimous roll call vote.

Office of Financial Management

Representative Thomas moved to roll the two new debt issues into one roll call vote, Representative Herron seconded the motion, and the committee approved without objection.

Mr. Starkweather submitted two new debt issues. The first was the Eastern Kentucky University General Receipts Bonds, 2022 Series A. The estimated $50.53 million, thirty-year, tax-exempt debt issue will finance the reauthorized HB 1 Residence Hall Renovation Pool. The projected all-in true interest cost is 4.46 percent with a July 13, 2022 scheduled pricing. The second was the estimated $70 million, twenty-year, tax-exempt Western Kentucky University General Receipts Refunding Bonds, 2022 Series A and General Receipts Bonds, 2022 Series B and 2022 Series C. The Series A and B debt are refinancings generating a projected $1 million aggregate net present value savings. The Series A will refund outstanding 2012 Series A debt issued by the university [for Renovate Downing University Center Phase III] and the Series B will refund outstanding Series 2010 debt issued by the City of Bowling Green for the Diddle Arena, and related facilities, renovations. The estimated $38.6 million Series C will fund a portion of the reauthorized HB 1 Construct, Renovate, and Improve Athletic Facilities pool. The estimated all-in true interest cost is 3.44 percent with a scheduled July 15, 2022 pricing.

In response to Representative Petrie, Mr. Starkweather stated that the $276,600 estimated Series B net present value savings is net of transactional costs. [The Series B debt was issued in accordance with language in the executive branch budget bill allowing municipalities to refinance debt obligations for which the rental or use payments of the university substantially meet the debt service requirements].

Representative Herron moved to approve the two new debt issues, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Senator Webb moved to roll the six school district debt issues with SFCC debt service participation into one roll call vote, Representative Petrie seconded the motion, and the committee approved without objection.

Mr. Starkweather submitted six school district debt issues with SFCC debt service participation totaling $112.610 million for new projects; $86.15 million of which was for the new Woodford County High School. The school districts, none of which needed an additional tax levy to pay debt service, were Clay County, Middlesboro Independent (Bell County), Muhlenberg County, Nicholas County, Rowan County, and Woodford County.

Representative Thomas moved to approve the six SFCC debt issues, Representative Herron seconded the motion, and the committee approved by unanimous roll call vote.

Next Meeting Date and Adjournment

Representative Freeland announced Thursday, July 21 as the next meeting date. With there being no further business the meeting adjourned at 2:30 p.m.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE

Minutes of the June Meeting

June 14, 2022

Call to Order and Roll Call

The June meeting of the Administrative Regulation Review Subcommittee was held on Tuesday, June 14, 2022, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Stephen West, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen West, Co-Chair; Representative David Hale, Co-Chair; Senators Julie Raque Adams and Ralph Alvarado; Representatives Randy Bridges and Deanna Frazier Gordon.

Guests: Todd Allen, General Counsel, Education Professional Standards Board; Kelly Jenkins, Executive Director and Jeffrey Prather, General Counsel, Kentucky Board of Nursing; Ashley Clark, Chair, Kentucky Applied Behavioral Analysis and Licensing Board; Kevin Winstead, Commissioner, Department for Professional Licensing; John Wood, Attorney, Kentucky Board of Emergency Medical Services; Jenny Gilbert, Legislative Liaison and Rich Storm, Commissioner, Kentucky Department for Fish and Wildlife Resources; Brenn Combs, Staff Attorney, Justice and Public Safety Cabinet; Captain Bradley Arterburn, Commander, Criminal Identification and Records Branch; Adrian Jacob, Staff Attorney, Cora McNabb, Executive Director, and Dondra Meredith, Deputy General Counsel, Office of Vocational Rehabilitation; Robin Maples, OSH Standards Specialist, Department of Workplace Standards; Rebecca Rodgers Johnson, Executive Director and Oran McFarlan, Deputy Executive Director, Labor Cabinet; Marc Guilfoil, Executive Director, Shan Dutta, Deputy General Counsel, and Jennifer Wolsing, General Counsel, Kentucky Horse Racing Commission; Adam Mather, Inspector General, Kara Daniel, Deputy Inspector General, and Stephanie Brammer-Barnes, Regulations Coordinator, Office of Inspector General; Misty Sammons, Division Director, Stacy Carey, Branch Manager, and Laura Begin, Staff Assistant, Department for Community Based Services.

LRC Staff: Sarah Amburgey, Stacy Auterson, Emily Caudill, Ange Darnell, Emily Harkenrider, Karen Howard, Carrie Nichols, and Christy Young.

The Administrative Regulation Review Subcommittee met on Tuesday, June 14, 2022, and submits this report:

Administrative Regulations Reviewed by this Subcommittee:

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Education Professional Standards Board: Administrative Certificates

016 KAR 003:080. Career and technical education school principals. Todd Allen, counsel, represented the board.

BOARDS AND COMMISSIONS: Board of Nursing

201 KAR 020:070E. Licensure by examination. Kelly Jenkins, executive director, and Jeff Prather, general counsel, represented the board.

A motion was made and seconded to approve the following amendment: to amend Section 6 to comply with Senate Bill 2 from the 2021 Regular Session of the General Assembly. Without objection, and with agreement of the agency, the amendment was approved.

201 KAR 020:085. Licensure periods and miscellaneous requirements.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2 and 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 020:110. Licensure by endorsement.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 and 5 to comply with Senate Bill 10 from the 2022 Regular Session; and (2) to amend Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 020:370. Applications for licensure.

A motion was made and seconded to approve the following amendments: (1) to amend Section 2 to change from six (6) months to one (1) year, the date that an application for licensure by endorsement shall lapse if the application is not completed during that time frame for consistency with changes made to 201 KAR 20:240; and (2) to amend Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Applied Behavior Analysis Licensing Board

201 KAR 043:010. Application procedures for licensure. Ashley Clark, chair, and Kevin Winstead, commissioner, represented the board.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Section 3 to update material incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 043:020. Application procedures for temporary licensure.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to: (a) establish a two (2) year licensure period for temporary licenses with a one (1) time renewal option; and (b) cross-reference the renewal fees in 201 KAR 43:030; and (2) to amend the RELATES TO paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 043:030. Fees.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 through 3 to establish: (a) a two (2) year licensure period for temporary licenses with a one (1) time renewal option; and (b) a renewal fee of $200 for temporary licensed behavior analysts and $100 for temporary licensed assistant behavior analysts; and (2) to amend the STATUTORY AUTHORITY paragraph and Sections 3, 5, and 6 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 043:040. Code of ethical standards and standards of practice.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to delete unnecessary definitions; (2) to amend Section 4 to incorporate the ethics code by reference; and (3) to amend the RELATES TO paragraph and Sections 1 and 4 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 043:050. Requirement for supervision.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to clarify and add definitions; (2) to amend Section 2 to require a supervisor to be listed as completing supervision training on the Behavior Analyst Certification Board's Certificant Registry; (3) to amend Section 3 to establish requirements for the supervisory plan; (4) to amend Section 14 to establish requirements for trainees; (5) to amend Section 15 and the material incorporated by reference to conform with regulatory changes; and (6) to amend the RELATES TO paragraph and Sections 1 through 6 and 10 through 16 to: (a) clarify various provisions; (b) streamline requirements; and (c) comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 043:060. Complaint and disciplinary process.

A motion was made and seconded to approve the following amendments: to amend Sections 2 and 4 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 043:071. Repeal of 201 KAR 043:070.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 043:080. Renewals.

A motion was made and seconded to approve the following amendment: to update material incorporated by reference. Without objection, and with agreement of the agency, the amendment was approved.

201 KAR 043:090. Voluntary inactive and retired status.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY paragraph; the NECESSITY, FUNCTION, AND CONFORMITY paragraph; and Sections 2 through 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 043:100. Telehealth and telepractice.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Emergency Medical Services

202 KAR 007:545E. License classifications. John Wood, counsel, represented the board.

TOURISM, ARTS AND HERITAGE CABINET: Department of Fish and Wildlife Resources: Wildlife

301 KAR 004:001. Selection of Fish and Wildlife Resources Commission nominees. Rich Storm, commissioner, represented the department.

In response to a question by Co-Chair Hale, Mr. Storm stated that changes were nonsubstantive and included technical corrections and revisions to align with Senate Bill 217 from the 2022 Regular Session of the General Assembly.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 4 to comply with the drafting requirements of KRS Chapter 13A and Senate Bill 217 from the 2022 Regular Session of the General Assembly. Without objection, and with agreement of the agency, the amendments were approved.

JUSTICE AND PUBLIC SAFETY CABINET: Department of State Police: Criminal History Record Information System

502 KAR 030:010. Criminal History Record Information System. Captain Bradley Arterburn, commander, Criminal Identification and Records Branch, and Brenn Combs, staff attorney, represented the department.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

502 KAR 030:020. Arrest and disposition reporting procedure.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 and 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

502 KAR 030:030. Audit of Criminal History Record Information System.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 and 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

502 KAR 030:050. Security of centralized criminal history record information.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY paragraph and Sections 1 and 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

502 KAR 030:060. Dissemination of criminal

history record information.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 3 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

502 KAR 030:070. Inspection of criminal history record information by record subject.

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Department of Workforce Investment: Office of Vocational Rehabilitation

781 KAR 001:010. Office of Vocational Rehabilitation appeal procedures. Dondra Meredith, deputy general counsel, and Cora McNabb, executive director, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1, 2, 4, 5, and 7 to comply with the drafting requirements of KRS Chapter 13A; and (2) to add Section 8 to incorporate by reference the Kentucky Office of Vocational Rehabilitation Policies and Procedures Manual. Without objection, and with agreement of the agency, the amendments were approved.

781 KAR 001:020. General provisions for operation of the Office of Vocational Rehabilitation.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 7 through 13 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

781 KAR 001:030. Order of selection and economic need test for vocational rehabilitation services.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

781 KAR 001:040. Rehabilitation technology services.

A motion was made and seconded to approve the following amendments: (1) to amend the TITLE; the RELATES TO; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 6 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 1 to: (a) add one (1) definition; (b) clarify two (2) definitions; and (c) delete one (1) definition; and (3) to amend Section 4 commensurate with the Kentucky Office of Vocational Rehabilitation Policies and Procedures Manual. Without objection, and with agreement of the agency, the amendments were approved.

781 KAR 001:050. Carl D. Perkins Vocational Training Center.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Office for the Blind

782 KAR 001:010. Kentucky Business Enterprises.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Sections 1 through 3 and 6 through 10 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 1 to add a definition for "vendor training program"; and (3) to amend Section 3 to add agency criteria for granting a leave of absence from a vending facility. Without objection, and with agreement of the agency, the amendments were approved.

782 KAR 001:070. Certified driver training program.

A motion was made and seconded to approve the following amendments: to amend Sections 3 and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

LABOR CABINET: Department of Workplace Standards: Occupational Safety and Health

803 KAR 002:402. General safety and health provisions. Robin Maples, occupational safety and health standards specialist, and Oran McFarlan, deputy general counsel, represented the department.

803 KAR 002:411. Scaffolds.

803 KAR 002:419. Demolition.

803 KAR 002:445. Confined spaces in construction.

Administration

803 KAR 005:005. Employee access to or use of federal tax information; required criminal background check. Oran McFarlan, deputy general counsel, and Rebecca Rogers-Johnson, executive director, represented the department.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 2, and 7 through 9 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

PUBLIC PROTECTION CABINET: Horse Racing Commission: Licensing

810 KAR 003:020. Licensing of racing participants. Shan Dutta, deputy general counsel, and Marc Guilfoil, executive director, represented the commission.

In response to a question by Co-Chair West, Mr. Guilfoil stated that a stable agent was licensed to prepare administrative reports, such as a record of a horse's medications and treatment.

A motion was made and seconded to approve the following amendments: (1) to amend Section 6 to add provisions for military spouses in accordance with House Bill 91 from the 2022 Regular Session of the General Assembly; (2) to amend Section 15 to establish that licensure denial, suspension, or revocation based on a prior criminal conviction shall comply with the limitations in KRS Chapter 335B; and (3) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 2, 6, 11, 15, 19, and 20 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Flat and Steeplechase Racing

810 KAR 004:010. Horses.

810 KAR 004:030. Entries, subscriptions, and declarations.

810 KAR 004:060. Objections and complaints.

CABINET FOR HEALTH AND FAMILY SERVICES: Department for Public Health: Health Services and Facilities

902 KAR 020:018. Operation and services; end-stage renal disease facilities. Kara Daniel, deputy inspector general, and Adam Mather, inspector general, represented the department.

In response to questions by Senator Alvarado, Mr. Mather stated that this administrative regulation did not require that a physician be present during dialysis. Ms. Daniel stated that a nurse was required to be present. The impetus for the changes was to establish provisions for dialysis at long-term care facilities and to align with federal changes. The federal requirement allowed a board eligible member to be a provider.

In response to a question by Co-Chair West, Mr. Mather stated that these provisions would make it easier to provide dialysis for those in long-term care facilities. Senator Alvarado stated that this policy would have been beneficial during the coronavirus (COVID-19) pandemic.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to delete an obsolete term; (2) to amend Section 3 to update standards for emergency coverage commensurate with federal changes; (3) to amend the TITLE; the NECESSITY, FUNCTION, AND CONFORMITY paragraph; and Sections 1 and 3 through 5 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (4) to add a Section 6 to incorporate material by reference. Without objection, and with agreement of the agency, the amendments were approved.

Department for Community Based Services: Child Welfare

922 KAR 001:360. Private childcare placement, levels of care, and payment. Laura Begin, regulation coordinator; Stacy Carey, branch manager; and Misty Sammons, division director, represented the department.

