

State panel reviews illegal immigration issue

by Rebecca Mullins
LRC Public Information

A report approved by a state legislative committee in May shows the overall cost of illegal immigration on state and local governments is indeterminable, although it makes a couple recommendations that could possibly help reduce state education and corrections costs.

The recommendations approved by the Program Review and Investigations Committee on May 14 could help lower estimated costs of providing services to unauthorized, or illegal, immigrants at Kentucky's public schools and at local jails. One recommendation is for the state to identity what information can be legally required for first-time enrollees in public schools, with compliance by all school districts. The other recommends that the state support local corrections facilities that want to apply for federal SCAAP (State Criminal Alien Assistance Program) funds to help cover the cost of their illegal immigrant inmates.

Kentucky school districts spent an estimated \$25 million educating illegal immigrants in 2007-2008, the report said, while an estimated \$1.7 million to \$2.8 million was spent incarcerating unauthorized immigrants in Kentucky jails and prisons in 2008.

Some lawmakers expressed concern with the state's inability to quantify actual costs because of federal protections concerning immigration status. Only the federal government is able to determine if someone is in the U.S. legally, and the immigration status of individuals seeking public education and many public health services is federally protected from state and local inquiry, the report stated.

"It seems like in order to protect the illegal aliens, we're criminalizing everyone out there," said Sen. Dan Seum, R-Louisville, who was told by legislative staff who researched the report that asking someone their immigration status is often a "gray area" legally.

When asked by Sen. Brandon Smith, R-Hazard, if changing state law to require better screen-

ing of inmates by correctional facilities would help reduce costs, staff said that depends on whether the federal government will take responsibility for the inmate. Cost and the federal government's hesitancy to deport an inmate prior to completion of their sentence are two issues of concern to the feds, said staff.

"I imagine I'm not the only person in this room who thinks that's foolish," answered Smith.

Committee Co-Chair Rep. Reginald Meeks, D-Louisville, agreed with Smith that a bill should be drafted to create a standardized method for obtaining information on an inmate's immigration status. Local jails and state prisons are allowed to check inmate status, although methods to identify suspected illegal immigrants vary from facility to facility, the report states.

The Department of Corrections and Department of Education are already taking some steps to accomplish goals recommended in the report.

Continued on page 2

Committee learns benefits of switchgrass

by Rebecca Mullins
LRC Public Information

State lawmakers heard last month about how a native Kentucky grass could mean extra money for farmers and reduced emissions from coal-fired power plants in the Commonwealth.

The plant is switchgrass, a warm season grass that is being reestablished in the state as part of a four-year pilot project overseen by the University of Kentucky and funded by a grant from the Kentucky Forage and Grassland Council with state tobacco settlement dollars. Twenty farms in 12 counties are involved in the project, which sent 70 tons of ground-up switchgrass to an East Kentucky Power plant in Mason County last year to be burned as biomass with coal in hopes of lowering plant emissions.

Researchers, farmers and the power industry are hopeful that switchgrass could become a supplement to coal at coal-fired generating plants, UK agronomist Tom Keene told the Tobacco Settlement Agreement Fund Oversight Committee on May 6. One East Kentucky Power official on a UK video shown by to the panel by Keene said the grass "could become a very viable economic opportunity to help us achieve our mission of low cost energy supply to our cus-



Sen. David Boswell, D-Owensboro, talks about biofuels and other energy topics at the May 6 meeting.

numbers on the potential payment per ton to farmers for switchgrass, adding that many would like to see farmers receive \$60 per ton. Since the grass is a perennial and has so many uses—biomass, grazing, hay, and even conversion to cellulosic ethanol—lawmakers were excited about its possibilities.

"As an agricultural crop, I think the future could be very exciting," said House Agriculture and Small Business Chairman and tobacco committee member Rep. Tom McKee, D-Cynthiana. "I hope a lot of our research will continue to center on the profit potential

Continued on page 2

Lawmakers question UK-Samaritan deal

by Chuck Truesdell
LRC Public Information

The University of Kentucky's financing to take over Samaritan Hospital raises questions about the risks posed, some members of a legislative panel said during a May 14 meeting.

UK officials reported to the legislative Capital Projects and Bond Oversight Committee on the final purchase of Samaritan Hospital, located just blocks from the university's campus, for \$35 million. The 10-acre package includes the hospital itself along with a parking garage and a medical office building, said UK Executive Vice President for Finance and Administration Frank Butler.

So far, Butler said, the purchase has been a success. "The acquisition has met all our expectation and requirements," he said, adding that while the university's goal was to retain all 450 staffers,

Continued on page 2

Tobacco, from page 1

per acre.”

Sen. Charlie Borders, R-Russell, was hopeful that use of switchgrass could give some relief to Kentucky’s coal industry, which might face stringent federal regulations on carbon emissions in the near future. Keene said burning switchgrass in coal-fired plants reduces carbon, sulfur and nitrogen while sequestering carbon in the soil.

“Going in this direction with emissions,” said Borders, “hopefully

“As an agricultural crop, I think the future (of switchgrass) could be very exciting.”

**Rep. Tom McKee
D-Cynthiana**

that would take some of the pressure off some of the (people) in Washington, D.C. who want to do harm to our coal industry. Maybe some of these folks want to outlaw coal... better stop and realize we’re doing some things that are being very helpful here.”

Keene said there are no hard numbers on how much the switchgrass burned by East Kentucky Power last year lowered carbon emissions, because the amount burned was so small. He said the project hopes to increase the amount burned this year.

What was delivered to East Kentucky Power was enough to supply “green energy” to a half million Kentuckians, he added.

Generally, Keene said the work being done with switchgrass in Kentucky is laying a foundation for future decades. Senate Agriculture Chair and tobacco committee member Sen. David Givens, R-Greensburg, responded, saying, “so it does bear potential, but let’s not get ahead of ourselves.”

Keene added that many farmers are interested in the project, and there are plans to ask for its expansion.

Tobacco Oversight committee Co-Chair Rep. Dottie Sims, D-Horse Cave, thanked Keene for his work on the project.

“I’ve looked over some of the papers on the switchgrass, and it’s very interesting,” said Sims.

Immigration, from page 1

Corrections Commissioner LaDonna Thompson said five Kentucky correctional facilities applied for SCAAP funds in 2008. The funds cover the cost of incarcerating undocumented immigrants who have at least one felony or two misdemeanor convictions for violating state or

local law, and have been incarcerated for at least four consecutive days in a certain period of time.

Kentucky Department of Education official Shelda Hale said her agency is responding to the committee’s recommendation with discussions about creating a document that

combines federal and state case law regarding what schools may or may not require for enrollment. Hale said the document will be distributed to school and certain KDE personnel.

“Some examples of other reliable proof would be included to help schools comply,” said Hale.

Projects, from page 1

current employment at Samaritan has increased to around 680.

Rep. Bob Damron, D-Nicholasville, said he was concerned about the risks involved in the lease/purchase agreement, however. UK obtained a 4.39 percent, 20-year terms for the funding through the Kentucky Association of Counties Leasing Trust, only a portion of the rate is fixed. The flexibility in the interest rate, along with other use of derivatives, could significantly increase UK’s payments in the future, depending on future economic circumstances.

“We can’t afford to have the university’s risk exposure be so high,” Damron said, because other university projects from classrooms to research facilities depend on solid bond financing.

Butler said the \$35 million Samaritan deal is about 3 percent of UK’s \$675 overall bond financing, the vast bulk of which is “typical vanilla bonding.”



Sen. Bob Leeper, I-Paducah, at right, and Rep. Steven Rudy, R-West Paducah, talk a moment before the Capital Projects and Bond Oversight Committee meeting held last month in Frankfort.

In its report, university officials noted that the lease/purchase agreement “falls into various gray areas not clearly articulated by the statutes.” Rep. Jim Wayne, D-Louisville, argued

that because of the speed of the Samaritan deal and the many questions it brought up, “perhaps one lesson we should all learn is the need for more oversight.”

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Committee Meetings

Index

A
Administrative Regulation Review Subcommittee, 6

C
Capital Projects and Bond Oversight, 4

G
Government Contract Review Committee, 14, 16

T
Tobacco Settlement Agreement Fund Oversight Committee, 17

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes
April 21, 2009

The Capital Projects and Bond Oversight Committee met on Tuesday, April 21, 2009, at 1:00 PM, in Room 169 of the Capitol Annex. Senator Bob Leeper, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Bob Leeper, Co-Chair; Senators Tom Buford, Julian M. Carroll, and Elizabeth Tori; Representatives Robert R. Damron and Susan Westrom.

Guests: John Hicks, Governor's Office for Policy and Management; John Nicholson, Kentucky Horse Park; Charles Bush, Division of Real Properties; Debby Milton and Suzanne Anderson, Kentucky Infrastructure Authority; Brett Antle, Office of Financial Management; and Bill Mitchell, Lake Williamstown Expansion Committee.

LRC Staff: Don Mullis, Kristi Culpepper, and Samantha Gange.

Representative Damron made a motion to approve the minutes of the March 26, 2009 meeting. The motion was seconded by Senator Tori and approved by voice vote.

Senator Leeper called on Don Mullis, Committee Staff Administrator, to discuss correspondence and information items. Mr. Mullis said members' folder contained several correspondence items: quarterly status reports from the Finance and Administration Cabinet, and the universities that manage their own construction projects, and the Administrative Office of the Courts (AOC); correspondence from the Office of Financial Management; correspondence from the Economic Development Cabinet; correspondence from the Division of Real Properties; and correspondence from the Transportation Cabinet.

Mr. Mullis also noted that members' folder contained several information items: a review of court projects in Owen, Hopkins, and Todd Counties (AOC Court Facilities Standards Committee); the Semi-Annual Report of the Kentucky Asset/Liability Commission; an update on the

2009 Private Activity Bond Cap allocation; and the staff and bond market updates.

Senator Leeper next called on John Hicks, Deputy Budget Director, Governor's Office of Policy Management, to discuss a reporting item related to the Tourism, Arts and Heritage Cabinet, Department of Fish and Wildlife Resources. Mr. Hicks reported one project within the Department of Fish and Wildlife Resources Fees-in-lieu-of Wetland or Stream Mitigation capital project pool for East Fork Little Sandy #4 Stream Mitigation in Lawrence County for restoration and enhancement of stream with a scope of \$817,700. No Committee action was required.

Mr. Hicks then reported that the Finance and Administration Cabinet has approved an unbudgeted project for the Kentucky Horse Park (KHP) to construct Equine Barns and a Covered Walkway. The project scope is \$3,480,000 (100% private funds) and provides for construction of three new barns and a covered walkway that connects to the Indoor Arena. The funds for this project have been collected by the KHP Foundation (Foundation), a non-profit corporation created in 1985 for the specific purpose of enhancing, expanding, and improving the KHP.

Representative Westrom asked what other projects have been funded by donations to the KHP. John Nicholson, Executive Director, KHP, said about \$17 million has been collected by the Foundation since its inception. Mr. Nicholson said several projects have been completed because of the donations. Some of the projects include: four barns built in the 1980's; museum exhibits; and competitive facilities such as rings.

Senator Carroll made a motion to approve the KHP project. The motion was seconded by Representative Westrom and passed unanimously by roll call vote.