922 KAR 001:530. Post-adoption placement stabilization services.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Adult Services

922 KAR 005:070. Adult protective services.

In response to questions by Senator Alvarado, Ms. Begin stated that the definition for “mental injury” had been broadened in response to a request by Kentucky Protection and Advocacy. This definition provided a basis for further assessment and investigation. Ms. Carey stated that the definition for “mental injury” was used by intake and investigative staff in conjunction with the statutory definition for “abuse” to determine if further action was necessary. Senator Alvarado stated that there were concerns regarding false reports of mental injury.

The following administrative regulations were deferred or removed from the June 14, 2022, subcommittee agenda:

PERSONNEL CABINET: Classified

101 KAR 002:095E. Classified service general requirements.

General

101 KAR 006:020E. Kentucky Employees Charitable Campaign.

BOARDS AND COMMISSIONS: Board of Pharmacy

201 KAR 002:430. Emergency orders and hearings.

Board of Dentistry

201 KAR 008:600. Mobile dental facilities and portable dental units.

Board of Embalmers and Funeral Directors

201 KAR 015:030E. Fees.

201 KAR 015:040E. Examination.

201 KAR 015:050E. Apprenticeship and supervision requirements.

201 KAR 015:110E. Funeral establishment criteria.

201 KAR 015:125E. Surface transportation permit.

JUSTICE AND PUBLIC SAFETY CABINET: Department of State Police: Driver Training

502 KAR 010:010. Definitions.

502 KAR 010:020. Department facilities; facility inspection; conflict of interest.

502 KAR 010:030. Instructor’s license.

502 KAR 010:035. Commercial driver’s license skill testing.

502 KAR 010:040. Training school facilities.

502 KAR 010:050. Contracts and agreements.

502 KAR 010:060. School advertising.

502 KAR 010:070. Training vehicle, annual inspection.

502 KAR 010:080. License suspension, revocation, denial.

502 KAR 010:090. Procedure for denial, suspension, nonrenewal or revocation hearings.

502 KAR 010:110. Third-party CDL skills test examiner standards.

502 KAR 010:120. Hazardous materials endorsement requirements.

Concealed Deadly Weapons

502 KAR 011:010. Application for license to carry concealed deadly weapon.

502 KAR 011:060. License denial and reconsideration process.

502 KAR 011:070. License revocation and suspension notice and reinstatement process.

Law Enforcement Officers Safety Act of 2004

502 KAR 013:010. Application for certification under the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

502 KAR 013:030. Range qualification for certification under the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

502 KAR 013:040. Issuance, expiration, and renewal of certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

502 KAR 013:050. Replacement of licenses to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

502 KAR 013:060. Change of personal information regarding certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

502 KAR 013:080. Incomplete application for certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Department of Workforce Investment: Kentucky Commission on Proprietary Education

791 KAR 001:010. Applications, permits, and renewals.

791 KAR 001:020. Standards for licensure.

791 KAR 001:025. Fees.

791 KAR 001:027. School record keeping requirements.

791 KAR 001:030. Procedures for hearings.

791 KAR 001:035. Student protection fund.

791 KAR 001:040. Commercial driver license training school curriculum and refresher course.

791 KAR 001:050. Application for license for commercial driver license training school.

791 KAR 001:060. Application for renewal of license for commercial driver license training school.

791 KAR 001:070. Commercial driver license training school instructor and agency application and renewal procedures.

791 KAR 001:080. Maintenance of student records, schedule of fees charged to students, contracts and agreements involving li-censed commercial driver license training schools.

791 KAR 001:100. Standards for Kentucky resident commercial driver training school facilities.

791 KAR 001:150. Bond requirements for agents and schools.

791 KAR 001:155. School closing process.

791 KAR 001:160. Transfer of ownership, change of location, change of name, revision of existing programs.

LABOR CABINET: Department of Workplace Standards: Labor Standards; Wages and Hours

803 KAR 001:005. Employer-employee relationship.

803 KAR 001:025. Equal pay provisions, meaning and application.

803 KAR 001:060. Overtime pay requirements.

803 KAR 001:063. Trading time.

803 KAR 001:065. Hours worked.

803 KAR 001:066. Recordkeeping requirements.

803 KAR 001:070. Executive, administrative, supervisory or professional employees; salesmen.

803 KAR 001:075. Exclusions from minimum

wage and overtime.

803 KAR 001:080. Board, lodging, gratuities and other allowances.

803 KAR 001:090. Workers with disabilities and work activity centers' employee's wages.

Department of Workers' Claims

803 KAR 025:195E. Utilization review, appeal of utilization review decisions, and medical bill audit.

PUBLIC PROTECTION CABINET: Department of Insurance: Health Insurance Contracts

806 KAR 017:350. Life insurance and managed care.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of Inspector General: State Health Plan

900 KAR 005:020E. State Health Plan for facilities and services.

900 KAR 005:020. State Health Plan for facilities and services.

Certificate of Need

900 KAR 006:075E. Certificate of need nonsubstantive review.

900 KAR 006:075. Certificate of Need nonsubstantive review.

Essential Personal Care Visitor Program

900 KAR 014:010E. Essential personal care visitor programs; visitation guidelines.

900 KAR 014:010. Essential personal care visitor programs; visitation guidelines.

Department for Public Health: Health Services and Facilities

902 KAR 020:016. Hospitals; operations and services.

902 KAR 020:106. Operation and services; ambulatory surgical center.

Early Intervention System

902 KAR 030:120. Evaluation and eligibility.

Office of Inspector General

906 KAR 001:110. Critical access hospital services.

Department for Behavioral Health, Developmental and Intellectual Disabilities: Institutional Care

908 KAR 003:010. Patient's rights.

Department for Community Based Services: Child Welfare

922 KAR 001:310. Standards for child-placing agencies.

922 KAR 001:315. Standards for child-placing agencies placing children who are not in the custody of the cabinet.

922 KAR 001:340. Standards for independent living programs.

The subcommittee adjourned at 1:30 p.m. The next meeting of this subcommittee is tentatively scheduled for July 14, 2022, at 1 p.m.

EDUCATION ASSESSMENT AND ACCOUNTABILITY REVIEW SUBCOMMITTEE

Minutes of the 1st Meeting

of the 2022 Interim

June 7, 2022

Call to Order and Roll Call

The 1st meeting of the Education Assessment and Accountability Review Subcommittee was held on Tuesday, June 7, 2022, at 3:00 p.m., in Room 131 of the Capitol Annex. Representative Brandon Reed, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Max Wise, Co-Chair; Representative Brandon Reed, Co-Chair; Senator Mike Wilson; Representatives Tina Bojanowski, and Steve Riley.

Guests: None.

LRC Staff: Joshua Collins and Maurya Allen.

Approval of November 15, 2021 Minutes

Representative Riley made a motion to approve the minutes of the November 15, 2021, meeting. The motion was seconded by Senator Wilson and passed by voice vote.

Presentation: Office of Education Accountability Annual Report

Marcia Seiler, Deputy Director, Office of Education Accountability (OEA) was present with Bryan Jones, Investigation Division Manager, OEA, and Dr. Bart Liguori, Research Division Manager, OEA, to present the Annual Report.

Mr. Jones briefly discussed the investigations of the OEA. The division has reached full staffing through recent hirings, bringing the division up to four active investigators. In 2021, 22 investigations were opened and 27 were closed. During 2020, the COVID pandemic resulted in an increase in complaints, but only resulted in an average number of investigations being opened. Many complaints are filed anonymously. However, many were baseless resulting in fewer investigations being opened compared to filed complaints. In addition, many, complaints pertain to matters outside the jurisdiction of the OEA, such as personnel matters, which are referred to local principals or superintendents. Allegations about testing violations are referred to the Kentucky Department of Education, as are complaints regarding special education, as they have specialists in those fields that are better equipped to deal with those investigations.

If a complaint is in regards to potential or pending litigation, the OEA does not get involved because the office and investigators are not equipped to deal with those situations. This does not mean that investigations do not sometimes result in litigation, but frequently the OEA is not involved by that point. Regarding the recent change to statute transferring authority for principal hiring and curriculum decisions from site-based decision making bodies to superintendents, Mr. Jones does not anticipate that it will have much impact on their investigations.

Following the presentation, Representative Riley made a motion to accept the report, seconded by Senator Wilson. The motion passed by voice vote.

Presentation: 2021 District Data Profiles

Dr. Bart Liguori, Research Division Manager, OEA, was present to highlight the 2021 District Data Profiles. This annual report is compiled and presented to the committee to give a full demographic illustration of all districts in the state to inform legislators and the public. The report received a notable document award in 2012 and gives easy access to commonly used district data.

Data is compiled from the KDE and the KY Center for Statistics pertaining to each district's enrollment, test scores, school safety, and much more. The print version of the report includes a data dictionary with sources of the data and presents the data for individual districts. It also includes data for the state as a whole and various comparisons in the appendices. Dr. Liguori thanked Albert Alexander from the OEA for his efforts gathering the data and compiling it into the print version.

Next, Dr. Liguori presented the online version of the District Data Profiles found at https://apps.legislature.ky.gov/lrc/publications/interactive/DistrictData2021.html or http://bit.ly/oea-ddp2021. The report is separated as tabs for data on demographics, staffing, finance, and performance. Most components of state accountability were dismissed during 2020 due to the pandemic and were not available for incorporation in this report. While the federal government did require some testing during 2021, participation was lower and more sporadic, resulting in lower quality data. This should be taken into account when comparing student performance between 2021 and previous years.

Heat maps were used to display geographic data and make some comparisons about different areas of the state. Dr. Liguori illustrated the heat maps using demographic data on the number of students in districts that receive free or reduced price lunch. On the staffing data tab, he illustrated how the map changed automatically to illustrate teacher experience and turnover. A 2019 OEA report on teacher shortages (LRC Research Report 463) was incorporated into the district data profiles.

The last visualization Dr. Liguori illustrated was a ten-year trend graph to illustrate average daily attendance. Average daily attendance has remained stable until 2021. In 2021, there was an increase in average daily attendance, but a decrease in average daily membership. This represents the change to all-day kindergarten. While all-day kindergarten students have always been represented in membership, they are only recently being fully included in the average daily attendance data. Districts can be compared directly with the trend maps, and selected districts are maintained when the variable is changed. Some variables included in the print copy are not included in the interactive digital version, and there is a lack of data for 2020 due to the pandemic. Dr. Liguori reminded members to always take into account the possibility of outliers when comparing districts and to consult the print copy for data definitions.

As there were no questions from members, Representative Riley made a motion to accept the report. The motion was seconded by Senator Wise and passed by voice vote.

Chair Reed informed members that the next anticipated meeting of the committee would be in October. With no further business to come before the committee, the meeting adjourned at 3:25 pm.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes

June 14, 2022

Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, June 14, 2022, at 9:00 AM, in Room 131 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Matthew Koch, Co-Chair; Senators Donald Douglas, and Adrienne Southworth; Representatives; Mark Hart, and Patti Minter.

Guests: Alan Hurst, Lindy Casebier, Rosemary Holbrook, Amy Metzger, Jessica Wayne, Marnie Mountjoy, Randy White, Hilarye Dailey, Truman Tipton, Karen Wirth, Damien Sweeney, Thomas Tucker, Katie Embree, Faith Corbin, Lauren Moore, Kathleen Winter, Mike Tuggle, Vivian Lasley-Bibbs, Astrud Masterson, Jennifer Linton, Steve Collins, Ellen Benzing, Michele Sullivan, Anthony Schreck, Melinda Gentry, Linda Bridwell, Mike Sunseri, Brian Thomas, Joe McDaniel, Ed Ross, Mary Elizabeth Bailey, Sally Molsberger, Jennifer Smith, Bryan Russell, James Vanburen, William Codell, Bart Hardin, Naomi Emmons, Karen Sellers, Richard House, Taylor Brown, Travis Powell, Leslie Brown, and Mary Carpenter.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

A motion was made by Representative Hart to approve minutes of the May 2022, meeting of the committee. Representative Koch seconded the motion, which passed without objection.

MAY DEFERRED ITEM:

PERSONNEL - OFFICE OF THE SECRETARY

Cannon Cochran Management Services, Inc., 2200002437. Alan Hurst, Lindy Casebier, and Rosemary Holbrook discussed the contract with the committee. A motion was made by Representative Hart to disapprove the contract. Representative Koch seconded the motion, which passed with Representative Minter voting no.

A motion was made by Representative Koch to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed with Senator Southworth voting no.

A motion was made by Representative Koch to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed with Senator Southworth voting no.

A motion was made by Representative Koch to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed with Senator Southworth voting no.

A motion was made by Representative Koch to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed with Senator Southworth voting no.

A motion was made by Representative Koch to consider as reviewed the Correction List. Representative Hart seconded the motion, which passed with Senator Southworth voting no.

A motion was made by Representative Koch to consider as reviewed the Kentucky Entertainment Incentive Program Agreements. Representative Hart seconded the motion, which passed with Senator Southworth voting no.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED:

ADMINISTRATIVE OFFICE OF THE COURTS

Adams Law, PLLC, 2200004374.

ATTORNEY GENERAL

Gess Mattingly and Atchison, 2200002501; Goldberg Simpson, LLC, 2200002508; McBrayer, PLLC, 2200002510; Morgan & Morgan Kentucky, PLLC, 2200002549; Morgan & Morgan Kentucky, PLLC, 2200002550; Morgan & Morgan Kentucky PLLC, 2200002551; Parabon Nanolabs, Inc., 2200002651; Bode Cellmark Forensics, Inc., 2200002657; Morgan & Morgan Kentucky, PLLC, 2200003024.