Next Senator Leeper recognized Charles Bush, Director, Division of Real Properties, Finance and Administration Cabinet, to report lease modifications. Mr. Bush reported four lease modifications. The first lease modification was for the Transportation Cabinet (Cabinet), Division of Drivers Licenses (PR-3896)

in Jefferson County. The Cabinet requested to renovate the reception areas to improve security. The cost of the modifications, \$2,474, will be amortized over the remaining lease term (through June 30, 2009). The Cabinet's monthly rental cost will increase by approximately 24 cents. The second lease modification was for the Board of Physical Therapy (Board) (PR-4873) in Jefferson County. The Board requested renovations to the area outside the exterior door leading into the facility for improved client safety and an awning to address water leakage at the entrance. The cost of the modifications, \$1,701.60, will be amortized over the remaining lease term (through June 30, 2015). The Board's monthly rental cost will increase by approximately 2 cents. The third lease modification was for the Council on Postsecondary Education (Council) (PR-3761) in Franklin County. The Council requested a supplemental cooling capacity for the network room that supports their network equipment. The cost of the modifications, \$4,400, will be amortized over the remaining term of the lease (through June 30, 2012). The Council's monthly rental cost will increase by less than one cent. The last lease modification was for the Cabinet for Health and Family Services (CHFS) (PR-1352) in Jessamine County. CHFS requested security improvements to their facility. The cost of the modifications, \$7,980, will be amortized over the remaining lease term (through June 30, 2011). The monthly rental cost will increase \$295.56. No Committee action was needed.

Mr. Leeper called on Suzanne Anderson, Financial Analyst, and Debby Milton, Financial Analyst, Kentucky Infrastructure Authority (KIA) to present several loans and a grant. The first loan request was for an increase to a previously approved \$11,235,755 Fund A loan for the City of Nicholasville (City), Jessamine County. The City is requesting a \$1,123,577 (10%) increase to be used for the closure plan for the Brown Street wastewater treatment plant, additional costs related to construction of a manhole, meter modifications, and electrical work. The new loan amount is \$12,359,352.

The loan term is 20 years with an interest rate of three percent.

Representative Damron made a motion to approve the Fund A loan increase for the City of Nicholasville. The motion was seconded by Senator Buford and passed unanimously by roll call vote.

Ms. Anderson next presented a Fund A loan request for the Paducah McCracken Joint Sewer Agency (JSA), McCracken County. JSA is requesting a \$10,000,000 Fund A loan to construct 1) a pump station, 2) force main connecting to the Paducah wastewater treatment plant, and 3) sewer main to the Information Age Park. The loan term is 20 years with an interest rate of three percent.

Senator Carroll made a motion to approve the Fund A Loan for the JSA in McCracken County. The motion was seconded by Senator Tori and passed unanimously by roll call vote.

The last loan presented was for an increase to a previously approved \$8,000,000 Fund F Loan for the City of Nicholasville (City), Jessamine County. The City is requesting an \$800,000 (10%) increase to be used to 1) install new hardware and software for the SCADA system, and 2) purchase a new transformer and voltage regulator. The new loan amount is \$8,800,000. The loan term is 20 years with an interest rate of three percent.

Senator Carroll made a motion to approve the Fund F Loan for the City of Nicholasville. The motion was seconded by Representative Damron and passed unanimously by roll call vote.

Ms. Anderson next discussed a request from the City of Williamstown (City) for a 2020 grant (Water Resources Development Bond Program) in the amount of \$548,378. The grant would be used for the planning phase of the Lake Williamstown Expansion Project. This planning project would eventually lead to the construction phase for the proposed expansion of Lake Williamstown from its current 300 acres to 1,300 acres. This project will serve three purposes: construct a new, structurally sound dam; provide an adequate future water supply to the region; and spur significant regional economic development.

In response to questions from Senator Buford, Ms. Milton said that the Army Corps of Engineers (Corps) did an initial study about eight years ago which is ongoing. She indicated

that the project will have five phases. Ms. Milton also said that the City has not yet identified any sources of funding for the construction of the project and is hopeful to receive grant money.

In response to questions from Representative Damron, Ms. Milton said that the project is not a Corps project at this time and that the City will need the Corps approval to expand the dam. Ms. Milton indicated that the City has started the process to obtain a permit from the Corps. Ms. Milton said that the 2020 grant funds would mainly go to engineers for the planning phase of the project.

Bill Mitchell, Lake Williamstown Expansion Committee, came to the table to further respond to questions concerning the project. Mr. Mitchell indicated that the core of the grant funds will go towards acquiring the Section 404 construction permit and the Section 401 water quality permit. The Corps has been involved in the entire planning process of the project and has also provided the City with instructions on how to proceed with the planning to expand the dam.

In response to questions from Senator Buford, Mr. Mitchell said that the City had not had any water shortages. Mr. Mitchell indicated that the project is a multi-county effort and will benefit many residents in the region. He said the City is currently drawing about 2 million gallons per-day of water out of the lake. With the expansion, up to 10 million gallons per-day could be drawn from the lake.

Senator Tori asked if it makes sense to proceed with such a large project rather than address the structural conditions of the dam first. Mr. Mitchell responded that City officials wanted to develop a body of water that could serve the region in addition to repairing the dam. Repairing only the dam would not have an economic impact on the region or increase the water supply.

In response to additional questions from Senator Tori, Mr. Mitchell said that the City is looking to the future and that the project has momentum to move forward. He indicated that if the City stopped the planning now, even during the tough economic times, the project could lose its momentum.

In response to questions from Representative Westrom, Mr. Mitchell said that the dam does not currently pose safety issues nor is it in

imminent danger of collapse. However, he said that the dam is leaking and is in need of repair. The City has had several open meetings with citizens regarding the proposed expansion project and has yet to meet opposition to the project. Mr. Mitchell said the estimated cost for the construction of the expansion project would be about \$50 million.

Senator Tori asked if the project would generate any rate increases for residents. Mr. Mitchell said the City currently does not have any indication of whether or not rates would increase. However, several economic analyses have been prepared which indicate that because of the economic impact the project would have on the region, the money would be recouped in approximately 22 years.

Senator Buford asked if this project is more about economic development or the need for water. Mr. Mitchell said both issues were significant factors in the expansion of the lake.

Senator Carroll made a motion to approve the 2020 grant for the City of Williamstown. The motion was seconded by Senator Leeper. Two members voted affirmatively, one member voted "No," and three members passed. The motion did not pass.

Senator Leeper asked if any members would like to explain their votes.

Senator Buford explained his pass vote. He indicated he would like to see a report before making a determination.

Senator Carroll explained his yes vote. He said that the money is needed upfront in order for the project to continue because the Corps will not provide a permit until the planning phase has been completed.

Senator Tori explained her no vote. She said that the timing for the project is not right and that it would not be harmful to hold the project until the economic crisis turns around.

Representative Damron explained his pass vote. He said that the 2020 program was developed to provide drinking water to areas of the state that are unserved. He also indicated that he thought this project has nothing to do with drinking water and he is concerned with allocating money from the 2020 program fund for this type of project. He said that other sources of funding should be used for this type of project.

Representative Westrom ex-

plained her pass vote. She indicated that until she receives a broader education on the project, she does not feel comfortable voting on it.

Senator Leeper next called on Brett Antle, Deputy Director, Office of Financial Management (OFM). Mr. Antle provided a follow-up report for the University of Kentucky General Receipts Bonds (Commonwealth Library), 2009 Series A bond issue, in the amount of \$34,465,966. Proceeds from this bond issue will refund outstanding Lexington-Fayette Urban County Government Governmental Project Revenue Refunding Bond Series, 1998 (UK Alumni Association, Inc. Commonwealth Library Project). The 1998 bonds refunded bonds issued in 1994 to construct the university's central library. No Committee action was needed.

Mr. Antle then reported three new bond issues with the School Facilities Construction Commission (SFCC) debt participation for Christian County, Corbin Independent in Whitley County, and Ohio County.

Senator Buford made a motion to approve the SFFC new bond issues. The motion was seconded by Senator Carroll and passed unanimously by roll call vote.

Representative Damron indicated he had some concerns to address with the Committee regarding the Semi-Annual Report of the Kentucky Asset/Liability Commission. He asked Mr. Antle and Mr. Hicks about the \$5 million of Lehman Brothers bonds, which were sold at a loss of \$4.5 million. Mr. Antle said the Commonwealth did realize a loss on the Lehman Brothers bonds and OFM's investment staff would be able to provide further information. Mr. Antle also said that the Commonwealth had held \$25 million of Lehman Brothers notes in the securities lending program. [These obligations defaulted.] He explained that the State Investment Commission (Commission) has entered into an agreement with Credit Suisse to recoup the losses over time.

Representative Damron asked what the estimated loss was for the Lehman Brothers notes. Mr. Antle responded that there ultimately should not be a loss on the securities lending transaction because the Commission has agreed to swap the notes, along with other securities held in the programs with Credit Suisse for Credit Suisse debt. Representative Damron asked what the market value of the Credit Suisse notes would be if

the Commonwealth sold them today. Mr. Antle indicated that he would provide the information to Committee staff.

Representative Damron asked what the credit ratings of the municipal, corporate, mortgage pass-through, and asset-backed securities in the portfolio are and if the portfolio has any subprime mortgage exposure. Mr. Antle said he would provide the information to Committee staff.

Representative Damron asked if all the debt authorized by the General Assembly in the 2004 and 2006 Budgets has been issued for water and sewer projects. Mr. Hicks responded that most of the debt has been issued. Mr. Antle added that the debt authorized in the 2004 and 2006 Budgets has been covered under a plan of finance, although not all the permanent bonds have been sold.

Representative Damron indicated that he was asking this question because Jessamine County was approved for several projects and then told they had to wait for funding because the bonds have not been sold. Representative Damron said he was concerned about why the money for some of these projects is not available when the money was specifically set aside. Mr. Hicks indicated that the Commonwealth is currently looking at the amounts available from the bonds that have been issued and the immediate cash flow needs for priority projects for the 2008-10 KIA Non-Coal pool. The Commonwealth is currently working with KIA to identify a solution. The 2004-06 pool is the current target. The 2006-08 pool has not been fully issued, but there is some liquidity and bond proceeds that have not been fully expended. The 2004-06 pool appears to be the immediate answer for the cash flow needs for priority 2008-10 projects. The Commonwealth is working with KIA staff to accurately measure how much is needed for these projects through June 30, 2009. Beginning July 1, 2009 the Office of the State Budget Director (OSBD) will work with OFM staff to make financing available for the Non-Coal 2008-10 pool.

Representative Damron said that as he understands it, the Commonwealth still has bonds that were authorized by the General Assembly in the 2006-08 Budget that have not been issued. Mr. Hicks responded that the Commonwealth has spent about \$90 million of the \$150 mil-

lion so far.

Representative Damron asked if the losses in the market created this cash flow crunch of not being able to fund these projects. Mr. Antle responded that this is not the case.

Senator Buford asked Mr. Antle if he feels comfortable with the swap arrangement with Credit Suisse. Mr. Antle said he is not in charge of the portfolio, but would provide the information the Committee has requested.

Senator Buford then asked if anyone is currently studying the pension system. Mr. Hicks said he was not familiar with a recent study. Senator Buford said he would like to know if the General Assembly's action has been successful.

Senator Leeper called Ms. Anderson and Ms. Milton back to the table to report on the various new coal/tobacco development grants. Ms. Milton said there were 76 new projects from HB 2006-08 and that Mr. Hicks has addressed the funding dilemma. Funding is not currently available for these projects, but KIA is working with the OSBD and will hopefully have about \$7 million available for the projects.

Senator Leeper asked what the term "non-priority" funding means. Ms. Milton responded that of the 600 line-item grants, there was a group of projects that were identified as priority, which means that those projects had environmental issues and were ready to start construction. Those projects were funded first and the bulk of the priority projects is about \$50 million in Coal projects. Bonds were sold and those projects are drawing down funds now. The remainder is approximately \$15 million for Non-Coal projects. These are the projects currently in question because the bonds cannot be sold until after July 1, 2009.

Senator Buford asked if any of the current projects reported to the Committee from the 2006-08 Budget were receiving funds. Ms. Milton said that they were all non-priority projects and that KIA is currently getting them in line to draw funds. Senator Buford then asked when the funds would be available. Ms. Milton responded that KIA does not have a date and it could be as late as the fall before the funds are available. Mr. Hicks said the Commonwealth has told KIA that the bonds available for the Non-Coal pool will have financing around the beginning of the fiscal year. He said the reason the bonds

have not yet been sold is because debt service was not appropriated for the bonds to be able to be sold prior to July 1, 2009.