BD OF LICENSURE FOR PROFESSIONAL ENGINEERS & LAND SURVEYORS

Robert A. Williams, 2200003763.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Assisted Dining Solutions, LLC, 2200001295; Phillip W. Bale, PSC, 2200001296; Tri-State Podiatric Medical Services, PSC, 2200001415; The Chyron Group, LLC, 2200001468; Susan Brittain-Seitz, 2200001826; Reach of Louisville, Inc., 2200002926.

BOARD OF ACCOUNTANCY

Maddox & Associates CPA's, Inc., 2200002863; Scanlan Associates, LLC, 2200002867.

BOARD OF ALCOHOL AND DRUG ABUSE COUNSELORS

Brian Fingerson RPH, Inc., 2200002395; Marisa Neal, 2200002398.

BOARD OF CERTIFICATION FOR MARRIAGE AND FAMILY THERAPISTS

DPJ Consulting, LLC, 2200002432.

BOARD OF DENTISTRY

Scanlan Associates, LLC, 2200003447; Brian Fingerson RPH, Inc., 2200003651.

BOARD OF EXAMINERS OF PSYCHOLOGISTS

David Dale Lanier, 2200002403.

BOARD OF HAIRDRESSERS AND COSMETOLOGISTS

PSI Services, LLC, 2200003857.

BOARD OF LICENSURE FOR NURSING HOME ADMINISTRATORS

Marisa Neal, 2200002409.

BOARD OF MEDICAL LICENSURE

Keith Hardison, 2200002935; Thomas J. Hellmann Attorney-At-Law, PLLC, 2200003100.

BOARD OF PHARMACY

Brian Fingerson RPH, Inc., 2200003679.

BOARD OF REGISTRATION FOR PROFESSIONAL GEOLOGISTS

Marisa Neal, 2200002435.

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

Marisa Neal, 2200002433.

BOARD OF VETERINARY EXAMINERS

Mark R. Brengelman Attorney At Law, PLLC, 2200002852; Illinois Federation of Humane Societies, 2200003369.

CHFS - OFFICE OF THE SECRETARY

Fred Department Rosset, 2200001745.

COUNCIL ON POSTSECONDARY EDUCATION

Lowell Scott Ross, 2200003269.

DEPARTMENT FOR COMMUNITY BASED SERVICES

United Training Career, LLC, 2200001696; Public Consulting Group, LLC, 2200001764; KVC Behavioral Health Care/Croney & Clark, 2200002265; Pennyrile Allied Community Services, Inc., 2200002266; Uspiritus, Inc., 2200002275; Public Consulting Group, LLC, 2200002806; Sivic Solutions Group, LLC, 2200003289.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Stream Mechanics, PLLC, 2200002123; Schnabel Engineering, LLC, 2200002944; Blue & Company, LLC, 2200003513.

DEPARTMENT FOR INCOME SUPPORT

The Booth Review, LLC, 2200001572-1; Sandra F. Geile, 2200001662; Alexis M. Guerrero MD, 2200001665; Our Family Direct Primary Care, PLLC, 2200001669; Sudhideb Mukherjee MD, 2200001673; John M. Reed MD KTAP & Medical Assistance, 2200001677; Clarissa Renee Roan-Belle, 2200001679.

DEPARTMENT FOR NATURAL RESOURCES

Pinnacle Actuarial Resources, Inc., 2200002325; Tichenor and Associates, 2200003072.

DEPARTMENT FOR WORKFORCE INVESTMENT

Chua Corazon, 2200003038.

DEPARTMENT OF AGRICULTURE

Saybolt, LP, 2200002334.

DEPARTMENT OF CORRECTIONS

McBrayer, PLLC, 2200002296; McBrayer, PLLC, 2200002462; Positive Recovery Solutions, LLC, 2200003123; Brain Neagle, 2200003303.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING

Powerphone, Inc., 2200002565; Ricks International Consulting, Inc., 2200003349; Mildred Kelli Robinson, 2200003678.

DEPARTMENT OF EDUCATION

Public Consulting Group, LLC, 2200001912; Donna A. Meyer, 2200002035; Mike Wilson, 2200002559; Panorama Education, Inc., 2200002603; DPJ Consulting, LLC, 2200003286; Hands On Therapy, PSC, 2200003390; Embry Merritt Womack Nance, PLLC, 2200003393; Roland P. Merkel, PSC, 2200003407; Chris Rippy, 2200003470; Brian P. White, 2200003504; Ricky Courtwright, 2200003514; Vickie Courtwright, 2200003523; Mike Wilson, 2200003633; Kentucky Museum of Art and Craft, Inc., 2200003715; Johna Rodgers Consulting, 2200003720; Roger Kerns, 2200003745; Authentica, LLC, 2200003755; Mike Wilson, 2200003786; Roland P. Merkel, 2200003806; Education Measurement Consulting, LLC, 2200003842.

DEPARTMENT OF HIGHWAYS

Burgess and Niple, Inc., 2200003830; H. W. Lochner, Inc., 2200003836; HDR Engineering, Inc., 2200004161; QK4, Inc., 2200004162; H W Lochner, Inc., 2200004163; Vaughn and Melton, 2200004165.

DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

Code Administrative Association of Kentucky, 2200003375.

DEPARTMENT OF INSURANCE

Taylor & Mulder, Inc., 2200003403; Ami Risk Consultants, Inc., 2200003511; PSI Services, LLC, 2200003522; Madison Consulting Group, Inc., 2200003644; INS Consultants, Inc., 2200003945.

DEPARTMENT OF JUVENILE JUSTICE

Angela Jessie, 2200001334; Angela Jessie, 2200001335; Ronald Boyd, 2200001538; Brenda Wilburn, 2200001561; Brenda Wilburn, 2200001593; Shannon Smith-Stephens, 2200001639.

DEPARTMENT OF MILITARY AFFAIRS

Mark E. Demuth, 2200002774; Kenneth Roy Henson, 2200002782; Charles Henry Miller III, 2200002786; Otis Edward Bailey, 2200002787; Eric F. Gray, 2200002872; Dr. Abdul Kader Dahhan, MD PSC, 2200002916.

DEPARTMENT OF VETERANS AFFAIRS

Multi, 2200000069; Appalachian Regional Healthcare, Inc., 2200001597; Hazard ARH Imaging Center, 2200002108; Trilogy Healthcare Holdings, Inc., 2200003084; Amerathon, LLC, 2200003282; Marine Corps League Department of Kentucky, 2200003318; National Association for Black Veterans, Inc., 2200003446; Disabled American Vets, 2200003612; Veterans of Foreign Wars, 2200003860; Express Mobile Diagnostic Services, LLC, 2200004075; American Legion of Kentucky, Inc., 2200004179.

EASTERN KENTUCKY UNIVERSITY

Embarcadero Group, Inc., 1312-2022; Green River Area Development District, 1313-2022; Donna K. McGraw, 1326-2022; Mary Willoughby, 1331-2022; CHES Solutions Group, 1334-2022; Institute for Family Development, Inc., 1347-2022; Cumberland River Behavioral Health, Inc., 1348-2022; Cunningham, Barbee and Roben, LLC, 1353-2022; Right Place Media, LLC, 1355-2022; Seven Counties Services, Inc., 1362-2022; BD Biomedical Consulting Services, LLC, 1363-2022; EAB Global, Inc., 1368-2022; NCS Pearson, Inc., 1369-2022; Employee Network, Inc., 1376-2022; AssuredPartners NL, LLC, 1377-2022; Stoll Keen Ogden, PLLC, 1392-2022; Wyatt, Tarrant & Combs, LLP, 1393-2022; Sturgill, Turner, Barker & Maloney, 1394-2022; Dinsmore & Shohl, LLP, 1395-2022; Dinsmore & Shohl, LLP, 1396-2022; Dinsmore & Shohl, LLP, 1397-2022; Gess, Mattingly & Atchison, 1398-2022; Adams Law, PLLC, 1399-2022; Charles River Discovery Research Services, 1400-2022; Dynamix Productions, Inc., 1402-2022.

ECON DEV - OFFICE OF THE SECRETARY

Anderson Economic Group, LLC, 2200003300; Hunden Strategic Partners, Inc., 2200003305; Blue & Company, LLC, 2200003312; Stoll Keenon Ogden, PLLC, 2200003331; Stites & Harbison, PLLC, 2200003345; Hurt, Deckard & May, PLLC, 2200003374; Amplify Louisville, Inc., 2200003496; Awesome Center for Entrepreneurship, Inc., 2200003642; Shaping Our Appalachian Region, Inc., 2200003646; Blue North Kentucky, Inc., 2200003650; Central Region Innovation and Commercialization Center, Inc., 2200003663; Sprocket, Inc., 2200003664; Eva Garland Consulting, LLC, 2200003727; MCM CPA's & Advisors, LLP, 2200003767.

FACILITIES & SUPPORT SERVICES

Vertical Structures, Inc., 2200003355; EOP Architects PSC, 2200003831; Omni Architects, 2200003840; Logsdon Auction Group, LLC, 2200004057.

FINANCE - OFFICE OF THE SECRETARY

Dinsmore & Shohl, LLP, 2200002957; Embry Merritt Womack Nance, PLLC, 2200003005; Vanantwerp Attorneys, LLP, 2200003069; Sturgill, Turner, Barker & Moloney, PLLC, 2200003113; Morgan & Pottinger, P.S.C., 2200003119; Goldberg Simpson, LLC, 2200003131; McBrayer, PLLC, 2200003290.

HORSE RACING COMMISSION

Advanced Investigative Solutions, Inc., 2200003448; DPJ Consulting, LLC, 2200003449.

JUSTICE - OFFICE OF THE SECRETARY

Cynthia J. Curtsinger, 2200003337.

KENTUCKY BOARD OF ARCHITECTS

McBrayer, PLLC, 2200003427.

KENTUCKY COMMUNICATIONS NETWORK AUTHORITY

Ice Miller, LLP, 2200003164.

KENTUCKY EMPLOYERS MUTUAL INSURANCE

Multi, 23-CLD-001; The Cicotte Law Firm, PLLC, 23-CLF-001; Dinsmore & Shohl, LLP, 23-DAS-001; Groom Law Group, 23-GLG-001; Hassman & Fitzhugh, PLLC, 23-HMF-001; Matrix Claims Management, Inc., 23-MTX-001; Overland Solutions, LLC, 23-OSI-001; Stoll Keenon Ogden, PLLC, 23-SKO-001; Underwriters Safety & Claims, LLC, 23-USC-002; Wyatt Tarrant Combs, PLLC, 23-WTC-001.

KENTUCKY HORSE PARK

Lee Carter, 2200003354.

KENTUCKY LOTTERY CORPORATION

IGT Global Solutions Corporation f/k/a GTECH Corporation, 23-10-001; IGT Global Solutions Corporation f/k/a GTECH Corporation, 23-15-001; The Buntin Group, Inc., 23-16-044-2; Ellipse Solutions, LLC, 23-17-016; Bulletproof Solutions, Inc., 23-18-032; Strothman and Company, PSC, 23-20-042; Valenti Hanley, PLLC, 23-21-025-2.

KENTUCKY RETIREMENT SYSTEMS

Ice Miller, 2200002191; Goldberg Simpson, LLC, 2200002470; Stoll Keenon Ogden, PLLC, 2200002498; Faegre Drinker Biddle & Reath, LLP, 2200002530; Frost Brown Todd, LLC, 2200002539; Blue & Company, LLC, 2200002769; Managed Medical Review Organization, Inc., 2200003077; Otto Daniel Wolff, 2200003083; Roland P. Merkel, 2200003086.

KENTUCKY STATE POLICE

James Daniel Quarles, M.D., 2200002194; Forensic Training Foundation, Inc., 2200003422; Janet L. Barnett, 2200003468; Anthony Gatson, 2200003528; Billy P. Hall, 2200003530; Bramlett Joe Burton, 2200003531; Bruce Kelley, 2200003532; Chris Collins, 2200003533; Daniel Jason Propes, 2200003534; Darrell Hutchison, 2200003535; David P. Jones, 2200003536; Donald L. Perry, 2200003537; Dwayne Ison, 2200003538; Edwin D. Botkin, Jr., 2200003539; Ezra Scott Stout, 2200003540; Gary Travis, 2200003541; George Atwood, 2200003542; Henry St. George Carmichael IV, 2200003543; Isaiah Hill, 2200003544; James B. Luckett, 2200003545; Jack R. Riley, 2200003546; James Don Trosper, 2200003547; James Glenn Reed, 2200003548; Jason McCowan, 2200003549; Jeremy Marcus Devasher, 2200003550; Jody Paul Sims, 2200003551; John B. Yates, 2200003552; Jonathan McChesney, 2200003553; Keith Baker, 2200003554; Kelley Farris, 2200003555; Kevin B. Guier, 2200003556; Kevin Drew Flick, 2200003557; Lewie Dodd, 2200003558; Luther Vanhoose, 2200003559; Marc H. Carter, 2200003560; Mark L. Combs, 2200003561; Mark T. Johnson, 2200003562; Mark Treadway, 2200003563; Matthew Brian Travis, 2200003564; Matthew Jordan, 2200003565; Michael Fogleman, 2200003566; Michael Ray, 2200003567; Michael S. Dubree, 2200003568; Millard R. Root III, 2200003569; Mitchell D. Holliman, 2200003570; Robert A. Maxwell, 2200003571; Robert Curtis Mouser, 2200003572; Robert Jason Browning, 2200003573; Robert Morris, 2200003574; Ronald E. Long II, 2200003575; Ronnie R. Reynolds, 2200003576; Ryan Sizemore, 2200003577; Samuel O. Shacklette, 2200003578; Starlin Timon Hacker, 2200003579; Steve Walker, 2200003580; Thomas J. Williams, 2200003581; Timmy J. Jewell, 2200003582; Todd C. Simon, 2200003583; Toney Gene Allen, 2200003584; Trevor A. Scott, 2200003585; Virgil Rucker, 2200003586; Anthony C. Blakemore, 2200003587; Casey N. Tooley, 2200003588; James D. Heller, 2200003589; Jeffrey L. Jacobs, 2200003590; Jonathan Blevins, 2200003591; Joseph M. Holbrook, 2200003592; Kelly Anderson, 2200003593; Kevin Rogers, 2200003594; Paul Doublin, 2200003595; Raymond D. Foley, 2200003596; Steven L. Oliver, 2200003597; Charles B. Bowman, 2200003624; Michael Shane Copley, 2200003625; David Michael Slone, 2200003626.

KENTUCKY STATE UNIVERSITY

Johnson, Bowman, Branco, LLP, 23-01; Judith K. Jones-Toleman, Esq., 23-08.

KENTUCKY TURNPIKE AUTHORITY

American Municipal Tax-Exempt Compliance Corporation, 2200003524.

KY APPLIED BEHAVIOR ANALYSIS LICENSING BOARD

Mary E. Martins the Word Private Investigations, 2200002365.

KY BOARD OF LICENSURE FOR PRIVATE INVESTIGATORS

Mary E. Martins, 2200002434.

KY COMMUNITY TECHNICAL COLLEGE SYSTEM

Justify Solutions, 847; Hagyard - Davidson - McGee Associates, PLLC, 853; Johnson Family Chiropractic, 855.

KY INFRASTRUCTURE AUTHORITY

Mary Denise Pitts, 2200003199.

KY PUBLIC SERVICE COMMISSION

Vantage Energy Consulting, LLC, 2200001504; Browne Bortz & Coddington, Inc., 2200001808; Wells Engineering, PSC, 2200001809; Harvey Economics Company, 2200001810; Engleman Fallon, PLLC, 2200003388; Leah Faulkner, 2200003764.

LEGISLATIVE RESEARCH COMMISSION

Stoll Keenon Ogden, PLLC, 22/23-36; Stoll Keenon Ogden, PLLC, 22/23-40.

MOREHEAD STATE UNIVERSITY

Sturgill, Turner, Barker & Moloney, PLLC, 23-001; Sturgill, Turner, Barker & Moloney, PLLC, 23-002; Dean Dorton Allen Ford, PLLC, 23-004; Multi, 23-007; Multi, 23-008; EOP Architects, 23-009.

MURRAY STATE UNIVERSITY

Sloan Appraisal Realty Services, 011-23; Murphy Napier & Company, 012-23; Bolinger Appraisal, 013-23; Greg T. Taylor & Associates, 015-23; Dinsmore & Shohl, LLP, 016-23.

NORTHERN KENTUCKY UNIVERSITY

Intelli ERP Software, LLC, 2023-104; SJN Data Center, LLC, 2023-108; Academic Partnership, LLC, 2024-101; Dean Dorton, 2024-103; CAMPUSGUARD, LLC, 2024-107.

OFFICE OF THE CONTROLLER

Merlinos & Associates, Inc., 2200003765; Sedgwick Claims Management Services, Inc., 2200003896; Sedgwick Claims Management Services, Inc., 2200003930.

PERSONNEL - OFFICE OF THE SECRETARY

Cliftonlarsonallen, LLP, 2200001734; McBrayer, PLLC, 2200002342; Callan, LLC, 2200003370; Blue & Company, LLC, 2200003619; Rethink Autism, Inc., 2200004059.

SECRETARY OF STATE

Landrum & Shouse, LLP, 2200003683.

TOURISM - OFFICE OF THE SECRETARY

Hunden Strategic Partners, Inc., 2200003497; Lou Hammond & Associates, Inc., 2200003845.

TRANSPORTATION - OFFICE OF THE SECRETARY

Embry Merritt Womack Nance, PLLC, 2200001953; Fogle Keller Walker, 2200001960; Fulton Devlin & Powers, LLC, 2200001963; Jones & Walters, PLLC, 2200001967; Kerrick Bachert, PSC, 2200001971; Logan & Gaines, PLLC, 2200001973; McMurry and Livingston, 2200001987; Pohl and Aubrey PSC, 2200001990; Robert L. Roark, PLLC, 2200001991; Sherrow Marshall Schrader PSC, 2200001992; Tooms Dunaway & Webster, 2200001995; Urbon Yonts, PLLC, 2200001996; Vanantwerp Attorneys, LLP, 2200001997; Vaughn Petitt Legal Group, PLLC, 2200001998; Walther Gay & Mack, PLC, 2200001999; Hoffman & Barnes, 2200002031; St. Elizabeth Medical Center, 2200002048; Legacy Title Company, LLC, 2200002055; Logan & Gaines, PLLC, 2200002056; McMurry and Livingston, 2200002062; Wyatt Tarrant and Combs, 2200002091; CEI of America, Inc., 2200002193; Crowe, LLP, 2200002277; Assured Nl Insurance Services, Inc., 2200002282; Baumgardner and Associates PSC, 2200002504; HNTB Corporation, 2200002511; Dressman Benzinger Lavelle, PSC, 2200002745; Bold Pursuits, LLC, 2200002936; Lisa Keaton, 2200002949; Matthew L. Chapman, 2200002951; Tammy L. Barnes, 2200002952; Waldrop & Waldrop, LLC, 2200002960; Gary Endicott, 2200002961; Darin Sizemore, 2200002962; Dixon Nunnery, 2200002964; Mary McClinton Clay, 2200002966; John R. Williams, 2200002969; Bluegrass Valuation Group, LLC, 2200002970; G. Herbert Pritchett & Associates, Inc., 2200002973; Stephen G. Raleigh, 2200002974; Russell M. Sloan, 2200003036; Dentons Bingham Greenebaum, LLP, 2200003167; Kentucky American Road, LLC, 2200003174; E & E Cycles of Kentucky, LLC, 2200003175; Dubya J. Brands, LLC, 2200003176; Schipper Enterprises, LLC, 2200003177; Balance Dynamics Motorcycle Training Center, Inc., 2200003178; Tim Cody, 2200003180; Elizabethtown Community and Technical College, 2200003181; Kentuckiana Motorsports, LLC, 2200003182; Kentucky Driving School, 2200003183; Harley Davidson Bowling Green, 2200003184; Balance Dynamics Motorcycle Training Center, Inc., 2200003186; Total Control Training, Inc., 2200003187.

UNIFIED PROSECUTORIAL SYSTEM

Sturgill, Turner, Barker & Moloney, PLLC, 2200003411; Perceptual Litigation, LLC, 2200003492.

UNIVERSITY OF KENTUCKY

Champlin Architecture, A221170; Apax Software, K22-201; Trinity Consultants, K23-101; ALL4 Environmental, LLC, K23-102; Grace Consulting, Inc., K23-103; Commonwealth Economic Partners, LLC, K23-104; Whitecap Health Advisors, LLC, K23-105; Wiser Strategies/ Mackey Group, K23-106; Rood & Riddle Equine Hospital, K23-107; CorVel Enterprise Comp, Inc., K23-108; Kaufman, Hall & Associates, LLC, K23-109; LBMC, PC f/k/a Black, Morgan & Cain, K23-110; Lerch Bates, Inc., K23-111; Deloitte Consulting, LLP, K23-112; Claro Healthcare, LLC, K23-113; Blue & Company, LLC, K23-114; United Audit Systems, Inc., K23-115.

UNIVERSITY OF LOUISVILLE

Deborah Skaggs, 23-002; Crowe, LLP, 23-003; Jackson Lewis PC, 23-004; Walker Parking Consultants, 23-005; Wilson-Bennett Technology, Inc., 23-006; Dean Dorton Allen Ford, LLC, 23-007; McLendon-Kogut Reporting Service, LLC, 23-010; Embry Merritt Shaffar Womack, PLLC, 23-011; Dinsmore & Shohl, LLP, 23-012; Husch Blackwell, LLP, 23-013; Ignew, LLC d/b/a Slingshot, 23-014; Learfield Communications, 23-015; VB Consulting, 23-016; V-Soft Consulting Group, Inc., 23-017; ACI Infotech, Inc., 23-018; TEK Systems, 23-019.

WESTERN KENTUCKY UNIVERSITY

Encompass Digital Media, Inc., 222303; Stokes Production Services, Inc., 222304; Lerman Senter, PLLC, 222305; Multi, 222308; Ruffalo Noel Levitz, 222309; Employers Risk Services, 222311; Sodexo Management Inc., 222312; Huron Consulting Group, 222313; Flux Bucket, 222316; Robert W. Baird & Company, Inc., 222319; Segal, 222404; Health Fitness Corporation, 222405; Multi, 222406; Multi, 222407; Multi, 222408; Multi, 222409; Luckett & Farley, 222410; Cannon and Cannon, 222411; Multi, 222413; Multi, 222414; Multi, 222415; Multi, 222416; Multi, 222417; Multi, 222418; Multi, 222419; Multi, 222420; Multi, 222421; Multi, 222422; K. Norman Berry Associates, 222423.

WORKERS' COMPENSATION FUNDING COMMISSION

Conning, Inc., 2200004063.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED:

ADMINISTRATIVE OFFICE OF THE COURTS

Dentons Bingham Greenebaum, LLP, 2200001581.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Med Care Pharmacy, LLC, 2000001592.

BOARD OF EXAMINERS OF SOCIAL WORK

Goldberg Simpson, LLC, 2100001023.

BOARD OF PROFESSIONAL COUNSELORS

Marisa Neal, 2000002262.

DEPARTMENT FOR INCOME SUPPORT

Christine Booth, 2200001572.

DEPARTMENT FOR LOCAL GOVERNMENT

ICF Group, LLC, 2100002914.

DEPARTMENT FOR MEDICAID SERVICES

Milliman, Inc., 2000003994.

DEPARTMENT OF EDUCATION

Human Resources Research Organization, 2000003357; Walter H. Hulett, 2100000239.

DEPARTMENT OF HIGHWAYS

URS Corporation, 1200000826; Stantec Consulting Services, Inc., 1200001443; HDR Engineering, Inc., 1200001709; Palmer Engineering Company, 1200002613; J M Crawford & Associates, Inc., 1300000071; Stantec Consulting Services, Inc., 1300001775; Palmer Engineering Company, 1600000349; Arnold Consulting Engineering, 1600000984; Gresham Smith and Partners, 1700002781; Leslie M. Haney & Albert W. Gross Partners, 1900003981; Gresham Smith, 1900003982; J.M. Crawford & Associates, Inc., 1900004970; HDR Engineering, Inc., 2000001344; Stantec Consulting Services, Inc., 2000003463; QK4, Inc., 2000004282; J.M. Crawford & Associates, Inc., 2200001492.

DEPARTMENT OF JUVENILE JUSTICE

Federal Staffing Resources, LLC, 2100002628.

EASTERN KENTUCKY UNIVERSITY

Adams Law, 789-2021.

FACILITIES & SUPPORT SERVICES

Hafer Associates, 1500001053; Tetra Tech, Inc., 1500002550; Luckett and Farley Architects Engineers and Construction Managers, Inc., 1600000831; EOP Architects PSC, 2100000950; Patrick D. Murphy Company, Inc., 2200001132.

KENTUCKY RETIREMENT SYSTEMS

Ice Miller, 2000001790-1.

KY COMMUNITY TECHNICAL COLLEGE SYSTEM

Scoppechio/Ovare Group, 821; Statwax, LLC, 832.

MOREHEAD STATE UNIVERSITY

EOP Architects, 23-009; Leslie Sherwood, DVM, MHSU-22-020.

MURRAY STATE UNIVERSITY

Rick Walter/Boehl, Stopher & Graves, LLP, 015-18; Robert W. Baird & Company, Inc., 023-20; Dinsmore & Shohl, 023-21; Dinsmore & Shohl, 024-22; Robert W. Baird & Company, Inc., 025-22; Denton Law Firm, PLLC, 026-22; Dinsmore & Shohl, LLP, 027-22.

OCCUPATIONS AND PROFESSIONS

PSI Services, LLC, 2000001968.

TRANSPORTATION - OFFICE OF THE SECRETARY

Wyatt Tarrant and Combs, 2000001718; Total Control Training, Inc., 2100001336.

UNIVERSITY OF KENTUCKY

Lord, Aeck, & Sargent, Inc., A211090; Omni Architects, A211220; KFI Engineers PSC, A221090.

UNIVERSITY OF LOUISVILLE

Multi, 21-012; Dean Dorton Allen Ford, PLLC, 21-088; Dinsmore & Shohl, LLP, 22-020.

WESTERN KENTUCKY UNIVERSITY

Stokes Production Services, Inc., 2022-25; Wallace E. Dixon, Jr., 2022-31.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED:

ADMINISTRATIVE OFFICE OF THE COURTS

Justice Cabinet, 2200004404.