Senator Leeper asked Mr. Mullis to report the new local school district bond issues. Mr. Mullis said that there were two school district bond issues with 100 percent local debt service support: Kentucky Interlocal School Transportation Association and Madison County. All disclosure information has been filed. No Committee action was required.

With there being no further business, Senator Buford made a motion to adjourn the meeting. The motion was seconded by Senator Carroll and the meeting adjourned at 2:15 p.m.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE Minutes of the April Meeting of the 2009 Interim April 14, 2009

The April meeting of the Administrative Regulation Review Subcommittee was held on Tuesday, April 14, 2009, at 10:00 AM, in Room 149 of the Capitol Annex. Representative Leslie Combs, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Leslie Combs, Co-Chair; Senators Alice Forgy Kerr, Joey Pendleton, and Elizabeth Tori; Representatives Robert R. Damron, Danny Ford, and Jimmie Lee.

Guests: Sue Cain, Ron Carson, Dennis Taulbee, Council on Postsecondary Education; Beau Barnes, Ky Teachers' Retirement System; Devon Hankins, Travis Powell, Robert Ramsey, Jr, Office of Financial Management; Steve Hart, Kentucky Board of Pharmacy; Mark Brengelman, Connie Calvert, Jerald Combs, Board of Optometric Examiners; Rex Cecil, Tony Goetz, Kentucky Board of Architects; Becky Klusch, Board of Physical Therapy; Carolyn Kyler, Division of Occupations and Professions; Frances Short, Tony Watkins, Kentucky Board of Marriage and Family Therapists; Chad Halsey, Chad Miller, Clint Quarles, Gary Wheeler, Department of Agriculture; BJ Helton, Council on Postsecondary Education; Mike Dixon, Dan Walton, Labor Cabinet; Tom Dockter, Carole Jacobs, Lucretia Johnson, Pamela Knight, Dwight Lohan, Charles Lowther, Karen Mercer, Department of Workers' Claims; DJ Wasson, Department of Insurance; John Forgy, Kentucky Horse Racing

Commission; Stephanie Brammer-Barnes, Office of Inspector General; Elizabeth Caywood, Marilyn Ferguson, Karen Martin, Stuart Owen, Karla Thompson, and Sharon Vinyard, Cabinet for Health and Family Services; Nancy Galvagni, Stephen Miller, Sarah S. Nicholson, Kentucky Hospital Association; Paula Pabon, Kentucky Farm Bureau Insurance Company.

LRC Staff: Dave Nicholas, Donna Little, Sarah Amburgey, Emily Harkenrider, Emily Caudill, and Laura Napier.

The Administrative Regulation Review Subcommittee met on Monday, April 14, 2009, and submits this report:

COUNCIL ON POSTSECONDARY EDUCATION: Public Educational Institutions

13 KAR 2:020. Guidelines for admission to the state-supported postsecondary education institutions in Kentucky. Dr. Sue Cain, coordinator of the Developmental Education and College Readiness Initiative, and Dennis L. Taulbee, general counsel, represented the council.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Section 1 to correct statutory citations; and (2) to amend Sections 2, 3, 6, and 7 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

The Administrative Regulation Review Subcommittee met on Monday, April 14, 2009, and submits this report:

Administrative Regulations Reviewed by the Subcommittee:

COUNCIL ON POSTSECONDARY EDUCATION: Public Educational Institutions

13 KAR 2:020. Guidelines for admission to the state-supported postsecondary education institutions in Kentucky. Dr. Sue Cain, coordinator of the Developmental Education and College Readiness Initiative, and Dennis L. Taulbee, general counsel, represented the council.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Section 1 to correct statutory citations; and (2) to amend Sections 2, 3, 6, and 7 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agree-

ment of the agency, the amendments were approved.

FINANCE AND ADMINISTRATION CABINET: Teachers' Retirement System: General Rules

102 KAR 1:070. Application for retirement. Beau Barnes, deputy executive secretary and general counsel, represented the system.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Section 1 to clarify requirements that were previously stated in the application form; (4) to amend Sections 1 through 5 to comply with the drafting and format requirements of KRS Chapter 13A; and (5) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:105. 401(h) Account established under 26 U.S.C. 401(h).

A motion was made and seconded to approve the following amendments: (1) to amend the title for consistency; (2) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (4) to amend

Sections 1 through 9 to comply with the drafting and format requirements of KRS Chapter 13A; and (5) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:170. Minimum distribution.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required

by KRS 13A.220; (3) to amend Sections 2 through 6 to comply with the drafting and format requirements of KRS Chapter 13A; and (4) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:225. General compliance with federal tax laws.

A motion was made and seconded to approve the following amendments: (1) to amend the title for consistency; (2) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (4) to amend Sections 1 and 3 through 5 to comply with the drafting and format requirements of KRS Chapter 13A; and (5) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:230. Limitations on benefits.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Section 1 to consolidate all definitions; (4) to amend Sections 1, 2, and 4 through 9 to comply with the drafting and format requirements of KRS Chapter 13A; and (5) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:240. Increase in compensation limit.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this

administrative regulation, as required by KRS 13A.220; (3) to amend Sections 1 through 6 to comply with the drafting and format requirements of KRS Chapter 13A; and (4) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:245. Rollovers and transfers of contributions to other plans.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (2) to amend Sections 1 and 2 to comply with KRS Chapter 13A; and (3) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

Office of the Secretary: Kentucky Private Activity Bond Allocation Committee

200 KAR 15:010E. Formula for allocation of private activity bonds. Travis Powell, staff attorney, and Robert Ramsey, Jr., financial analyst, represented the office.

In response to a question by Representative Damron, Mr. Ramsey stated that the purpose of this administrative regulation was to comply with the statutory requirements that changed the money allocations to sixty (60) and forty (40) percent.

GENERAL GOVERNMENT CABINET: Board of Pharmacy: Board

201 KAR 2:050. Licenses and permits; fees. Steve Hart, inspection and investigations coordinator, represented the board.

Board of Optometric Examiners: Board

201 KAR 5:120 & E. Practice of optometry outside of regular office for a charitable purpose. Connie Calvert, executive director, and Dr. Jerald Combs, board president, represented the board.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation; (3) to amend Sections 2, 4, and 5 to comply with the formatting and drafting requirements

of KRS Chapter 13A; and (4) to add Section 6 to require that eyeglasses provided shall be new and first quality. Without objection, and with agreement of the agency, the amendments were approved.

Board of Architects: Board

201 KAR 19:035. Qualifications for examinations and licensures. Mark Brengelman, assistant attorney general; Rex Cecil, executive director; and Tony Goetz, public board member, represented the board.

A motion was made and seconded to approve the following amendments: to amend 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 19:040. Examinations required; general provisions.

A motion was made and seconded to approve the following amendment: to amend Section 6 to correct a minor drafting error. Without objection, and with agreement of the agency, the amendment was approved.

201 KAR 19:070. Duplicate certificates.

A motion was made and seconded to approve the following amendment: to amend Section 1 to correct a minor drafting error. Without objection, and with agreement of the agency, the amendment was approved.

201 KAR 19:085. Fees.

A motion was made and seconded to approve the following amendments: to amend Sections 1 and 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.

201 KAR 19:087. Continuing education.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation; and (2) to amend Sections 3, 5, and 7 to comply with the formatting and drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Physical Therapy: Board

201 KAR 22:070. Requirements for foreign-educated physical thera-

pists. Becky Klusch, executive director, and Mark Brengelman, assistant attorney general, represented the board.

Board of Licensure for Marriage and Family Therapists: Board

201 KAR 32:020. Equivalent course of study. Carolyn Kyler, board administrator; Frances Short, director, Division of Occupations and Professions; and Tony Watkins, board chair, represented the board.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to comply with format standards; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to: (a) correct a statutory citation; and (b) clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend Sections 1 through 6 to: (a) make technical corrections; and (b) comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 32:035. Supervision of marriage and family therapist associates.

A motion was made and seconded to approve the following amendments: (1) to amend the Title and the RELATES TO and STATUTORY AUTHORITY paragraphs to comply with format standards; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to make a technical correction; (3) to amend Section 1 to add a definition and correct a date; (4) amends Sections 1 through 4 and 6 through 8 to comply with the drafting and format requirements of KRS Chapter 13A; (5) to add a SUMMARY OF MATERIAL INCORPORATED BY REFERENCE; and (6) to add the Diagnostic and Statistical Manual of Mental Disorders to the material incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 32:042. Repeal of 201 KAR 32:042.

201 KAR 32:070. Complaint procedure.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph

to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Sections 1 through 4, 7, and 8 to comply with the drafting and format requirements of KRS Chapter 13A; (4) to revise the SUMMARY OF MATERIAL INCORPORATED BY REFERENCE; and (5) to amend the Complaint Form and Instructions incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

Department of Agriculture: Division of Regulation and Inspection: Amusement Rides

302 KAR 16:010. Business identification number required. Chad Halsey, branch manager, and Clint Quarles, staff attorney, represented the division.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to delete a term that is not used in the administrative regulation; (2) to amend Section 3 to delete a provision requiring a form that is no longer used; and (3) to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 4 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:020. Inspection and operation of amusement rides and amusement attractions.

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, 3, 6, and 10 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:030. Determination of administrative or safety violations which cannot be corrected immediately; section stop order.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 2, and 4 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:040. Correction of safety violations and right to reinspection.

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 and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:070. Reports of injuries involving amusement rides and amusement attractions.

A motion was made and seconded to approve the following amendments: (1) to amend Section 2 to delete language that repeated provisions of KRS 247.233; and (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2 and 3 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:080. Qualifications and inspection criteria for bungee-jumping or similar apparatus permit.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to move requirements out of the definitions section; and (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 3 through 12 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:091. Rides and attractions not included in the definition of amusement ride or attraction.

A motion was made and seconded to approve the following amendment: to amend Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendment was approved.

302 KAR 16:101. Operate amusement ride or device defined.

A motion was made and seconded to approve the following amendments: 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.

302 KAR 16:111 & E. Violations, revocations and suspensions of business identification number.

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

302 KAR 16:121. Inflatable rides or attractions.

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 3 through 5 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:131. Maintenance and repair of amusement ride or attractions.

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

302 KAR 16:140. Amusement rides or attractions not requiring an operator.

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 Section 1 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

COUNCIL ON POSTSECONDARY EDUCATION: Adult Education and Literacy

785 KAR 1:010. GED Testing Program. Dr. B.J. Helton, senior associate, and Dennis L. Taulbee, general counsel, represented the council.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to correct a statutory citation; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as

required by KRS 13A.220; and (3) to amend Sections 3 and 5 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

LABOR CABINET: Department of Workplace Standards; Division of Employment Standards; Apprenticeship Programs; Labor Standards; Wages and Hours

803 KAR 1:010. Registration of apprenticeship programs. Mike Dixon, commissioner, and Dan Walton, executive assistant, represented the division.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to cite to statutory definitions and place the terms in alphabetical order; (2) to amend Sections 3 and 4 to delete requirements that are provided by statute; and (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 6 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 1:120. Prevailing wage posting requirements.

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

Department of Workers' Claims: Department

803 KAR 25:091. Workers' compensation hospital fee schedule. Tom Dockter, staff attorney, and Dwight Lovan, commissioner, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 through 9 to comply with the drafting and format requirements of KRS Chapter 13A; (2) to create a new Section 10 to incorporate by reference the required forms; and (3) to amend Sections 3 and 4 to specify that the commissioner's determination shall be made upon the written documents submitted by the requesting hospital. Without objection, and with agreement of the agency, the amendments were approved.

PUBLIC PROTECTION CABINET: Department of Insurance: Health Insurance Contracts

806 KAR 17:083. Kentucky long-term care partnership insurance program. D.J. Wasson, staff assistant, and Sharon Clark, commissioner, represented the department.