ATTORNEY GENERAL

Kentucky State Police, 2200002764; Justice Cabinet, 2200003198.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

University of Louisville, 2200001518; University of Kentucky Research Foundation, 2200001743; Spalding University, 2200001744; Spalding University, 2200001783; Kentucky Housing Corporation, 2200001893; Isaiah House, 2200001894; Kenton County Fiscal Court, 2200002160; Baptist Health Foundation Richmond, Inc., 2200002161; Kentucky Partnership for Families and Children, Inc., 2200002163; Seven Counties Services, Inc., 2200002352; National Council for Behavioral Health, 2200002368; University of Kentucky Research Foundation, 2200002369; Seven Counties Services, Inc., 2200002452; St Elizabeth Medical Center, 2200002533; Green River Regional MHMR Board, Inc., 2200002534; Life Learning Center, Inc., 2200002578; Chrysalis House, Inc., 2200002664; University of Kentucky Research Foundation, 2200002665; University of Kentucky Research Foundation, 2200002707; Metro Louisville Harm Reduction Task Force, 2200002710; Ashland Hospital Corporation, 2200002711; Memorial Hospital, Inc., 2200002712; Kentucky Hospital Research & Education Foundation, Inc., 2200002719; Lexington Fayette Urban County Government, 2200002723; University of Kentucky Research Foundation, 2200002725; Shatterproof A Nonprofit Corporation, 2200002731; Seven Counties Services, Inc., 2200002750; Volunteers of America Mid-States, Inc., 2200002824; University of Kentucky Research Foundation, 2200002825; Nspire A Park Community Initiative, Inc., 2200002828; Kentucky Primary Care Association, Inc., 2200002880; Norton Healthcare, 2200002884; Office of Vocational Rehabilitation, 2200002889; Hazelden Betty Ford Foundation, 2200002890; University of Kentucky Research Foundation, 2200002891; University of Kentucky Research Foundation, 2200002912; Pathways, Inc., 2200002915; Kentucky River Community Care, Inc., 2200002918; Green River Regional MHMR Board, Inc., 2200002963; Western Kentucky Regional Mental Health & Retardation Advisory Board, 2200002971; Unlawful Narcotics Investigations Treatment and Education, 2200003003; Pennyroyal Regional Mental Health Mental Retardation Board, 2200003023; Green River Regional MHMR Board, Inc., 2200003033; Lifeskills, Inc., 2200003051; Communicare, Inc., 2200003064; Seven Counties Services, Inc., 2200003066; Comprehend, Inc., 2200003070; Lifeskills, Inc., 2200003216; Communicare, Inc., 2200003265; Seven Counties Services, Inc., 2200003304; Western Kentucky Regional Mental Health & Retardation Advisory Board, 2200003472; Pennyroyal Regional Mental Health Mental Retardation Board, 2200003473; Lifeskills, Inc., 2200003476; Communicare, Inc., 2200003479; Seven Counties Services, Inc., 2200003481; Northkey Community Care, 2200003482; Comprehend, Inc., 2200003483; Pathways, Inc., 2200003486; Mountain Comprehensive Care Center, 2200003487; Kentucky River Community Care, Inc., 2200003488; Cumberland River Behavioral Health, Inc., 2200003489; Lake Cumberland Mental Health Mental Retardation Board d/b/a The Adanta Group, 2200003490; New Vista of the Bluegrass, Inc., 2200003491.

BOARD OF CERTIFICATION FOR MARRIAGE AND FAMILY THERAPISTS

Public Protection Cabinet, 2200002201; Department of Professional Licensing, 2200002264.

BOARD OF INTERPRETERS FOR THE DEAF AND HARD OF HEARING

Department of Professional Licensing, 2200002250.

BOARD OF PROFESSIONAL COUNSELORS

Public Protection Cabinet, 2200002140; Department of Professional Licensing, 2200002247.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 2200000019; Multi, 2200000035; Multi, 2200000036; Multi, 2200000037; Multi, 2200000038; Multi, 2200000039; Multi, 2200000040; National Foundation To End Hunger, Inc., 2200002286; New Vista of the Bluegrass, Inc., 2200002805.

COUNCIL ON POSTSECONDARY EDUCATION

University of Louisville Research Foundation, 2200002339; Ft. Thomas Independent School District, 2200003780; Kentucky Department of Education, 2200003847; Monroe County Board of Education, 2200003956; University of Kentucky Research Foundation, 2200003990.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Multi, 2200000045; Lake Cumberland Mental Health Mental Retardation Board, 2200001635; University of Kentucky Research Foundation, 2200001723; Seven Counties Services, Inc., 2200001823; Kvc Behavioral Health Care/Croney & Clark, 2200001838; Community Coordinated Child Care, 2200001895; Kentucky Administrative Office of the Courts, 2200002090; KVC Behavioral Health Care/Croney & Clark, 2200002109; Pathways, Inc., 2200002144; Maryhurst, Inc., 2200002245; Community Action of Southern Kentucky, Inc., 2200002456; Kentucky River Foothills Development Council, Inc., 2200002464; Lake Cumberland Mental Health Mental Retardation Board d/b/a Adanta Group, 2200002474; New Vista of the Bluegrass, Inc., 2200002521; Mountain Comprehensive Care Center, 2200002546; Appalachian Early Childhood Network, Inc., 2200002561; Specialized Alternatives for Families & Youth of Kentucky, 2200002574; Home of the Innocents, 2200002807; University of Louisville Research Foundation, 2200002811; Eastern Kentucky University, 2200002854; Home of the Innocents, 2200002900; Ramey Estep Homes, Inc., 2200002901; Pathways, Inc., 2200002902; KVC Behavioral Health Care/Croney & Clark, 2200002903; Northkey Community Care, 2200002904; Seven Counties Services, Inc., 2200002905; Gateway Juvenile Diversion Project, Inc., 2200002938; Early Childhood Learning Education Assessment Resource, 2200002998; Community Action Kentucky, Inc., 2200003098; Community Action Lexington Fayette, 2200003124; Prevent Child Abuse Kentucky, 2200003127; The Bair Foundation, 2200003132; Seven Counties Services, Inc., 2200003138; University of Kentucky Research Foundation, 2200003214; Madison County, 2200003790.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Madison County, 2200002362.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 2200000022.

DEPARTMENT FOR INCOME SUPPORT

University of Louisville Research Foundation, 2200001787; Legal Aid Society, 2200001869; Kentucky Administrative Office of the Courts, 2200002542.

DEPARTMENT FOR LOCAL GOVERNMENT

Leslie County, 2200001645; Greenup County Fiscal Court, 2200001954; Henderson County Fiscal Court, 2200002058; Daviess County Fiscal Court, 2200002075; City of Somerset, 2200002081; Warren County Fiscal Court, 2200002199; Hickman County Fiscal Court, 2200002737; Johnson County Fiscal Court, 2200002909; Henderson Regional Industrial Development Authority, 2200003283; McLean County Fiscal Court, 2200003287; Bath County Fiscal Court, 2200003382; Union County Fiscal Court, 2200003383; Magoffin County, 2200003399; Magoffin County, 2200003400.

DEPARTMENT FOR MEDICAID SERVICES

University of Kentucky Research Foundation, 2200001596; University of Louisville Research Foundation, 2200001873; Kentucky Transportation Cabinet, 2200002826; Kentucky Department of Education, 2200003188; Kentucky Board of Nursing, 2200003205; University of Kentucky Research Foundation, 2200004076.

DEPARTMENT FOR NATURAL RESOURCES

University of Kentucky Research Foundation, 2200000918; University of Kentucky Research Foundation, 2200001191; Hazard Community and Technical College, 2200002569; Department for Environmental Protection, 2200003281.

DEPARTMENT FOR PUBLIC ADVOCACY

University of Kentucky Research Foundation, 2200003133.

DEPARTMENT FOR PUBLIC HEALTH

Multi, 2200000023; National Jewish Health, 2200001542; University of Louisville Research Foundation, 2200001564; University of Kentucky Research Foundation, 2200001588; University of Kentucky Research Foundation, 2200001654; University of Kentucky Research Foundation, 2200001780; Kentucky Pediatric Society Foundation, 2200001803; Kentucky Perinatal Association, 2200001898; Shaping Our Appalachian Region, Inc., 2200001903; University of Kentucky Research Foundation, 2200001911; Emory University, 2200001914; University of Louisville Research

Foundation, 2200001930; University of Kentucky Research Foundation, 2200001956; University of Louisville Research Foundation, 2200002059; University of Kentucky Research Foundation, 2200002414; University of Louisville Research Foundation, 2200002463; The Cure Starts Now, 2200002548; University of Kentucky Research Foundation, 2200002613; Family Health Centers, Inc., 2200002614; University of Kentucky Research Foundation, 2200002615; University of Louisville Research Foundation, 2200002616; University of Louisville Research Foundation, 2200002617; Matthew 25 Aids Services, Inc., 2200002618; Livwell Community Health Services, Inc., 2200002619; Pennyroyal Healthcare Services, 2200002620; Regional Health Care Affiliates, 2200002621; University of Kentucky Research Foundation, 2200002622; Kentucky Hospital Research & Education Foundation, Inc., 2200002624; University of Kentucky Research Foundation, 2200002655; Kentucky Community and Technical College System, 2200002661; University of Kentucky Research Foundation, 2200002738; Kentucky Pharmacy Education and Research Foundation, Inc., 2200002829; Family and Children's Place, Inc., 2200002830; University of Kentucky Healthcare / Kentucky Medical Services, 2200002871; Western Kentucky University, 2200002873; Big Sandy Health Care, Inc., 2200002953; Healthcare Equipment and Resource Tools, Inc., 2200002967; Kentuckiana Health Collaborative, 2200002999; University of Louisville Research Foundation, 2200003000; University of Kentucky Research Foundation, 2200003056; Healthcare Equipment and Resource Tools, Inc., 2200003058; Rhema Word Foundation (RWF), 2200003061; Norton Healthcare, 2200003115; University of Kentucky Research Foundation, 2200003146; Ashland Hospital Corporation, 2200003151; Wendell Fosters Campus for Developmental Disabilities, 2200003165; Park Duvalle Neighborhood Health Center, 2200003207; University of Kentucky Research Foundation, 2200003217; University of Louisville Research Foundation, 2200003218; Shawnee Christian Healthcare Center, Inc., 2200003219; Matthew 25 Aids Service, Inc., 2200003220; Appalachian Kentucky Health Care Access Network, Inc., 2200003285; Kentucky Primary Care Association, Inc., 2200003292; Sterling Health Solutions, Inc., 2200003343; Primary Care Center of Eastern Kentucky, 2200003350; Go-Hire Employment and Development, Inc., 2200003493; Kentucky Pediatric Society Foundation, 2200003660; Foundation for Latin America Culture and Arts, 2200003697; Norton Healthcare Foundation, 2200003793; Rhema Word Foundation, 2200003813; University of Kentucky Research Foundation, 2200003815; Appalshop, Inc., 2200003821; Public Health Foundation, 2200003828; Kentucky Cancerlink, Inc., 2200003959.

DEPARTMENT FOR WORKFORCE INVESTMENT

University of Kentucky Research Foundation, 2200003357; Kentucky Transportation Cabinet, 2200003430; Ohio Valley Educational Cooperative, 2200003669; Green River Regional Educational, 2200004164; Kentucky Community and Technical College System, 2200004166.

DEPARTMENT OF AGRICULTURE

Feeding Kentucky, Inc., 2200003739.

DEPARTMENT OF CORRECTIONS

University of Louisville Research Foundation, 2200001913; Kentucky Community and Technical College System, 2200001915; Spalding University, 2200002015; Hope Center, Inc., 2200002553; Kentucky Transportation Cabinet, 2200002798; University of Kentucky Research Foundation, 2200003308.

DEPARTMENT OF EDUCATION

Shelby County Board of Education, 2200001586; Berea Independent Board of Education, 2200001709; Wayne County Board of Education, 2200001713; Knowledgeworks Foundation, 2200001746; Fleming County Board of Education, 2200001814; Logan County Board of Education, 2200001818; Shelby County Board of Education, 2200001819; Fayette County Board of Education, 2200002406; Henry County Board of Education, 2200002438; Harrison County Board of Education, 2200002778; Marion County Board of Education, 2200002779; Russell Independent School District, 2200002924; Ohio Valley Educational Cooperative, 2200002942; University of Kentucky Research Foundation, 2200003101; Cabinet for Health and Family Services, 2200003102; Foundation for A Healthy Kentucky, 2200003166; Department of Corrections, 2200003190; Henderson County Board of Education, 2200003271; Office of the Attorney General, 2200003301; Education and Workforce Development, 2200003330; Barren County Board of Education, 2200003508; Kentucky Community and Technical College System, 2200003605; Burgin Board of Education, 2200003606; Carter County Board of Education, 2200003629; Caverna Independent Schools, 2200003630; Clinton County Board of Education, 2200003631; Morehead State University, 2200003632; University of Kentucky Research Foundation, 2200003673; Eastern Kentucky University, 2200003687; University of Louisville Research Foundation, 2200003688; Morehead State University, 2200003708; Kentucky Special Parent Involvement Network, Inc., 2200003718; University of Kentucky Research Foundation, 2200003723; Knox County Board of Education, 2200003729; Knox County Board of Education, 2200003731; University of Kentucky Research Foundation, 2200003733; Bell County Board of Education, 2200003734; Danville Independent School District, 2200003736; Spencer County Board of Education, 2200003737; Berea Independent Board of Education, 2200003738; Scott County Board of Education, 2200003740; Carter County Board of Education, 2200003741; Scott County Board of Education, 2200003743; Newport Independent School District, 2200003748; Glasgow Independent School District, 2200003749; Scott County Board of Education, 2200003751; Danville Independent School District, 2200003752; University of Kentucky Research Foundation, 2200003753; Bardstown Independent School District, 2200003759; Scott County Board of Education, 2200003761; Scott County Board of Education, 2200003762; Glasgow Independent School District, 2200003766; Simpson County Board of Education, 2200003771; Green River Regional Educational, 2200003774; Arts for All Kentucky, Inc., 2200003783; Kentucky Center for Education and Workforce Statistics, 2200003822; Washington County Board of Education, 2200003838; Lincoln County Board of Education, 2200003841; Lincoln County Board of Education, 2200003843; Lincoln County Board of Education, 2200003846; Corbin Independent School District, 2200003848; Lincoln County Board of Education, 2200003849; University of Kentucky Research Foundation, 2200003850; Crittenden County Board of Education, 2200003851; Cumberland County Board of Education, 2200003852; Franklin County Board of Education, 2200003861; Garrard County Board of Education, 2200003864; Green County Board of Education, 2200003898; Hancock County Board of Education, 2200003899; Harlan Independent School District, 2200003900; Hazard Independent School District, 2200003901; Lee County Board of Education, 2200003909; Ludlow Independent School District, 2200003913; Lincoln County Board of Education, 2200003914; Logan County Board of Education, 2200003915; Middlesboro Independent School District, 2200003919; Paintsville Independent School District, 2200003920; Pike County Board of Education, 2200003924; Taylor County Board of Education, 2200003926; Walton-Verona Independent School District, 2200003927; Barren County Board of Education, 2200003967; Barren County Board of Education, 2200003968; Murray State University, 2200003981; Kentucky Educational Development Corporation, 2200003985; Kentucky Educational Development Corporation, 2200003986; Kentucky Educational Development Corporation, 2200003988; Kentucky Educational Development Corporation, 2200003991; Kentucky Educational Development Corporation, 2200003993; Paris Independent School District, 2200004048; Ohio Valley Educational Cooperative, 2200004069; Ohio Valley Educational Cooperative, 2200004070; Leslie County Board of Education, 2200004077; Leslie County Board of Education, 2200004079; Monroe County Board of Education, 2200004092; Central Kentucky Educational Cooperative, 2200004159; Central Kentucky Educational Cooperative, 2200004160; Marion County Board of Education, 2200004191; Marion County Board of Education, 2200004192; Bullitt County Board of Education, 2200004239; Paris Independent School District, 2200004270.