Kentucky Horse Racing Commission: Thoroughbred Racing

810 KAR 1:012. Horses. John Forge, general counsel, represented the commission.

A motion was made and seconded to approve the following amendments: (1) to amend Section 10 to use the term "riding crop" instead of "whip" in conformity with the remainder of this administrative regulation and industry usage; (2) to amend Section 10(10)(a) to specify the standards used for the inspection and approval of riding crops; and (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 10 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

810 KAR 1:016. Running of the race.

In response to a question by Co-Chair Tori, Mr. Forge stated that this administrative regulation established requirements to determine excessive use of riding crops based on judgment calls of the stewards during races.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to include EO 2008-668, which established the commission and transferred all authority, functions, and responsibilities of the Kentucky Horse Racing Authority to the commission; and (2) to amend Sections 5 and 7 through 17 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Harness Racing
811 KAR 1:215. Kentucky Standardbred Development Fund.

A motion was made and seconded to approve the following amendment: to amend Section 24(3) to change the deadline for disbursement of funds from August 15 to December 15. Without objection, and with agreement of the agency, the amendment was approved.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of the In-

spector General: Health Services and Facilities

902 KAR 20:106 & E. Operation and services; ambulatory surgical center. Stephanie Brammer-Barnes, regulation coordinator, represented the office.

Representative Lee commended the cabinet for this administrative regulation's topical approach to explaining the twenty-four (24) hour limitations.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct statutory citations; and (2) to amend Sections 1, 2, 5, 6, and 8 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department for Medicaid Services: Division of Community Alternatives: Medicaid Services

907 KAR 1:170 & E. Reimbursement for home and community based waiver services. Stuart Owen, regulation coordinator, represented the department.

Department for Community Based Services: K-TAP, Kentucky Works, Welfare to Work, State Supplementation

921 KAR 2:015 & E. Supplemental programs for persons who were aged, blind, or have a disability. Elizabeth Caywood, internal policy analyst, represented the department.

A motion was made and seconded to approve the following amendments: to amend Sections 3, 6, 7, and 12 to update internal references and to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Energy Assistance Program/Weatherization

921 KAR 4:116 & E. Low income home energy assistance program or "LIHEAP".

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

The following administrative regulations were deferred to the May 12, 2009, meeting of the Subcommittee:

PERSONNEL CABINET: Classi-

fied

101 KAR 2:066 & E. Certification and selection of eligibles for appointment.

GENERAL GOVERNMENT CABINET: Board of Examiners and Registration of Landscape Architects: Board

201 KAR 10:050. Fees.

Board of Veterinary Examiners: Board

201 KAR 16:015. Fees.

Board of Licensure for Marriage and Family Therapists: Board

201 KAR 32:025. Marriage and family therapists associate. Carolyn Kyler, board administrator; Frances Short, director, Division of Occupations and Professions; and Tony Watkins, board chair, represented the board.

In response to questions by Representative Damron, Mr. Watkins stated that the board did not expect to be solvent over the next three (3) years and thus needed to raise fees. He stated that approximately \$12,200 had been swept from the fund by the General Assembly and that these were the first proactive, proposed fee increases since the inception of the board. He further stated that the licensed members understood the need for the fee increases and that, if funds were swept again, the board did not intend to request a redress of grievances with the subcommittee.

In response to questions by Representative Lee, Mr. Watkins stated that future projected expenses necessitated the proposed fee increases and that licensed members were notified through the association's newsletter and at the state association meeting. He stated that approximately 500 persons would be impacted by the fee increases but that he could not guarantee that ninety (90) percent of members were aware of the proposal.

Representative Lee stated that each member needed to be notified of the proposed fee increases by direct letter from the board.

In response to questions by Representative Ford, Mr. Watkins stated that it was not possible to predict whether or not future board funds would be swept by the General Assembly. He stated that approximately 330 out of 400 licensed members were present at the state association meeting when the proposed fee increases were presented.

In response to questions by Co-Chair Tori, Mr. Watkins stated that

the board had not proposed fee increases since the inception of the board in 1995 and that the board had projected carryover funds through 2011. He stated that the average carryover since 2007 was between \$85,000 and a negative balance.

A motion was made and seconded to approve the following amendments: (1) to amend the Title and STATUTORY AUTHORITY paragraph to comply with format standards; (2) to amend Sections 1 through 6 to comply with the drafting and format requirements of KRS Chapter 13A; (3) to revise the SUMMARY OF MATERIAL INCORPORATED BY REFERENCE; and (4) to amend an application form incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

In response to questions by Co-Chair Tori and Representative Ford, Mr. Watkins agreed to defer consideration of this administrative regulation and 201 KAR 32:030, both as amended, to the May 12 meeting of the Subcommittee. Without objection, and with agreement of the Subcommittee and agency, this administrative regulation was deferred.

201 KAR 32:030. Fees.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (2) to amend Sections 1 through 6 and 8 to comply with the drafting and format requirements of KRS Chapter 13A; (3) to revise the SUMMARY OF MATERIAL INCORPORATED BY REFERENCE; and (4) to amend material incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

In response to questions by Co-Chair Tori and Representative Ford, Mr. Watkins agreed to defer consideration of this administrative regulation and 201 KAR 32:025, both as amended, to the May 12 meeting of the Subcommittee. Without objection, and with agreement of the Subcommittee and agency, this administrative regulation was deferred.

ENERGY AND ENVIRONMENT CABINET: Department for Environmental Protection: Division of Water: Water Quality Standards

401 KAR 10:026. Designation of uses of surface waters.

401 KAR 10:029. General provi-

sions.

401 KAR 10:030. Antidegradation policy implementation methodology.

401 KAR 10:031. Surface water standards.

Division of Waste Management: Methamphetamines

401 KAR 101:001. Definitions for 401 KAR Chapter 101.

401 KAR 101:010. Contractor certification.

401 KAR 101:020. Financial requirements.

401 KAR 101:030. Tiered response system.

401 KAR 101:040. Cleanup and sampling requirements.

EDUCATION CABINET: Kentucky Board of Education: Department of Education: School Administration and Finance

702 KAR 3:090. Depository bond, penal sum.

Facilities Management

702 KAR 4:160. Capital Construction process.

Food Service Programs

702 KAR 6:010. Local responsibilities.

702 KAR 6:020. District school nutrition director.

702 KAR 6:031. Repeal of 702 KAR 6:030.

702 KAR 6:040. Personnel; policies and procedures.

702 KAR 6:045. Personnel; school nutrition employee qualifications.

702 KAR 6:075. Reports and funds.

702 KAR 6:090. Minimum nutritional standards for foods and beverages available on public school campuses during the school day; required nutrition and physical activity reports.

School Terms, Attendance and Operation

702 KAR 7:065. Designation of agent to manage high school interscholastic athletics.

PUBLIC PROTECTION CABINET: Department of Insurance: Health Insurance Contracts

806 KAR 17:480. Uniform evaluation and reevaluation of providers.

Kentucky Horse Racing Commission: Thoroughbred Racing

810 KAR 1:025 & E. Licensing thoroughbred racing.

Harness Racing

811 KAR 1:070 & E. Licensing standardbred racing.

CABINET FOR HEALTH AND FAMILY SERVICES: Department for Medicaid Services: Division of Com-

munity Alternatives: Medicaid Services

907 KAR 1:585. Estate recovery.

102 KAR 1:070. Application for retirement. Beau Barnes, deputy executive secretary and general counsel, represented the system.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Section 1 to clarify requirements that were previously stated in the application form; (4) to amend Sections 1 through 5 to comply with the drafting and format requirements of KRS Chapter 13A; and (5) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:105. 401(h) Account established under 26 U.S.C. 401(h).

A motion was made and seconded to approve the following amendments: (1) to amend the title for consistency; (2) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (4) to amend Sections 1 through 9 to comply with the drafting and format requirements of KRS Chapter 13A; and (5) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:170. Minimum distribution.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Sec-

tions 2 through 6 to comply with the drafting and format requirements of KRS Chapter 13A; and (4) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:225. General compliance with federal tax laws.

A motion was made and seconded to approve the following amendments: (1) to amend the title for consistency; (2) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (4) to amend Sections 1 and 3 through 5 to comply with the drafting and format requirements of KRS Chapter 13A; and (5) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:230. Limitations on benefits.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Section 1 to consolidate all definitions; (4) to amend Sections 1, 2, and 4 through 9 to comply with the drafting and format requirements of KRS Chapter 13A; and (5) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:240. Increase in compensation limit.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required

by KRS 13A.220; (3) to amend Sections 1 through 6 to comply with the drafting and format requirements of KRS Chapter 13A; and (4) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

102 KAR 1:245. Rollovers and transfers of contributions to other plans.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to correct citations; (2) to amend Sections 1 and 2 to comply with KRS Chapter 13A; and (3) to correct the FISCAL NOTE ON STATE OR LOCAL GOVERNMENT. Without objection, and with agreement of the agency, the amendments were approved.

Office of the Secretary: Kentucky Private Activity Bond Allocation Committee

200 KAR 15:010E. Formula for allocation of private activity bonds. Travis Powell, staff attorney, and Robert Ramsey, Jr., financial analyst, represented the office.

In response to a question by Representative Damron, Mr. Ramsey stated that the purpose of this administrative regulation was to comply with the statutory requirements that changed the money allocations to sixty (60) and forty (40) percent.

GENERAL GOVERNMENT CABINET: Board of Pharmacy: Board

201 KAR 2:050. Licenses and permits; fees. Steve Hart, inspection and investigations coordinator, represented the board.

Board of Optometric Examiners: Board

201 KAR 5:120 & E. Practice of optometry outside of regular office for a charitable purpose. Connie Calvert, executive director, and Dr. Jerald Combs, board president, represented the board.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation; (3) to amend Sections 2, 4, and 5 to comply with the formatting and drafting requirements of KRS Chapter 13A; and (4) to add

Section 6 to require that eyeglasses provided shall be new and first quality. Without objection, and with agreement of the agency, the amendments were approved.

Board of Architects: Board

201 KAR 19:035. Qualifications for examinations and licensures. Mark Brengelman, assistant attorney general; Rex Cecil, executive director; and Tony Goetz, public board member, represented the board.

A motion was made and seconded to approve the following amendments: to amend 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 19:040. Examinations required; general provisions.

A motion was made and seconded to approve the following amendment: to amend Section 6 to correct a minor drafting error. Without objection, and with agreement of the agency, the amendment was approved.

201 KAR 19:070. Duplicate certificates.

A motion was made and seconded to approve the following amendment: to amend Section 1 to correct a minor drafting error. Without objection, and with agreement of the agency, the amendment was approved.

201 KAR 19:085. Fees.

A motion was made and seconded to approve the following amendments: to amend Sections 1 and 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.

201 KAR 19:087. Continuing education.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation; and (2) to amend Sections 3, 5, and 7 to comply with the formatting and drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Physical Therapy: Board

201 KAR 22:070. Requirements for foreign-educated physical therapists. Becky Klusch, executive direc-

tor, and Mark Brengelman, assistant attorney general, represented the board.

Board of Licensure for Marriage and Family Therapists: Board

201 KAR 32:020. Equivalent course of study. Carolyn Kyler, board administrator; Frances Short, director, Division of Occupations and Professions; and Tony Watkins, board chair, represented the board.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to comply with format standards; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to: (a) correct a statutory citation; and (b) clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to amend Sections 1 through 6 to: (a) make technical corrections; and (b) comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 32:035. Supervision of marriage and family therapist associates.

A motion was made and seconded to approve the following amendments: (1) to amend the Title and the RELATES TO and STATUTORY AUTHORITY paragraphs to comply with format standards; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to make a technical correction; (3) to amend Section 1 to add a definition and correct a date; (4) amends Sections 1 through 4 and 6 through 8 to comply with the drafting and format requirements of KRS Chapter 13A; (5) to add a SUMMARY OF MATERIAL INCORPORATED BY REFERENCE; and (6) to add the Diagnostic and Statistical Manual of Mental Disorders to the material incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 32:042. Repeal of 201 KAR 32:042.

201 KAR 32:070. Complaint procedure.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct statutory citations; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and

function served by this administrative regulation, as required by KRS 13A.220; (3) to amend Sections 1 through 4, 7, and 8 to comply with the drafting and format requirements of KRS Chapter 13A; (4) to revise the SUMMARY OF MATERIAL INCORPORATED BY REFERENCE; and (5) to amend the Complaint Form and Instructions incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

Department of Agriculture: Division of Regulation and Inspection: Amusement Rides

302 KAR 16:010. Business identification number required. Chad Halsey, branch manager, and Clint Quarles, staff attorney, represented the division.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to delete a term that is not used in the administrative regulation; (2) to amend Section 3 to delete a provision requiring a form that is no longer used; and (3) to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 4 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:020. Inspection and operation of amusement rides and amusement attractions.

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, 3, 6, and 10 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:030. Determination of administrative or safety violations which cannot be corrected immediately; section stop order.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 2, and 4 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:040. Correction of safety violations and right to reinspection.

A motion was made and sec-

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

302 KAR 16:070. Reports of injuries involving amusement rides and amusement attractions.

A motion was made and seconded to approve the following amendments: (1) to amend Section 2 to delete language that repeated provisions of KRS 247.233; and (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2 and 3 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:080. Qualifications and inspection criteria for bungee-jumping or similar apparatus permit.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to move requirements out of the definitions section; and (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 3 through 12 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:091. Rides and attractions not included in the definition of amusement ride or attraction.

A motion was made and seconded to approve the following amendment: to amend Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendment was approved.

302 KAR 16:101. Operate amusement ride or device defined.

A motion was made and seconded to approve the following amendments: 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.

302 KAR 16:111 & E. Violations, revocations and suspensions of business identification number.

A motion was made and sec-

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

302 KAR 16:121. Inflatable rides or attractions.

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 3 through 5 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 16:131. Maintenance and repair of amusement ride or attractions.

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

302 KAR 16:140. Amusement rides or attractions not requiring an operator.

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 Section 1 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

COUNCIL ON POSTSECONDARY EDUCATION: Adult Education and Literacy

785 KAR 1:010. GED Testing Program. Dr. B.J. Helton, senior associate, and Dennis L. Taulbee, general counsel, represented the council.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to correct a statutory citation; (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; and (3) to

amend Sections 3 and 5 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

LABOR CABINET: Department of Workplace Standards: Division of Employment Standards;

Apprenticeship Programs: Labor Standards; Wages and Hours

803 KAR 1:010. Registration of apprenticeship programs. Mike Dixon, commissioner, and Dan Walton, executive assistant, represented the division.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to cite to statutory definitions and place the terms in alphabetical order; (2) to amend Sections 3 and 4 to delete requirements that are provided by statute; and (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 6 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 1:120. Prevailing wage posting requirements.

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

Department of Workers' Claims: Department

803 KAR 25:091. Workers' compensation hospital fee schedule. Tom Dockter, staff attorney, and Dwight Lovan, commissioner, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 1 through 9 to comply with the drafting and format requirements of KRS Chapter 13A; (2) to create a new Section 10 to incorporate by reference the required forms; and (3) to amend Sections 3 and 4 to specify that the commissioner's determination shall be made upon the written documents submitted by the requesting hospital. Without objection, and with agreement of the agency, the amendments were approved.

PUBLIC PROTECTION CABINET:

Department of Insurance: Health Insurance Contracts

806 KAR 17:083. Kentucky long-term care partnership insurance program. D.J. Wasson, staff assistant, and Sharon Clark, commissioner, represented the department.

Kentucky Horse Racing Commission: Thoroughbred Racing

810 KAR 1:012. Horses. John Forge, general counsel, represented the commission.

A motion was made and seconded to approve the following amendments: (1) to amend Section 10 to use the term "riding crop" instead of "whip" in conformity with the remainder of this administrative regulation and industry usage; (2) to amend Section 10(10)(a) to specify the standards used for the inspection and approval of riding crops; and (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 10 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

810 KAR 1:016. Running of the race. In response to a question by Co-Chair Tori, Mr. Forge stated that this administrative regulation established requirements to determine excessive use of riding crops based on judgment calls of the stewards during races.

A motion was made and seconded to approve the following amendments: (1) to amend the STATUTORY AUTHORITY paragraph to include EO 2008-668, which established the commission and transferred all authority, functions, and responsibilities of the Kentucky Horse Racing Authority to the commission; and (2) to amend Sections 5 and 7 through 17 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Harness Racing

811 KAR 1:215. Kentucky Standardbred Development Fund.

A motion was made and seconded to approve the following amendment: to amend Section 24(3) to change the deadline for disbursement of funds from August 15 to December 15. Without objection, and with agreement of the agency, the amendment was approved.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of the Inspector General: Health Services and Facilities

902 KAR 20:106 & E. Operation and services; ambulatory surgical center. Stephanie Brammer-Barnes, regulation coordinator, represented the office.

Representative Lee commended the cabinet for this administrative regulation's topical approach to explaining the twenty-four (24) hour limitations.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and STATUTORY AUTHORITY paragraphs to correct statutory citations; and (2) to amend Sections 1, 2, 5, 6, and 8 to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department for Medicaid Services: Division of Community Alternatives: Medicaid Services

907 KAR 1:170 & E. Reimbursement for home and community based waiver services. Stuart Owen, regulation coordinator, represented the department.

Department for Community Based Services: K-TAP, Kentucky Works, Welfare to Work, State Supplementation

921 KAR 2:015 & E. Supplemental programs for persons who were aged, blind, or have a disability. Elizabeth Caywood, internal policy analyst, represented the department.

A motion was made and seconded to approve the following amendments: to amend Sections 3, 6, 7, and 12 to update internal references and to comply with the drafting and format requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Energy Assistance Program/Weatherization

921 KAR 4:116 & E. Low income home energy assistance program or "LIHEAP".

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

The following administrative regulations were deferred to the May 12, 2009, meeting of the Subcommittee:

PERSONNEL CABINET: Classified

101 KAR 2:066 & E. Certifica-

tion and selection of eligibles for appointment.

GENERAL GOVERNMENT CABINET: Board of Examiners and Registration of Landscape

Architects: Board

201 KAR 10:050. Fees.

Board of Veterinary Examiners: Board

201 KAR 16:015. Fees.

Board of Licensure for Marriage and Family Therapists: Board

201 KAR 32:025. Marriage and family therapists associate. Carolyn Kyler, board administrator; Frances Short, director, Division of Occupations and Professions; and Tony Watkins, board chair, represented the board.

In response to questions by Representative Damron, Mr. Watkins stated that the board did not expect to be solvent over the next three (3) years and thus needed to raise fees. He stated that approximately \$12,200 had been swept from the fund by the General Assembly and that these were the first proactive, proposed fee increases since the inception of the board. He further stated that the licensed members understood the need for the fee increases and that, if funds were swept again, the board did not intend to request a redress of grievances with the subcommittee.

In response to questions by Representative Lee, Mr. Watkins stated that future projected expenses necessitated the proposed fee increases and that licensed members were notified through the association's newsletter and at the state association meeting. He stated that approximately 500 persons would be impacted by the fee increases but that he could not guarantee that ninety (90) percent of members were aware of the proposal.

Representative Lee stated that each member needed to be notified of the proposed fee increases by direct letter from the board.

In response to questions by Representative Ford, Mr. Watkins stated that it was not possible to predict whether or not future board funds would be swept by the General Assembly. He stated that approximately 330 out of 400 licensed members were present at the state association meeting when the proposed fee increases were presented.

In response to questions by Co-Chair Tori, Mr. Watkins stated that the board had not proposed fee increases since the inception of the

board in 1995 and that the board had projected carryover funds through 2011. He stated that the average carryover since 2007 was between \$85,000 and a negative balance.

A motion was made and seconded to approve the following amendments: (1) to amend the Title and STATUTORY AUTHORITY paragraph to comply with format standards; (2) to amend Sections 1 through 6 to comply with the drafting and format requirements of KRS Chapter 13A; (3) to revise the SUMMARY OF MATERIAL INCORPORATED BY REFERENCE; and (4) to amend an application form incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

In response to questions by Co-Chair Tori and Representative Ford, Mr. Watkins agreed to defer consideration of this administrative regulation and 201 KAR 32:030, both as amended, to the May 12 meeting of the Subcommittee. Without objection, and with agreement of the Subcommittee and agency, this administrative regulation was deferred.

201 KAR 32:030. Fees.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to clearly state the necessity for and function served by this administrative regulation, as required by KRS 13A.220; (2) to amend Sections 1 through 6 and 8 to comply with the drafting and format requirements of KRS Chapter 13A; (3) to revise the SUMMARY OF MATERIAL INCORPORATED BY REFERENCE; and (4) to amend material incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

In response to questions by Co-Chair Tori and Representative Ford, Mr. Watkins agreed to defer consideration of this administrative regulation and 201 KAR 32:025, both as amended, to the May 12 meeting of the Subcommittee. Without objection, and with agreement of the Subcommittee and agency, this administrative regulation was deferred.

ENERGY AND ENVIRONMENT CABINET: Department for Environmental Protection: Division of Water: Water Quality Standards

401 KAR 10:026. Designation of uses of surface waters.

401 KAR 10:029. General provisions.

401 KAR 10:030. Antidegrada-

tion policy implementation methodology.

401 KAR 10:031. Surface water standards.

Division of Waste Management: Methamphetamines

401 KAR 101:001. Definitions for 401 KAR Chapter 101.

401 KAR 101:020. Financial requirements.

401 KAR 101:030. Tiered response system.

401 KAR 101:040. Cleanup and sampling requirements.

EDUCATION CABINET: Kentucky Board of Education: Department of Education: School Administration and Finance

702 KAR 3:090. Depository bond, penal sum.

Facilities Management

702 KAR 4:160. Capital Construction process.

Food Service Programs

702 KAR 6:010. Local responsibilities.

702 KAR 6:020. District school nutrition director.

702 KAR 6:031. Repeal of 702 KAR 6:030.

702 KAR 6:040. Personnel; policies and procedures.

702 KAR 6:045. Personnel; school nutrition employee qualifications.

702 KAR 6:075. Reports and funds.

702 KAR 6:090. Minimum nutritional standards for foods and beverages available on public school campuses during the school day; required nutrition and physical activity reports.

School Terms, Attendance and Operation

702 KAR 7:065. Designation of agent to manage high school interscholastic athletics.

PUBLIC PROTECTION CABINET: Department of Insurance: Health Insurance Contracts

806 KAR 17:480. Uniform evaluation and reevaluation of providers.

Kentucky Horse Racing Commission: Thoroughbred Racing

810 KAR 1:025 & E. Licensing thoroughbred racing.

Harness Racing

811 KAR 1:070 & E. Licensing standardbred racing.

CABINET FOR HEALTH AND FAMILY SERVICES: Department for Medicaid Services: Division of Community Alternatives: Medicaid Services

907 KAR 1:585. Estate recovery.

907 KAR 1:645. Resource standards for Medicaid.

907 KAR 1:650. Trust and transferred resource requirements for Medicaid.

907 KAR 1:655. Spousal impoverishment and nursing facility requirements for Medicaid.

Other Business:

Representative Damron made a motion, seconded by Representative Lee with a third made by Representative Ford, that Representative Combs be nominated for House Co-Chair. Representative Combs accepted the nomination. Representative Lee made a motion, seconded by Representative Damron with a third made by Representative Ford, to end House Co-Chair nominations. Representative Combs was, without objection, endorsed as House Co-Chair of the subcommittee.