DEPARTMENT OF INSURANCE

Kentucky Community and Technical College System, 2200003071.

DEPARTMENT OF JUVENILE JUSTICE

University of Kentucky, 2200001458.

DEPARTMENT OF MILITARY AFFAIRS

Oldham County Fiscal Court, 2200003728; Floyd County, 2200003732; Louisville & Jefferson MSD, 2200003785; Louisville & Jefferson MSD, 2200003789; Oldham County Fiscal Court, 2200003794; Oldham County Fiscal Court, 2200003807.

DEPARTMENT OF VETERANS AFFAIRS

Brain Injury Association of America, Inc., 2200003211; Kentucky National Guard Memorial Fund, Inc., 2200004047.

DEPARTMENT OF WORKPLACE STANDARDS

Department for Public Health OSHA Laboratory Services, 2200003356.

ECON DEV - OFFICE OF THE SECRETARY

University of Kentucky Research Foundation, 2200003623; Kentucky Science and Technology Corporation, 2200003634; Kentucky Science and Technology Corporation, 2200003671; University of Kentucky Research Foundation, 2200003674; University of Louisville Research Foundation, 2200003690; University of Kentucky Research Foundation, 2200003693; Kentucky Science and Technology Corporation, 2200003705.

EDUCATION - OFFICE OF THE SECRETARY

Shaping Our Appalachian Region, Inc., 2200002496; University of Kentucky Research Foundation, 2200003518.

FINANCE - OFFICE OF THE SECRETARY

Multi, 2200000073; Multi, 2200000084.

JUSTICE - OFFICE OF THE SECRETARY

Trigg County Board of Education, 2200002637; Pennyroyal Regional Mental Health Mental Retardation Board, 2200002994; Mental Health America of Northern Kentucky and Southwest Ohio, 2200003111; Kentucky Access To Justice Commission, 2200003336; Unlawful Narcotics Investigations Treatment and Education, 2200003338; Unlawful Narcotics Investigations Treatment and Education, 2200003339; Volunteers of America Mid-States, Inc., 2200003340; Kentucky Pharmacy Education and Research Foundation, Inc., 2200003341; Kentucky Chamber Foundation, Inc., 2200003342; Louisville/Jefferson County Metro Government, 2200003347; Kentucky CASA Network, 2200003361; Eastern Kentucky CEP, Inc., 2200003684; Supporting Heroes, Inc., 2200003689; Volunteers of America Mid-States, Inc., 2200003730; Volunteers of America Mid-States, Inc., 2200004150.

KY APPLIED BEHAVIOR ANALYSIS LICENSING BOARD

Department of Professional Licensing, 2200002242.

KY HOUSING CORPORATION

University of Kentucky Research Foundation, 2023-1.

KY INFRASTRUCTURE AUTHORITY

Cumberland Valley Area Development District, 2200003147; Green River Area Development District, 2200003149; Kentucky River Area Development District, 2200003155; Lake Cumberland Area Development District, Inc., 2200003156; Northern Kentucky Area Development District, 2200003159; Purchase Area Development District, Inc., 2200003161.

MEDICAID SERVICES BENEFITS

Kentucky Transportation Cabinet, 2200002788.

NORTHERN KENTUCKY UNIVERSITY

Central Campbell County Fire District, 2024-106.

OFFICE OF INSPECTOR GENERAL

Owsley Brown Frazier Historical Arms Museum Foundation, Inc., 2200002469.

PERSONNEL - OFFICE OF THE SECRETARY

University of Kentucky, 2200002428.

STATE TREASURER

University of Kentucky Research Foundation, 2200002821; University of Kentucky Research Foundation, 2200003381; University of Kentucky Research Foundation, 2200003389; Mattingly Center, Inc., 2200003392; Zoom Group, Inc., 2200003647.

TRANSPORTATION - OFFICE OF THE SECRETARY

Colorado State Patrol Family Foundation, 2200002267; Colorado State Patrol Family Foundation, 2200002268; Marshall University Research Corporation, 2200002287; University of Kentucky Research Foundation, 2200002485; University of Kentucky Research Foundation, 2200002512; Western Kentucky University, 2200002514; Kentucky Waterways Alliance, 2200002705; Kentucky Organization of Professional Archaeologists, Inc., 2200002810; Kentucky Natural Lands Trust, Inc., 2200002823; Governors Highway Safety Association (GHSA), 2200003162; The Research Foundation for the State University of New York, 2200003498.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED:

ADMINISTRATIVE OFFICE OF THE COURTS

Brian D. Bohannon, 2000001217; Western Kentucky Regional Mental Health & Retardation Advisory Board, 2100003206; Mountain Comprehensive Care Center, 2200000306; The University of Arizona, 2200002238; The University of Arizona, 2200002238.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

University of Kentucky Research Foundation, 2100000941; Western Kentucky Regional Mental Health & Retardation Advisory Board, 2100001841.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Northern Kentucky Cooperative for Educational Services, Inc., 2000002613; Multi, 2000002839; Multi, 2000002888; Multi, 2000003442; University of Kentucky Research Foundation, 2000003475; Multi, 2000004400; National Foundation To End Hunger, Inc., 2100001015; Multi, 2100001810.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Consortium for Children, 2000001522; Kentucky Coalition Against Domestic Violence, Inc., 2000001802; Kentucky Association of Sexual Assault Programs, 2000001992; Youth Villages, Inc., 2000002738; University of Kentucky Research Foundation, 2000003507.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

EPPC Division of Conservation, 2100002406.

DEPARTMENT FOR INCOME SUPPORT

State of Rhode Island Department of Human Services, 2000003325.

DEPARTMENT FOR LOCAL GOVERNMENT

Barren River Area Development District, 2100000391; Big Sandy Area Development District, 2100000392; Buffalo Trace Area Development District, 2100000394; Cumberland Valley Area Development District, 2100000395; Fivco Area Development District, 2100000396; Gateway Area Development District, 2100000397; Kentuckiana Regional Planning & Development Agency, 2100000400; Lincoln Trail Area Development District, 2100000402; Northern Kentucky Area Development District, 2100000403; Pennyrile Area Development, 2100000404.

DEPARTMENT FOR MEDICAID SERVICES

University of Louisville Research Foundation, 2000004008; University of Louisville Research Foundation, 2000004011; University of Louisville Research Foundation, 2000004035; University of Louisville Research Foundation, 2000004246.

DEPARTMENT FOR PUBLIC HEALTH

St. Elizabeth Medical Center, 2000001958; University of Kentucky Research Foundation, 2000002380; University of Kentucky, 2000002755; Community Medical Associates, Inc., Norton's South Children Medical Group, LLC, 2000003024; University of Kentucky Research Foundation, 2000003140; University of Kentucky Research Foundation, 2000003549.

DEPARTMENT FOR WORKFORCE INVESTMENT

Jobs for Kentucky's Graduates, 2100002866.

DEPARTMENT OF AGRICULTURE

Multi, 2100001484; Multi, 2100001485.

DEPARTMENT OF EDUCATION

Kentucky School Board Association Educational Foundation, Inc., 2100002122; West Kentucky Educational Cooperative, 2100002610; Murray State University, 2100002658; Bardstown Independent School District, 2100002927; Newport Independent School District, 2100003084; Hopkins County Board of Education, 2100003456; Oldham County Board of Education, 2100003459; Kentucky Valley Education, 2200001690.

DEPARTMENT OF JUVENILE JUSTICE

The Methodist Home of Kentucky, Inc., 2000003278.

DEPARTMENT OF MILITARY AFFAIRS

Fort Knox Community Schools Food Service, 2000003367.

FINANCE - OFFICE OF THE SECRETARY

Multi, 2100001740; Multi, 2200001444.

KY INFRASTRUCTURE AUTHORITY

City of Providence, 1600001250; City of Campton, 1700001554; Mountain Water District, 1700001956; Clay County Fiscal Court, 2200001185.

OFFICE OF HEALTH DATA AND ANALYTICS

University of Kentucky Research Foundation, 2100001118.

THE FOLLOWING KENTUCKY ENTERTAINMENT INCENTIVE PROGRAM AGREEMENTS WERE REVIEWED:

ECON DEV - OFFICE OF THE SECRETARY

Small Town Romance, LLC, 2200003963; A&P Productions, LLC, 2200004245; Bornfreeentertainment, LLC, 2200004309; Last Shift 2022, LLC, 2200004315; WC Film Production, LLC, 2200004382.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Neurobehavioral Resources, Ltd., 2200001537. Amy Metzger, Jessica Wayne, and Marnie Mountjoy discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Representative Minter seconded the motion, which passed.

DEPARTMENT OF CORRECTIONS

Allen and Jolly Veterinary Services, 2200003143. Randy White, Hilarye Dailey, and Truman Tipton discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

DEPARTMENT OF EDUCATION

Engage! Learning, LLC, 2200002940. Karen Wirth, Damien Sweeney, and Thomas Tucker discussed the contract with the committee. A motion was made by Senator Southworth to disapprove the contract. The motion failed due to the lack of a second. A motion was made by Representative Koch to consider the contract as reviewed. Representative Minter seconded the motion, which passed with Senator Douglas voting to pass and Senator Southworth voting no.

DEPARTMENT OF EDUCATION

TCB Consulting, LLC, 2200003439. Katie Embree, Faith Corbin, and Lauren Moore discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

FACILITIES & SUPPORT SERVICES

Frasca & Associates, LLC, 2200000849. Jennifer Linton and Steve Collins discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Koch seconded the motion, which passed.

KENTUCKY LOTTERY CORPORATION

The Segal Company (Eastern States), Inc. d/b/a Segal, 23-21-001. Ellen Benzing and Michele Sullivan discussed the contract with the committee. A motion was made by Senator Southworth to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

KENTUCKY STATE FAIR BOARD

Dinsmore & Shohl, LLP, 2200004333. Anthony Schreck and Melinda Gentry discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Koch seconded the motion, which passed.

KY PUBLIC SERVICE COMMISSION

Strategen Consulting, LLC, 2200001505; Strategen Consulting, LLC, 2200001899. Linda Bridwell discussed the contracts with the committee. A motion was made by Representative Koch to consider the contracts as reviewed. Representative Minter seconded the motion, which passed.

OFFICE OF HOMELAND SECURITY

MCP Acquisition Corporation, LLC, 2200003455. Mike Sunseri discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Senator Southworth seconded the motion, which passed.

OFFICE OF THE CONTROLLER

Davis Farr, LLP, 2200003015. Brian Thomas, Joe McDaniel, and Ed Ross discussed the contract with the committee. A motion was made by Representative Hart to disapprove the contract. The motion failed due to the lack of a second. A motion was made by Representative Minter to consider the contract as reviewed. The motion failed due to a lack of a second. Contract moves forward.

PERSONNEL - OFFICE OF THE SECRETARY

Korn Ferry (US), 2200002760. Mary Elizabeth Bailey discussed the contract with the committee. A motion was made by Senator Southworth to consider the contract as reviewed. Senator Douglas seconded the motion, which passed with Representative Hart and Senator Meredith voting no.

UNIVERSITY OF LOUISVILLE

McCarthy Strategic Solutions, 23-008. Sally Molsberger discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Minter seconded the motion, which passed with Senator Southworth voting no.

WESTERN KENTUCKY UNIVERSITY

Gensler Architecture, Design and Planning, PC (M. Arthur Gensler Jr. & Associates, Inc.), 222412. Jennifer Smith and Bryan Russell discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Koch seconded the motion, which passed with Senator Southworth voting to pass.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT OF JUVENILE JUSTICE

Mid America Health, Inc., 2000003541. James Vanburen and William Codell discussed the contract with the committee. A motion was made by Senator Southworth to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

UNIVERSITY OF KENTUCKY

Sasaki Associates, Inc., A211120. Bart Hardin and Naomi Emmons discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Koch seconded the motion, which passed with Senator Douglas voting to pass.