Administrative Regulations Review Subcommittee adjourned at 11:05 a.m. until May 12, 2009 at 1 p.m.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes

April 14, 2009

The Government Contract Review Committee met on Tuesday, April 14, 2009, at 10:00 AM, in Room 171 of the Capitol Annex. Kim Eisner, Committee Staff Administrator, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Vernie McGaha, Co-Chair; Senators Julian M. Carroll and Carroll Gibson; Representatives Jesse Crenshaw, Dennis Horlander, Brad Montell, and Brent Yonts.

Guests: Mike Hill, Larry Taylor, Janet Hartlage, Kathy Burke, Patrick Mooney, Gregory Taylor, Brian Lykins, Jettie Sparks, and Beth Jurek.

LRC Staff: Kim Eisner, Matt Ross, and Becky Brooker.

Kim Eisner opened the floor for nominations from a House member for the position of co-chair.

Senator Gibson made a motion to nominate Senator McGaha as co-chair. Senator Carroll seconded the motion.

Senator Gibson made a motion that nominations for co-chair cease and that Senator McGaha be elected by acclamation. Senator Carroll seconded the motion.

Senator McGaha was elected by acclamation and presided for the remainder of the meeting.

Representative Crenshaw made

a motion to nominate Representative Horlander as co-chair. Representative Yonts seconded the motion.

Representative Montell made a motion that nominations for co-chair cease and that Representative Horlander be elected by acclamation. Representative Crenshaw seconded the motion. Representative Horlander was elected by acclamation.

A motion was made by Representative Yonts to approve Minutes of the March 10, 2009 meeting of the committee. Representative Montell seconded the motion, which passed without objection.

A motion was made by Representative Yonts to consider as reviewed, the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Crenshaw seconded the motion, which passed without objection.

A motion was made by Representative Yonts 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 Crenshaw seconded the motion, which passed without objection.

A motion was made by Representative Yonts to consider as reviewed, the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Crenshaw seconded the motion, which passed without objection.

A motion was made by Representative Yonts 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 Crenshaw seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

AUDITOR OF PUBLIC ACCOUNTS, OFFICE OF THE:

Tichenor & Associates, 0900011664; Mountjoy & Bressler, LLP, 0900011690; Kem Duguid & Associates, PSC, 0900011691; Cotton & Allen, PSC, 0900011692; Ross & Company, PLLC, 0900011693.

DEPARTMENT FOR AGING & INDEPENDENT LIVING:

Radical Rehabilitation Solutions, LLC, 0900011548.

DEPARTMENT FOR EXISTING

BUSINESS DEVELOPMENT:

Community Ventures Corporation, 0900011619.

DEPARTMENT FOR NATURAL RESOURCES:

Fountain Forestry Incorporated, 0900011403; HMB Professional Engineers Incorporated, 0900011440; Summit Helicopters Incorporated, 0900011545; William J. Kovacic, 0900011594.

ECONOMIC DEVELOPMENT - OFFICE OF THE SECRETARY:

The Pace Group, 0900011686. EDUCATION, DEPARTMENT OF: Greenwood & Associates, 0900011642.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

EOP Architects, PSC, 0800011002; Kentucky Utilities Company, 0900011683.

FISH & WILDLIFE, DEPARTMENT OF:

Rocky Mountain Elk Foundation, 0800009092.

JUSTICE CABINET:

Mark Bernstein DDS, 0900011639.

KENTUCKY LOTTERY CORPORATION:

Kizan Technologies, LLC, 1005013; Right Star Systems, 1007057.

MEDICAL LICENSURE, BOARD OF:

Charles W. Schmidt, 0900011696.

MURRAY STATE UNIVERSITY:

Brailsford & Dunlavey, 01309.

NORTHERN KENTUCKY UNIVERSITY:

MGT of America Incorporated, 2010515.

TRANSPORTATION CABINET:

WMB Incorporated, 0900011483; William L. Berkley, 0900011553; Southern Traffic Service, 0900011564.

UNIVERSITY OF KENTUCKY:

Extra Medium Incorporated, K09168; Software Information Systems, K09169; Huron Consulting Group, K09170; Jerold Panas, Liny and Partners, K09171.

WESTERN KENTUCKY UNIVERSITY:

Ross Tarrant Architects, 080985.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS:

Vitalchek Network Incorporated,

0700006384.

CORRECTIONS, DEPARTMENT OF:

Transitions Incorporated, 0800008467.

DEPARTMENT FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES & ADDICTION SERVICES:

Margie Sweeney, MD, 0800006864; Patricia Hall, 0800007099; Margie Sweeney, MD, 0800007176.

DEPARTMENT FOR PUBLIC HEALTH:

Street Elizabeth Medical Center, 0800008084; Healthcare Education & Registration Training, 0800008794; Health Kentucky, 0800010008.

EDUCATION, DEPARTMENT OF: Edvantia, 0800006728.

FINANCE AND ADMINISTRATION CABINET:

Wyatt Tarrant & Combs, LLP, 0600002344; Gambrel & Wilder, 0600002908; Stoll Keenon Ogden, PLLC, 0800009454.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Barnette Bagley Architects, 0700003256; Stantec Consulting Services Incorporated, 0700003463; Hastings & Chivetta Architects, 0700004255; Paladin Incorporated, 0700006242; Entran, PLC, 0800006915; Bender Associates Architects, C-04048863-5; Omni Architects, C-05256615.

KENTUCKY HOUSING CORPORATION:

Default Mitigation Management, LLC, 20094.

MOREHEAD STATE UNIVERSITY:

Dean, Dorton & Ford, PSC, 09009.

MURRAY STATE UNIVERSITY:

BKD, LLP, 00909.

NORTHERN KENTUCKY UNIVERSITY:

Multi, 2010447.

PERSONNEL BOARD:

Roland P. Merkel, P.S.C., 0800008393; James L. Dickinson, 0800008396; Brooks McComb & Fields, 0800008398; Colleen Beach, 0800008399; Edward P. Moores, 0800008402.

PHYSICAL THERAPY, BOARD OF:

Robert S. Thompson III, 0800009137.

TRANSPORTATION CABINET:

T H E Engineers Incorporated, 0600001480; E A Partners, PLC, 0600001849; Gresham Smith &

Partners, 0700003359; J M Crawford & Associates Incorporated, 0700003622; American Engineers Incorporated, 0700003893; URS Corporation, 0700004341; Lochner H W Incorporated Consulting, 0800009842; Florence & Hutcheson, C-01063751-3; Florence & Hutcheson, C-01228504-1; Burgess and Niple LTD, C-01257678-1; HMB Professional Engineers Incorporated, C-03367978-1; Tetra Tech Incorporated, C-03424349; Presnell Associates Incorporated d/b/a QK\$, C-04536741-1; HMB Professional Engineers Incorporated, C-06042610; QK4, C-06071463; W M B Incorporated, C-99005584-6; Palmer Engineering Company, C-99005626-9; Florence & Hutcheson, C-99108431-5.

UNIVERSITY OF KENTUCKY:

GBBN Architects Incorporated, A061080; Omni Architects, A091100.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF:

Multi, 0900011602; Multi, 0900011666; Multi, 0900011698; Multi, 0900011722.

FISH & WILDLIFE, DEPARTMENT OF:

Henderson County Fiscal Court, 0900011546.

INFRASTRUCTURE AUTHORITY:

Knott County Fiscal Court, 0900011655.

MILITARY AFFAIRS, DEPARTMENT OF:

Lincoln Trail Area Development District, 0800011237; Kentuckiana Regional Planning & Development Agency, 0800011255; Lake Cumberland Area Development District, 0800011283; Pennyroyal Area Development District, 0800011294; City of Versailles, 0900011428; Multi, 0900011455; Lexington Fayette Urban County Government, 0900011509.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

Magoffin County Fiscal Court, 0800011298; Magoffin County Fiscal Court, 0900011349; Breathitt County Fiscal Court, 0900011404; Knott County Fiscal Court, 0900011462; Kentucky Housing Corporation, 0900011477; Knott County Fiscal Court, 0900011499;

Knott County Fiscal Court, 0900011502; Harlan County Fiscal Court, 0900011511; City of Providence, 0900011517; City of Mount Vernon, 0900011519; Knott County Fiscal Court, 0900011573; Muhlenberg County Fiscal Court, 0900011579; Floyd County Fiscal Court, 0900011580; Pike County Fiscal Court, 0900011589; Pike County Fiscal Court, 0900011592; Pike County Fiscal Court, 0900011596; Franklin County Fiscal Court, 0900011599; Floyd County Fiscal Court, 0900011606; Pike County Treasurer, 0900011687.

TRANSPORTATION CABINET:

Louisville Metro Government, 0900011668.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF:

Morgan County Fiscal Court, 0800007933; Multi, 0900011698.

DEPARTMENT FOR AGING & INDEPENDENT LIVING:

Gateway Area Development District, 0800007369; Purchase Area Development District, 0800007371; Green River Area Development, 0800007373; Pennyroyal Area Development District, 0800007512; Big Sandy Area Development District, 0800007513; Bluegrass Area Development District, 0800007514; Buffalo Trace Area Development District, 0800007515; Cumberland Valley Area Development District, 0800007516; Kentucky River Area Development District, 0800007517; Lake Cumberland Area Development District, 0800007518; Barren River Area Development District, 0800007519; Fivco Area Development District, 0800008688; Northern Kentucky Area Development District, 0800008689.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Louisville Metro Community Action, 0800007428; Multi Purpose Community Action Agency Incorporated, 0800007432; Community Action Kentucky Incorporated, 0800008411.

DEPARTMENT FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES & ADDICTION SERVICES:

Four Rivers Behavioral Health, 0800008001; Pennyroyal Mental Health, 0800008002; Green River

Regional Mental Health Mental Retardation Board d/b/a Rivervalley Behavior, 0800008003; Lifeskills Incorporated, 0800008004; Communicare Incorporated, 0800008005; Northern Kentucky Regional Mental Health Mental Retardation Board, 0800008007; Comprehend Incorporated, 0800008008; Pathways Incorporated, 0800008009; Mountain Comprehensive Care Center, 0800008010; Kentucky River Community Care, 0800008011; Cumberland River Mental Health Mental Retardation Board Incorporated, 0800008012; Lake Cumberland Mental Health Mental Retardation Board, 0800008013; Bluegrass Regional Mental Health Mental Retardation, 0800008014.

EDUCATION, DEPARTMENT OF:

Middlesboro Independent Board of Education, 0800007116; Fayette County Board of Education, 0800007119; Floyd County Board of Education, 0800007126; Owen County Board of Education, 0800007127; Lee County Board of Education, 0800007128; Fayette County Board of Education, 0800007129; Logan County Board of Education, 0800007132; Frankfort Independent Board of Education, 0800007140; Fayette County Board of Education, 0800007189; Fayette County Board of Education, 0800007193; Fayette County Board of Education, 0800007195; Floyd County Board of Education, 0800007199; Knox County Board of Education, 0800007201; Scott County Board of Education, 0800007207; Corbin Independent Board of Education, 0800007604; Campbellsville Independent Board of Education, 0800007605; Fayette County Board of Education, 0800007608; Trigg County Board of Education, 0800007610; Owensboro Independent Board of Education, 0800007611; Bourbon County Board of Education, 0800007613; Lincoln County Board of Education, 0800007615; Bowling Green Independent Board of Education, 0800007784; Monroe County Board of Education, 0800008332; Union County Board of Education, 0800008428; KET Foundation, 0800009099; Madison County Board of Education, 0800009106; Fayette County Board of Education, 0800009113; Grayson County Board of Education, 0800009114; Todd County Board of Education, 0800009480; Bell County Board of Education, 0800010259;

Campbell County Board of Education, 0800010267; Graves County Board of Education, 0800010278; Monroe County Board of Education, 0800010297.

FINANCE AND ADMINISTRATION CABINET:

National Geodetic Survey NOAA National Ocean Service, M-04157247.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

City of Dawson Springs, 0600002833; Pike County Fiscal Court, 0600003069; Estill County Fiscal Court, 0700003267; Knott County Fiscal Court, 0700004376; Martin County Economic Authority, 0700005283; Greater Cincinnati Healthbridge Incorporated, 0800007038; Hancock County Fiscal Court, 0800009992; City of Bowling Green, M-04537189-1.

WORKFORCE INVESTMENT, OFFICE OF:

Louisville Metro Government, 0800008186.

THE FOLLOWING PERSONAL SERVICE CONTRACTS AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

TRANSPORTATION CABINET

Florence & Hutcheson, C-99005084. Mike Hill discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed unanimously.

THE FOLLOWING MEMORANDA OF AGREEMENTS AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES & ADDICTION SERVICES

Seven Counties Services, 0800006732; Seven Counties Services, 0800008006. Kathy Burke, Patrick Mooney, and Gregory Taylor discussed the contracts with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Senator Carroll seconded the motion, which passed unanimously.

EDUCATION, DEPARTMENT OF

East Bernstadt Independent Board of Education, 0800007203. Larry Taylor and Janet Hartlage discussed the contract with the committee. A motion was made by Representative Yonts to consider the

contract as reviewed. Senator Gibson seconded the motion, which passed unanimously.

AUDITOR OF PUBLIC ACCOUNTS:

Brian Lykins and Jettie Sparks came before the committee to discuss the report by the Office of the Auditor of Public Accounts regarding the audit of personal service contracts between the Department of Mental Health and Mental Retardation and medical staffing companies provided nurses and similar support services to Department hospitals and facilities. Beth Jurek and Patrick Mooney from the Cabinet of Health and Family Services also discussed the report with the committee.

With no further business before the committee, the meeting adjourned at 11:55 AM.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes May 12, 2009

The Government Contract Review Committee met on Tuesday, May 12, 2009, at 10:00 AM, in Room 171 of the Capitol Annex. Representative Dennis Horlander, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Vernie McGaha, Co-Chair; Representative Dennis Horlander, Co-Chair; Senators Julian M. Carroll, Carroll Gibson, and Elizabeth Tori; Representatives Jesse Crenshaw, Brad Montell, and Brent Yonts.

Guests: Laura Moore, David Lucas, Kathy Burke, Glenn Bryan, David Clark, Paul Royce, Larry Owsley, Bill Cooper, Andrew Hartley, Amy Barnes, Tim Pollard, Rhonda Nix, and David Lovelace.

LRC Staff: Kim Eisner, Matt Ross, Katie Carney, Jonathon Lowe, and Becky Brooker.

A motion was made by Representative Yonts to approve Minutes of the April 14, 2009 meeting of the committee. Representative Montell seconded the motion, which passed without objection.

A motion was made by Senator McGaha to consider as reviewed, the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Yonts seconded the motion, which passed

without objection.

A motion was made by Senator McGaha 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 Yonts seconded the motion, which passed without objection.

A motion was made by Senator McGaha to consider as reviewed, the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Yonts seconded the motion, which passed without objection.

A motion was made by Senator McGaha 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 Yonts seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

CRIMINAL JUSTICE TRAINING, DEPARTMENT OF:

Bryant Stamford, 0900011855.

DEPARTMENT FOR AGING & INDEPENDENT LIVING:

Radical Rehabilitation Solutions, LLC, 0900011623.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION:

Jackson Purchase Resource Conservation & Development Foundation, 0900011635; Resolution Incorporated, 0900011643; Newcities Foundation, 0900011721.

DEPARTMENT FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES & ADDICTION SERVICES:

Big Brothers Big Sisters of the Bluegrass, 0900011583; Big Brothers Big Sisters, Incorporated of South Central Kentucky, 0900011584; Philip W. Bale, P.S.C., 0900011627.

EDUCATIONAL TELEVISION, KENTUCKY:

Vince Spoelker, 0900011719.

FINANCE AND ADMINISTRATION CABINET:

Vanantwerp, Monge, Jones, Edwards & McCann, LLP, 0900012035.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Voelker Blackburn Niehoff Architects, 0900011541; Staggs and Fisher Consulting Engineers Incorporated, 0900011701.

FISH & WILDLIFE, DEPARTMENT OF:

US Fish and Wildlife Service,

0900011453.

HIGHER EDUCATION ASSISTANCE AUTHORITY, KENTUCKY:

Diversified Collection Services Incorporated, 0900012265.

JUSTICE CABINET:

St. Elizabeth Medical Center, 0900011697.

KENTUCKY HOUSING CORPORATION:

Allgeier Company, 20101; Caine Mitter & Associates, 20103; Bond Logistix, 20104; Systems Design Group Incorporated, 20105; Venture Encoding, 20106; TheoPro Compliance & Consulting Incorporated, 20107; Preferred Inspections Incorporated, 20108; Kutak Rock, LLP, 20109.

KENTUCKY LOTTERY CORPORATION:

M & S Works Incorporated, 1004082; First Data Government Solutions Incorporated, 1005002; PriceWeber Marketing Communications Incorporated, 1008043; Potter & Company, LLP, 1008050; Jeff Sexton, 1098054; Elsym Consulting Incorporated, 1098115.

KY HORSE RACING AUTHORITY:

Morgan & Pottinger, 0900011674.

KY STATE NATURE PRESERVES COMMISSION:

Kentucky Natural Lands Trust Incorporated, 0900011749.

NORTHERN KENTUCKY UNIVERSITY:

Crowe Horwath & Company, LLP, 20104622; Carr Sports Associates Incorporated, 2010516.

PERSONNEL-OFFICE OF THE SECRETARY:

Mercer Investment Consulting Incorporated, 0900011436.

TRANSPORTATION CABINET:

TBE Group, 0900011503; Kentucky Natural Lands Trust Incorporated, 0900011593; Entran, PLC, 0900011787; Strand Associates Incorporated, 0900011839; Florence & Hutcheson, 0900011852; URS Corporation, 0900011881; Community Transportation Solutions, 0900012152; Vaughn & Melton Consulting Engineers Incorporated, 0900012163.

WESTERN KENTUCKY UNIVERSITY:

Multi, 080987; Edvantia, 080991.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT

OF:

Kara Keeton, 0800010228; Kentucky Grocers Association Service Corporation, 0800010322.

DEPARTMENT FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES & ADDICTION SERVICES:

Kentucky Self-Advocates for Freedom Incorporated, 0800007174.

DEPARTMENT FOR PUBLIC HEALTH:

Maximus Incorporated, 0800006950.

EDUCATION, DEPARTMENT OF: Linda Martin, 0800008563.

FINANCE AND ADMINISTRATION CABINET:

621 Law Partners, 0800009146.

FINANCE AND ADMINISTRATION CABINET - DIVISION OF ENGINEERING:

Tetra Tech Incorporated, 0700003392; Paladin Incorporated, 0700006242; Luckett and Farley Architects Engineers and Construction Managers Incorporated, 0800009607; Commonwealth Technology Incorporated, C-99004045; Photo Science Incorporated, C-99004050.

KENTUCKY HOUSING CORPORATION:

Law Offices of Cecil F. Dunn, 200912.

MOREHEAD STATE UNIVERSITY:

Paul R. Stokes, 09004.

NORTHERN KENTUCKY UNIVERSITY:

Crowe Horwath, LLC, 2009462; George Ann Rice, 2009495.

OFFICE OF HOMELAND SECURITY:

Goldberg & Simpson P.S.C., 0800008537.

PHYSICAL THERAPY, BOARD OF:

William A. Curley, 0800009179.

TRANSPORTATION CABINET:

Northrop Grumman Commercial Systems Incorporated, 0600003033; HNTB Corporation, 0700003519; Burgess and Niple Incorporated, 0700003885; Burgess and Niple Incorporated, 0700003892; Burgess and Niple Incorporated, 0700006336; Vaughn and Melton, C-01154275-2; Burgess and Niple Ltd., C-04160330; Presnell Associates Incorporated d/b/a QK4, C-04224166-2; Parsons Brinckerhoff Quade & Douglas, C-05050906-3; Lochner H W Incorporated Consulting, C-99005187-4; American Engineers Incorporated, C-99005190-8; Presnell Associates Incorporated

d/b/a QK4, C-99005372-3; Palmer Engineering Company, C-99005702-5; GRW Engineers Incorporated, C-99108986-3; Presnell Associates Incorporated d/b/a QK4, C-99109299-7.

UNIVERSITY OF KENTUCKY:
Rossa Rossa & Associates Incorporated, K09139.

WESTERN KENTUCKY UNIVERSITY:

Ross Tarrant Architects, 080938; Heery International Incorporated, 080939.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF:

Multi, 0900012044.
DEPARTMENT FOR ENVIRONMENTAL PROTECTION:

Madison County Fiscal Court, 0800010798.

DEPARTMENT FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES & ADDICTION SERVICES:
Lifeskills, 0900011395.

EDUCATION, DEPARTMENT OF:
Treasurer Madison Co Board of Education, 0900012030; Treasurer Mercer County Board of Education, 0900012031.

FISH & WILDLIFE, DEPARTMENT OF:

Leisure Cruise Incorporated d/b/a Buzzard Rock Resort, 0900011542.

KENTUCKY HOUSING CORPORATION:

Community Action Kentucky Incorporated, KHC-MOA-2009-2.

MILITARY AFFAIRS, DEPARTMENT OF:

Kentucky River Area Development District, 0800011268; Multi, 0900011669.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

Floyd County Fiscal Court, 0900011646; City of Covington, 0900011659; Lee County Fiscal Court, 0900011806; Floyd County Fiscal Court, 0900011810; Floyd County Fiscal Court, 0900011824; Floyd County Fiscal Court, 0900011825; Floyd County Fiscal Court, 0900011826; Ohio County Fiscal Court, 0900011829; Leslie County Fiscal Court, 0900011898.

POST SECONDARY EDUCATION, COUNCIL ON:

Southern Regional Education Board, 0900011684.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS

WERE REVIEWED WITHOUT OBJECTION:

AGRICULTURE, DEPARTMENT OF:

God's Pantry Food Bank Incorporated, 0800007662; Americas Second Harvest of Kentucky's Heartland, 0800007663; Dare To Care Food Bank, 0800007664; Northern Kentucky Area Development District, 0800007665; Purchase Area Development District, 0800007666.

DEPARTMENT FOR AGING & INDEPENDENT LIVING:

Lincoln Trail Area Development District, 0800007372; Kentuckiana Regional Planning, 0800008665.

DEPARTMENT FOR COMMUNITY BASED SERVICES:

Bell Whitley Community Action, 0800007404.

DEPARTMENT FOR PUBLIC HEALTH:

Seven Counties Services, 0800008355.

EASTERN KENTUCKY UNIVERSITY:

University of Kentucky Chandler Medical Center Department of Psychiatry, 10002.

EDUCATION, DEPARTMENT OF:

Elizabethtown Independent Board of Education, 0800007114; Jenkins Independent Board of Education, 0800007118; Treasurer Franklin County Board of Education, 0800007122; Treasurer Jessamine County Board of Education, 0800007133; Johnson County Board of Education, 0800007134; Jessamine County Board of Education, 0800007135; Treasurer Clay County Board of Education, 0800007139; Jessamine County Board of Education, 0800007190; Treasurer Clay Co Board of Education, 0800007601; Jefferson County Board of Education, 0800009110.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT:

Riverside, The Farnsley~Moremen Landing, 0700003592; City of Olive Hill, 0700003649; Letcher County Fiscal Court, 0700004133; City of Hawesville, M-03222544-1; City of Horse Cave City Hall, M-04047660-1.

POST SECONDARY EDUCATION, COUNCIL ON:

Georgetown College, 0700006429.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SE-

LECTED FOR FURTHER REVIEW:

DEPARTMENT OF INSURANCE
Mark Burdett, 0900011637.
Laura Moore discussed the contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Senator Tori seconded the motion, which passed unanimously.