THE FOLLOWING PERSONAL SERVICE CONTRACT FOR $10K AND UNDER WERE SELECTED FOR FURTHER REVIEW:

UNIVERSITY OF KENTUCKY

Dr. Alina Vale, 22-036. Bart Hardin and Naomi Emmons discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Representative Koch seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

BOARD OF ELECTIONS

Lexington Fayette County Treasurer, 2200002672. Karen Sellers, Richard House, and Taylor Brown discussed the contract with the committee. A motion was made by Senator Southworth to disapprove the contract. The motion failed due to the lack of a second. A motion was made by Representative Minter to consider the contract as reviewed. Representative Koch seconded the motion, which passed with Senator Douglas voting to pass and Senator Southworth and Senator Meredith voting no.

BOARD OF ELECTIONS

Clark County Treasurer, 2200003222. Karen

Seller, Richard House, and Taylor Brown discussed the contract with the committee. A motion was made by Senator Southworth to consider the contract as reviewed. Representative Koch seconded the motion, which passed.

COUNCIL ON POSTSECONDARY EDUCATION

Kentucky Department of Education, 2200003980. Travis Powell and Leslie Brown discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Minter seconded the motion, which passed with Senator Douglas voting to pass.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Consortium for Children, 2200002577. Mary Carpenter discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Representative Minter seconded the motion, which passed with Representative Hart voting no.

DEPARTMENT FOR PUBLIC HEALTH

Kentucky Department of Corrections, 2200003696. Kathleen Winter and Mike Tuggle discussed the contract with the committee. A motion was made by Representative Minter to consider the contract as reviewed. Representative Koch seconded the motion, which passed with Senator Douglas voting to pass and Senator Southworth and Representative Hart voting no.

THE FOLLOWING MEMORANDA OF AGREEMENTS FOR $50K AND UNDER WERE SELECTED FOR FURTHER REVIEW:

BOARD OF ELECTIONS

Union County Treasurer, 2200002659; Adair County Treasurer, 2200003046. Karen Seller, Taylor Brown, and Richard House discussed the contract with the committee. A motion was made by Senator Southworth to disapprove the contract. The motion failed due to the lack of a second. A motion was Representative Koch to consider the contracts as reviewed. Representative Minter seconded the motion, which passed with Senator Southworth voting no.

DEPARTMENT FOR PUBLIC HEALTH

Healthfirst Bluegrass, Inc., 2200003059. Vivian Lasley-Bibbs and Astrud Masterson discussed the contract with the committee. A motion was made by Senator Southworth to defer the contract to the July 2022 committee meeting. Senator Douglas seconded the motion, which passed with Representative Minter voting no.

EXEMPTION REQUESTS:

DIVISION OF EMERGENCY MANAGEMENT:

The Division of Emergency Management (KYEM) which is administratively attached to the Department of Military Affairs requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the biennium for disaster declaration grants awarded by the Federal Emergency Management Agency (FEMA). A motion was made by Representative Hart to grant the request to June 30, 2034. Representative Koch seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 11:30 AM.

MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

Minutes

June 22, 2022

Call to Order and Roll Call

The 1st meeting of the Medicaid Oversight and Advisory Committee was held on Wednesday, June 22, 2022, at 3:00 PM, in Room 131 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Daniel Elliott, Co-Chair; Senators Ralph Alvarado, Danny Carroll, and Jimmy Higdon; Representatives Jim Gooch Jr., and Melinda Gibbons Prunty.

Guests: Steve Bechtel, Chief Financial Officer and Veronica Judy-Cecil, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Leon D. Lamoreaux, Medicaid Market President, David Crowley, Director, Kentucky Medicaid Behavioral Health, and Hope McLaughlin, Senior Director, Government Relations, Anthem Blue Cross Blue Shield; and Nancy Galvagni, President, Chief Executive Officer and Jim Musser, Senior Vice President, Policy and Government Relations, Kentucky Hospital Association.

LRC Staff: Chris Joffrion, Becky Lancaster, and Eric Rodenberg.

Update on Medicaid Budget and Enrollment

Steve Bechtel, Chief Financial Officer, Department for Medicaid Services, Cabinet for Health and Family Services, discussed the state fiscal year (SFY) 2022 Medicaid budget including expenditures, the estimated ending balance, and the managed care and fee-for-service expenditures.

In response to questions and comments from Representative Gibbons Prunty, Mr. Bechtel stated that the non-emergency medical transportation payments are a capitated payment paid to the Transportation Cabinet. He stated that there has been a trending increase in non-emergency medical transportation.

In response to questions and comments from Senator Alvarado, Mr. Bechtel stated that the dental reimbursement amount shown in his presentation represents the amount paid for fee-for-service population and the managed care expenditures total includes dental reimbursements.

In response to questions and comments from Senator Carroll, Ms. Judy-Cecil stated that a monthly capitation payment goes to each of the managed care organizations (MCOs). Mr. Bechtel stated that the amount distributed to MCOs is calculated by the number of members per month based on enrollment. Ms. Judy-Cecil stated that the MCOs must spend 90 percent of the payment on services in a timely manner.

In response to questions and comments from Senator Meredith, Ms. Judy-Cecil stated that the MCO request for proposal (RFP) is still pending and is the subject of a lawsuit. She stated that Medicaid is creating a new provider type for rural health to adjust the business model. Mr. Bechtel stated that data is being collected regarding post COVID-19 impacts to the budget.

Veronica Judy-Cecil, Deputy Commissioner, Department for Medicaid Services (DMS), Cabinet for Health and Family Services (CHFS), discussed the increase in Medicaid enrollment from March 2020 to June 2022, temporary presumptive eligibility, and each 1915(c) waiver program's enrollment, availability, and waiting list.

In response to questions and comments from Senator Carroll, Ms. Judy-Cecil stated that the waiver programs are in a redesign process, additional slots are awaiting approval from Centers for Medicare & Medicaid Services (CMS), and DMS is looking into new waivers or programs to provide services to individuals. DMS must have allocated funds in the budget before adding additional slots for individuals to the waiver programs. She stated that DMS is working with CMS to use the Federal Medical Assistance Percentage (FMAP) funds for the budgeted rate increases.

In response to questions and comments from Senator Meredith, Ms. Judy-Cecil stated that funding for providers through a basic health plan are different than Medicaid rates.

Approval of Minutes

A motion to approve the November 30, 2021, minutes was made by Senator Alvarado, seconded by Representative Elliott, and approved by a voice vote.

Medicaid Managed Care Organizations' Efforts to Improve Health Outcomes, Network Adequacy, and Access to Care – Part 1

Leon D. Lamoreaux, Medicaid Market President, Anthem Blue Cross Blue Shield, discussed how Anthem Blue Cross Blue Shield is addressing diverse health needs in Kentucky. He provided various statistics regarding medical claims, call center data, enrollment, and population health information. He discussed Anthem's eight areas of focus, the related performance metric for better health outcomes, and the actions Anthem are taking to impact Kentucky Medicaid members within each area.

In response to questions and comments from Senator Meredith, Hope McLaughlin, Senior Director, Government Relations, Anthem Blue Cross Blue Shield, stated that better health outcomes for members ensure that the costs of healthcare do not exceed per member per month capitation rate payments otherwise the insurer, not the state, is responsible for the overages. Mr. Lamoreaux stated that Anthem is introducing a value-based payment arrangement for providers.

Mr. Lamoreaux discussed contractual standards regarding access and distances to various provider types per area, appointment availability of providers, different programs used in the value-based payment program for providers, and the Healthcare Effectiveness Data and Information Set (HEDIS) findings and recommendations.

David Crowley, Director, Kentucky Medicaid Behavioral Health, Anthem Blue Cross Blue Shield, discussed Anthem's three-prong approach for substance use disorders, substance use clinical outcomes, and recidivism rates. Mr. Lamoreaux discussed Anthem's goals and strategies to improve health outcomes in rural areas.

In response to questions and comments from Representative Gibbons Prunty, Mr. Lamoreaux stated that the term childless adults was used to characterize the Affordable Care Act expansion population of which many are employed.

In response to questions and comments from Senator Alvarado, Mr. Lamoreaux stated that the quality measure totals were calculated by the HEDIS method and clarified various statistics. Mr. Crowley stated that the medication-assisted treatment (MAT) trend is based on MAT prescriptions filled and within 30 days the member receiving two supportive services.

In response to questions and comments from Senator Meredith, Mr. Lamoreaux stated that Anthem's Medicaid provider network is a derivative of the commercial network, and that credentialing is basically an opt-in through the contract to avoid providers having to repeat the credentialing process.

Update from the Kentucky Hospital Association

Nancy Galvagni, President, Chief Executive Officer, Kentucky Hospital Association (KHA), discussed the inpatient Medicaid hospital rate improvement program (HRIP), the implementation of the credentialing alliance, and the factors that affect the cost of care. She explained that recent hospital expenses are unsustainable and that the increases cannot be passed along to other entities. She discussed the need for an outpatient HRIP program to benefit rural hospitals and increase access to care for members.

In response to questions and comments from Senator Meredith, Ms. Galvagni stated that the CHFS Secretary is supportive of KHA's plan. She stated that the new Rural Emergency Hospital designation is a last ditch effort to prevent a hospital from closing and a program should be in place for hospitals that need the option.

In response to questions and comments from Representative Elliott, Ms. Galvagni stated that Kentucky paved the way for other states to follow the inpatient HRIP but some states have also received approval from CMS for an outpatient program.

In response to questions and comments from Senator Carroll, Ms. Galvagni stated that KHA will have reports regarding vacancy rates for health professionals, contracts, and premium pay for providers. She stated that there has not been a reduction in the use of travel staff but a slight decrease in the travel staff rates with an increase in premium pay to retain current employees. She stated that there needs to be more training of bedside nurses and better programs to better impact the number of nurses available for hire. She stated that hospitals are approaching commercial insurers with data to negotiate rates due to increases in expenses.

In response to questions and comments from Senator Meredith, Ms. Galvagni stated that KHA wants to see people covered by insurance or Medicaid and wants to be a partner in assuring coverage for members however, KHA has concerns about the basic health program rates.

Update on the Implementation of Recently Enacted Legislation: 2020 Regular Session Senate Bill 50, 2021 Regular Session House Bill 438, and 2022 Regular Session House Bill 188

Veronica Judy-Cecil, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, discussed 2020 Regular Session Senate Bill 50, the implementation of the Kentucky Medicaid pharmacy program's single preferred drug list and single pharmacy benefit manager, data regarding the increase in rebates, and issue with dispense fees for providers. She discussed 2022 Regular Session House Bill 188, and the implementation of telehealth regulations. She discussed the completed telehealth report required from 2021 Regular Session House Bill 140.

In response to questions and comments from Senator Carroll, Ms. Judy-Cecil stated that DMS is monitoring and auditing to identify and prevent telehealth fraud. She stated that DMS put standards into telehealth regulations but the system is evolving to protect members.

Ms. Judy-Cecil discussed 2021 Regular Session House Bill 438, the procurement, changes, protest filing, approval, and challenges faced in finalizing the single credentialing organization. She stated there are no complaints with the credentialing. She discussed the difference in the Medicaid enrollment and credentialing processes.

In response to questions and comments from Senator Alvarado, Ms. Judy-Cecil stated that she will send information as to where complaints can be filed.

Adjournment

There being no further business, the meeting was adjourned at 5:10 PM.

LEGISLATIVE OVERSIGHT & INVESTIGATIONS COMMITTEE

Minutes of the 1st Meeting

of the 2022 Interim

June 16, 2022

Call to Order and Roll Call

The 1st meeting of the Legislative Oversight & Investigations Committee was held on Thursday, June 16, 2022, at 1:00 PM, in Room 131 of the Capitol Annex. Representative Jason Nemes, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jason Nemes, Co-Chair; Senator Danny Carroll, Co-Chair; Representatives Lynn Bechler, John Blanton, Ken Fleming, Joni L. Jenkins, and Steve Riley; Senators Morgan McGarvey and Brandon J. Storm.

Guests: Jenny Lafferty, Director, Finance and Administration; Alice Wilson, Director, Audits; and Tammy Brown, Executive Officer, Financial Services; Administrative Office of the Courts.

LRC Staff: Gerald W. Hoppmann, Committee Staff Administrator; Committee Analysts William Spears, Jacob Blevins, Joel Thomas, Jeremy Skinner, Shane Stevens, Chris Hall, Ryan Brown, Taylor Johnston, McKenzie Ballard; and Ashley Taylor, Committee Assistant.

Minutes for December 16, 2021

Upon motion by Representative Blanton and second by Representative Riley, the minutes for the December 16, 2021, meeting were approved without objection.

Representative Nemes held a moment of silence for the passing of Sarah Elizabeth Chastain, who was a graduate fellow for the Legislative Oversight and Investigations Committee.

Staff Report: Judicial Branch Contracting

Legislative Oversight staff members William Spears and Ryan Brown presented a summary of the Judicial Branch contracting report. The report reviews contracting policies and practices of the Judicial Branch. Staff reviewed requirements for procurement, including policies, training documents, and internal and external audits. Staff analyzed expenditures and contracts from fiscal year (FY) 2019 to FY 2021, sampled contract files to compare against requirements, and reviewed audits of judicial systems from other states. Staff provided three finding areas and thirteen recommendations.

The draft report and presentation slides are available on the Legislative Oversight and Investigations Committee webpage.

In response to a question from Representative Nemes, Mr. Spears explained that Kentucky Court of Justice (KCOJ) expended $5.1 million against various contract types for FY 2021, but was authorized to expend $25.3 million. He also stated that base funds are appropriated, but not for expenditures against specific contracts. There is nothing in an appropriation that states exactly to which contracts the funds apply. Mr. Spears noted after speaking with the agency it was established that the allowable amounts are not good representations of what they expect to spend on the contracts. An example is for language interpreters, where the agency typically allots a larger amount than what they expect to spend so that they do not inadvertently reach a spending limit on contracts where they do not have an expected limit. Representative Nemes also inquired about the changes in capital outlay expenditures, but stated he would ask the agency.

In response to questions from Representative Fleming about best value, Mr. Spears briefly explained that best value does not necessarily mean the lowest bid, but also includes other factors to determine a best offer. Mr. Brown stated the files that were requested made it possible for them to see how bids are scored and how score sheets are developed. Typically there were three to four categories which could include anything from professionalism to presentation. The categories were then scored and weighted so it was dependent on the individual bid they were reviewing.

Representative Fleming asked Mr. Spears and Mr. Brown if they thought AOC felt comfortable using different procurements based on volume. Mr. Brown and Mr. Spears said they did not look into that specific area, but that AOC has been making many policy revisions and has been thinking about the procurement processes they use. Representative Nemes asked AOC to provide this information to the committee.

In response to a question from Representative Blanton, Mr. Spears stated that of the contacts reviewed there was not any evidence of widespread overspending related to General Accounting Expenditures (GAXs). It is more of an issue related to the general use of GAXs outside of their stated purpose, so issues do not arise.

Representative Blanton voiced concern regarding government as a whole having a tendency to punish agencies if any money is left over from their budgets at the end of a fiscal year. He explained government in general needs to move away from that and instead encourage savings. If not, offices will go out and make purchases solely to spend leftover money. He stated that is a waste and would rather they hold on to it and save it over into the next budget. Mr. Spears did not recall seeing any evidence of extra spending at the end of a fiscal year, but staff's analysis was not focused in this area. Instead, staff focused on spending throughout the entire year.

Representative Nemes noted there is an anti-lapsing provision in the judicial budget, if money is not spent it no longer lapses back to the general fund.

Jenny Lafferty, Director of Finance and Administration for AOC introduced herself as well as Tammy Brown, Executive Officer of Financial Services, and Alice Wilson, Director of Audits. Ms. Lafferty opened by explaining that the 12 actions AOC has taken since the 2018 report of the Auditor of Public Accounts (APA), which is part of the public record. AOC's presentation slides are available on the Legislative Oversight and Investigations Committee webpage.

Ms. Lafferty stated AOC agrees with the first finding of the committee and the two recommendations related to the APA examination. AOC also agrees with the two recommendations of the committee and plans to implement them. The first finding area references ProCards and states that AOC will incorporate a statement in the OnBase form and associated workflow for managers of ProCard holders to verify prior verbal approval of any purchases in excess of $500. The second recommendation states AOC should recommend that the Supreme Court more formally designate the internal audit division as the judicial branch's reporting entity for fraud, waste, and abuse in AP Part III and AP Part XIX.

Ms. Lafferty said AOC agrees with the second finding of the committee which states contract documents met many, but not all, requirements. She explained her concern about one of staff's common findings regarding the lack of request forms, which could indicate lack of management approvals. She explained that AOC is leveraging OnBase so that all requisitions will have to be submitted into the OnBase workflow. So, requisitions cannot be submitted to procurement to make a purchase until all required information has been submitted. The requisition will be routed through a workflow that will go through management and the budget office before it gets to procurement. It will all be documented and maintained in the OnBase e-requisition system. Ms. Lafferty noted competitive exceptions will also be documented in the e-requisition system.

In response to a question from Representative Nemes, Ms. Lafferty explained competitive exceptions include emergency exceptions under the statute. This could be anything along the lines of fire, flood, or tornado. Competitive exceptions take place when there is only one entity that can provide the service or product, or when it is not feasible or practicable to bid. Ms. Lafferty stated since 2008 a Request for Bids (RFB) has not been issued on best value basis, RFB's have only been issued on a low bid basis. She explained when a Request for Proposals (RFP) is issued it is based on subjective criteria. However, when an RFB has been issued for goods it has been based on a low bid basis.

In response to a question from Representative Nemes, Ms. Lafferty said AOC's policy already states a best value interpretation would have to be something that is communicated into the RFB. It has to be something that is objective, not subjective otherwise it is not a best value criteria.

Ms. Lafferty explained the third finding of the committee, regarding the use of GAX documents being used for unsuitable payments. AOC has never issued purchase or delivery orders through the eMARS system. Instead, they have been issued through an in-house purchase order database created years ago, but then paid through GAX documents in eMARS. Ms. Lafferty also said that the in-house information is not available in eMARS, but is included in the in-house purchase order database. She expressed that AOC finds it important to be accountable, have information in eMARS that everyone can access, and follow the same guidelines that other branches are following. The AOC's new procurement policy, effective July 1, will require purchase orders (POs) to be paid using stand-alone PRCs and allows GAXs documents to be used only to pay reimbursements, utilities, telephone and internet, and mail. No exceptions are permitted.

Ms. Lafferty said AOC is working on making continuous improvements throughout the office of Finance and Administration. There have been multiple eMARS trainings, as well as trainings on new policies and procedures. They have been seeking additional opportunities to leverage OnBase, by using standalone PRCs to pay POs and delivery orders (DOs) instead of GAX documents, and updating cited authority lists in eMARS applicable to the judicial branch. Beginning in FY 2023 POs and DOs will be created in eMARS. There are also multiple policies currently under development.

Ms. Lafferty noted several updates that AOC would like to recommend to the Supreme Court for administrative procedures including Judicial Branch grants, procurement, accounting, capital construction program, operation and maintenance of court facilities, leasing, and security. In regards to the Department of Procurement, AOC has been working to improve vendor management and contract evaluation and administration.

In response to a question from Senator Carroll about agency use of eMARS, Mr. Hoppmann noted that Finance and Administration Cabinet policies are used by executive branch agencies; however, legislative and judicial branch agencies are not required to adhere to them. Ms. Lafferty also explained that AOC is required to use eMARS as part of annual financial reporting, but they do not have to use it the same way as the executive branch agencies do. She also noted they have not been provided training or been included on training email updates that may go out about eMARS, since AOC is an agency within a different branch of government. She said they are working with The Office of Procurement Services and the Office of the Controller to have a better information line so that processes can be established to make it easier for others to see that procurement is handled in a way that is transparent and accountable, as well as consistent with other agencies.

Senator Carroll asked if AOC feels comfortable with the changes it is making, in regard to the future, he asked whether everything will be accounted for both numerically and with documentation and explanation. Ms. Lafferty said she does feel confident with how accounting for procurement is currently being handled, but she will feel more confident with how procurement will be handled in the future. She noted that, in the past, AOC has not been entering the contracts into the eMARS system in the best way, which would allow them to account properly. Rather, eMARS has essentially been used as the mechanism by which AOC pays people.

Representative Nemes asked for an explanation of changes in expenditures at KCOJ from FY 2020 to FY 2021. Ms. Lafferty stated that information would have to come from the budget office but that they will get the information to the committee.

In response to a question from Representative Nemes regarding real property leases and conflicts of interest, Ms. Lafferty said vendors must complete a disclosure of ownership form so that AOC is aware of anyone with a 5 percent or greater ownership interest in the company.

In response to Representative Nemes' question, Ms. Lafferty stated contracts are housed electronically, although all of the documentation for solicitations and contract requests are not. Once e-requisition is in place, solicitations and contract requests will then be electronically housed. The three requested files for one of the sampled RFPs could not be provided because they were lost when files were physically moved from department to department.

In response to a question from Representative Nemes, Mr. Spears explained AOC agreed with the report's recommendations and gave good feedback regarding the recommendations. AOC did not fully follow one of the APA recommendations, which states AOC should use purchase orders or request forms for ProCard purchases. AOC noted the reasoning behind this is to preserve flexibility. Mr. Spears stated committee staff did not making that specific recommendation, however, it would like for AOC to have some type of relatively informal communication with their manager so that someone is made aware that purchases are being made on the ProCard.

Representative Nemes commended the Chief of Justice and Director Givens for immediately addressing the problems found in the audit of AOC's expenditures, credit card usages, and leasing practices performed by Auditor Mike Harmon. He also thanked AOC staff for the major internal control improvements that have been made since 2018, as communicated by committee staff in its findings.

In response to a question from Senator Carroll, Ms. Lafferty stated AOC does report any money left over from the previous year into the Kentucky Budgeting System. In regard to the budget funds and monies left over, the judicial branch has been structurally imbalanced for a number of years and she has been told AOC does not have any excess in appropriations. There is only excess in the restricted funds. She said she would provide more detailed information to the committee.

In response to Representative Nemes question, Ms. Lafferty said she is 100% confident that the issues in the 2018 audit have been covered by the new policies that have been put into place.

Upon motion by Representative Blanton and second by Representative Riley the Judicial Branch Contracting staff report was adopted with a roll call of 9 votes and 0 no votes.

Co-Chair Nemes adjourned the meeting.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 2nd Meeting of the 2022 Interim

June 16, 2022

Call to Order and Roll Call

The 2nd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, June 16, 2022, at 10:30 AM, in Room 129 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Myron Dossett, Co-Chair; Senators Dennis Parrett and Robin L. Webb; Representatives Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; Sarah Vaughn, Director, Farms to Food Banks Program, Feeding Kentucky; and Cassidy Wheeler, Advocacy Coordinator, Feeding Kentucky.

LRC Staff: Stefan Kasacavage, Hillary Abbott, Kelly Ludwig, and Rachel Hartley.

The minutes from the meeting of May 26, 2022, were approved by voice vote.

Kentucky Office of Agricultural Policy Report

Brian Lacefield introduced new interns and provided a brief overview of various events. The KOAP loan programs with low interest rates have become more attractive because commercial interest rates have increased. There are areas in Kentucky that are underserved by large animal veterinaries due to shortages.

Bill McCloskey described the Agricultural Development Board's (ADB) projects. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Next Generation Farmer, Deceased Farm Animal Removal, and Youth Agriculture Incentives Program.

The requested program amendments discussed included:

Casey County Conservation District requested an additional $240,000 in Casey County funds for CAIP. The board recommended approval, which would bring the program total to $555,000.

Fayette County Conservation District requested an additional $40,000 in Fayette County funds for CAIP. The board recommended approval, which would bring the program total to $215,000.

Owen County Farm Bureau requested an additional $265,000 in Owen County funds for CAIP. The board recommended approval, which would bring the program total to $315,000.

The projects discussed included:

The city of Cadiz was approved for up to $93,500 in state and county funds for the construction of a farmers market structure to extend the marketing season for producers.

Gav's Meat Processing was approved for $5,000 in Butler County funds to purchase meat processing equipment.

Sugarloaf Mountain Meats and Processing was approved for $224,850 in state funds to purchase a poultry processing unit and equipment to expand its operation to a United States Department of Agriculture-certified poultry processing facility.

In response to Representative King, Mr. McCloskey stated since the Master Settlement Agreement was implemented there have been 1,500 approved loans with only four defaulted loans.

In response to Senator Webb, Mr. McCloskey stated the Youth Agriculture Incentives Program administers funds to be utilized by youths to purchase heifers. Mr. Lacefield stated there will be an increased need for KOAP loans due to the current state of the financial market.

Senator Webb expressed concerns regarding anti-livestock advocacy.

In response to Senator Parrett, Mr. McCloskey stated the Kentucky Center for Agriculture and Rural Development has staff throughout Kentucky.

Farms to Food Banks

Cassidy Wheeler stated one out of six Kentuckians and one out of five children are food insecure. The counties with the highest estimated food insecurity rates are Harlan, Leslie, Magoffin, Breathitt, Clay, Bell, and Letcher. Kentucky has the nation's second highest rate of food insecurity among residents 50 to 59 years old, according to Feeding America's effort to document hunger in older adults. Of those Kentuckians who are food insecure, 33 percent do not qualify for federal nutrition programs.

Feeding America estimates that food insecurity increased by 18 percent during COVID-19. Kentucky food banks experienced a 30 percent increase in demand.

Feeding Kentucky is a statewide network of seven member food banks and 800 partner agencies, such as food pantries, soup kitchens, and shelters. There are 50,000 Kentuckians served each week. There is a need for brick and mortar infrastructure, cold storage, and continued flexibility in school and federal nutrition programs.

Sarah Vaughn stated Farms to Food Banks receives agricultural products from farmers in need of a market and delivers them to food banks. The agricultural products include meat, cheese, and fresh produce. The goals of Farms to Food Banks is to increase access to healthy food for struggling Kentuckians, pay fair prices to farmers to help recoup losses, and reduce the amount of food waste.

More than three million pounds of Kentucky-grown agricultural products were distributed throughout Kentucky in 2021. There were 332 farmers who participated with an average payment per farmer of $2,119.

Kentucky Kids Eat focuses on access to healthy foods 365 days a year by providing funding, training, and support for schools and nonprofits.

Feeding Kentucky successfully lobbied the Kentucky General Assembly in the 2022 Regular Session to pass Senate Bill 151, which allows school districts to use 15 minutes of instructional time for breakfast.

In response to Representative King, Ms. Wheeler stated the United States Department of Agriculture declined to extend waivers to allow kids to receive meals outside of a meal site or to allow bus routes to be utilized to deliver meals. The waivers will expire June 30, 2022. Prior to the summer of 2022, many meal sites stopped using the waivers to ensure there was not confusion among the consumers.

Senator Webb expressed concern regarding low farmer participation with Feeding Kentucky. The Farms to Food Banks program should be promoted to farmers in all areas of Kentucky.

There being no further business, the meeting was adjourned.

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