MEDICAL LICENSURE, BOARD OF

KentuckyPhysiciansHealthFoundation Incorporated, 0900011846. A motion was made by Senator Carroll to defer the contract to the June meeting of the committee. Senator McGaha seconded the motion, which passed unanimously.

OFFICE OF HOMELAND SECURITY

RCC Consultants Incorporated, 0900011815. David Lucas discussed the contract with the committee. A motion was made by Representative Crenshaw to consider the contract as reviewed. Representative Yonts seconded the motion, which passed unanimously with Senator Tori electing to abstain (pass).

THE FOLLOWING PERSONAL SERVICE CONTRACTS AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES & ADDICTION SERVICES

Guardian Healthcare Providers, 0800007419; Guardian Angel Staffing Agency, 0800007420; Day Group Kentucky, LLC, 0800007421; AMS Temporaries Incorporated, 0800007422. Kathy Burke and Glenn Bryan discussed the contracts with the committee. A motion was made by Senator Carroll to consider the contracts as reviewed. Representative Yonts seconded the motion, which passed unanimously.

DEPARTMENT FOR PUBLIC HEALTH

Heartland Cares Incorporated, 0800006801; Matthew 25 AIDS Service Incorporated, 0800006802; Volunteers of America of Kentucky Incorporated, 0800006803. David Clark and Paul Royce discussed the contracts with the committee. A motion was by Senator Carroll to consider the contracts as reviewed. Representative Crenshaw seconded the motion, which passed unanimously.

UNIVERSITY OF LOUISVILLE
Lockett & Farley Incorporated, 06012. Larry Owsley discussed the

contract with the committee. A motion was made by Representative Yonts to consider the contract as reviewed. Senator Carroll seconded the motion, which passed unanimously.

THE FOLLOWING MEMORANDA OF AGREEMENTS AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR AGING & INDEPENDENT LIVING

NKCES, 0800007507. Bill Cooper discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Yonts seconded the motion, which passed unanimously.

OFFICE OF THE GOVERNOR, DEPARTMENT FOR LOCAL GOVERNMENT

Perry County Fiscal Court, 0900011354. Andrew Hartley and Amy Barnes discussed the contract with the committee. A motion was made by Senator Carroll to consider the contract as reviewed. Representative Crenshaw seconded the motion, which passed unanimously.

EXEMPTION REQUEST
TOURISM, ARTS, & HERITAGE CABINET

Tim Pollard, Rhonda Nix, and David Lovelace discussed a request for exemption for Grant Awards – Procedure for Regional Marketing and Matching Funds Program. The Committee declined to approve the requested exemption. Instead, the Committee agreed to allow the Cabinet to file grant award contracts with a July 1, 2009 start date in July for review at the August meeting. The Committee's action permits the Cabinet extra time to file its new fiscal year contracts. Furthermore, the contracts shall be submitted with a letter requesting a retroactive start date.

With no further business before the committee, the meeting adjourned at 11:30 AM.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE Minutes April 15, 2009

The 2nd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, April 15, 2009, at 10:00 AM, in Room 129 of the Capitol Annex. Senator Carroll Gibson, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Carroll Gibson, Co-chair; Representative Dottie Sims, Co-chair; Senators Charlie Borders, David E. Boswell, and Joey Pendleton; Representatives Royce W. Adams, James R. Comer Jr., Charlie Hoffman, Tom McKee, and Tommy Turner.

Guests: Roger Thomas, Executive Director of the Governor's Office of Agricultural Policy; and GOAP staff members Todd Harp, Joel Neaveill, Michael Judge, and Sandra Gardner; Tom Keene, University of Kentucky Agronomy Specialist.

LRC Staff: Biff Baker, Stefan Kasacavage, and Susan Spoonamore, Committee Assistant.

Biff Baker conducted the election of Senate and House Co-chairs.

Representative Charlie Hoffman nominated Representative Dottie Sims for House Co-chair; seconded by Representative Tom McKee. Representative Tommy Turner moved that nominations cease and that Representative Sims be elected by acclamation; seconded by Representative Royce Adams. Upon voice vote, and without objection, Representative Dottie Sims was elected as House Co-chair.

Senator Charlie Borders nominated Senator Carroll Gibson for Senate Co-chair, seconded by Senator Joey Pendleton. Senator Pendleton moved that nominations cease and that Senator Gibson be elected by acclamation; seconded by Senator Charlie Borders. Upon voice vote, and without objection, Senator Carroll Gibson was elected as Senate Co-chair.

The January 8, 2009 minutes were approved, by voice vote and without objection, on a motion made by Representative Sims and seconded by Representative Adams.

The committee first heard from Todd Harp, Senior Project Analyst, Governor's Office of Agricultural Policy (GOAP), who summarized the revisions contained in the 2009 Agricultural Development Board (ADB) policy document. He stated that the revisions included consolidating model programs into one program now called the "County Agriculture Investment Program" (CAIP). He went on to explain the 11 provisions under the CAIP.

Mr. Harp noted that, unlike before, each investment area would be available in every county. As he summarized the policy revisions, Mr. Harp noted one change – the lack of "tobacco dependency" will not ren-

der a producer ineligible for program participation.

Responding to Representative McKee, Mr. Harp indicated that county councils will be able to strengthen the new policies, or make them more restrictive, with the exception of the tobacco dependency policy. According to Mr. Harp, a uniform scoring system to be used by county councils in judging applications would award points to those who had past or current involvement in tobacco production.

Mr. Harp also pointed out other provisions: an annual cost-share limit will be implemented in 2009; the ADB may require significant contributions of county Agricultural Development Fund moneys for projects; collaboration projects involving multiple counties and pooling of funds will be given greater consideration; and the ADB, the Auditor of Public Accounts and other relevant state agencies may review all project records.

Referring to the tobacco dependency requirement, Senator Borders indicated the intent of the Agricultural Development Fund was to help farmers in the state who had once produced tobacco. The senator expressed a hope that they would not begin seeing more non-tobacco dependent applications receiving the funds.

Roger Thomas, GOAP Executive Director, stated that the provision specifically would provide broader access, particularly to young farmers. He mentioned the points given to tobacco farmers on the scoring sheet.

During on-going discussion, Co-chair Gibson asked how moneys would be divided between counties that collaborate on projects, such as regional farmers' markets. Mr. Harp mentioned a regional farmers' market project funded last year. That project received funds from its home county and surrounding counties, based on producer representation. According to Mr. Harp, the board would review regional projects from the standpoint of the extent that counties participate. According to Mr. Thomas, the board also looks at the level of local participation as an adjunct to county council participation.

Representative McKee stated that all the revisions are good, but asked that the agency, during some upcoming regional workshops, stress to the councils how important they are and that their list of priorities will

be considered as usual.

Mr. Rogers discussed the addition of a new investment option – On-farm Energy Efficiency and Production Investment Area. He said the goals of this program would be to increase producer awareness in improving energy efficiency; to offer financial incentives to encourage farmers to adopt new technologies; and to assist with the costs of hiring technical expertise in applying for grant programs.

Mr. Michael Judge, Director of Operations, briefed the committee on a new Deceased Farm Animal Disposal Assistance Program, which was developed in consultation with the Kentucky Division of Conservation. He said the program would serve as an interim measure to facilitate the coordination of environmentally sound and cost effective disposal of dead livestock. The county Agricultural Development Councils will have the opportunity to commit a portion of their local funds to an approved program within their country.

Representative Adams asked if officials in Washington were willing to delay the implementation of the Food and Drug Administration regulation affecting the use of livestock materials in all animal feed. Mr. Thomas indicated that the implementation of regulation would be effective on June 26, and there is no way to stop it. According to Representative Adams, the final implementation of the federal regulation will make the new state program even more important.

As discussion continued, Co-chair Sims asked if the county councils received information regarding the policy revisions. Mr. Thomas stated that the councils did receive information, and the information also could be found on GOAP website.

Joel Neaveill, GOAP Chief of Staff, discussed the funding decisions by GOAP for January 2009, while Mr. Judge summarized the February 2009 project reports.

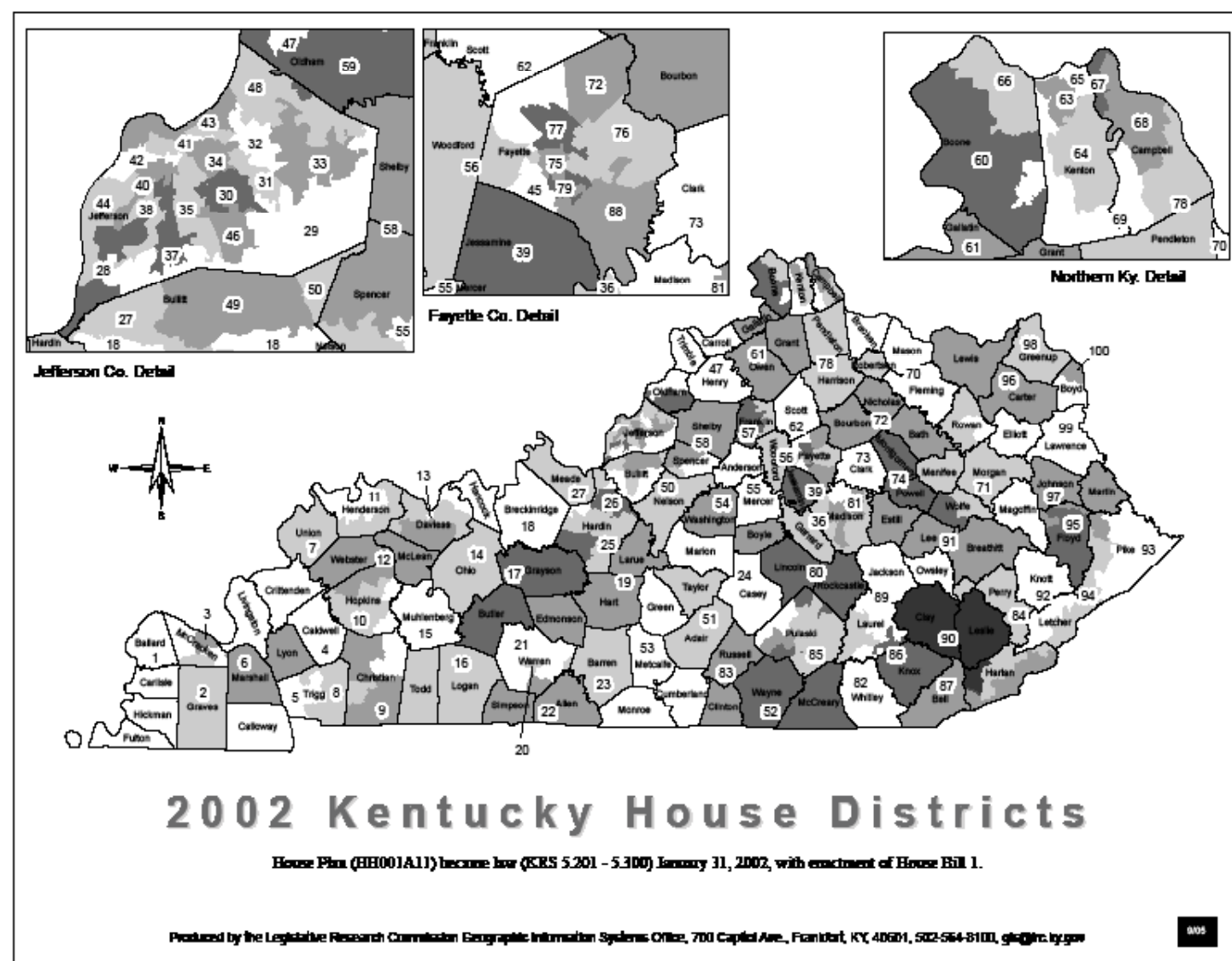
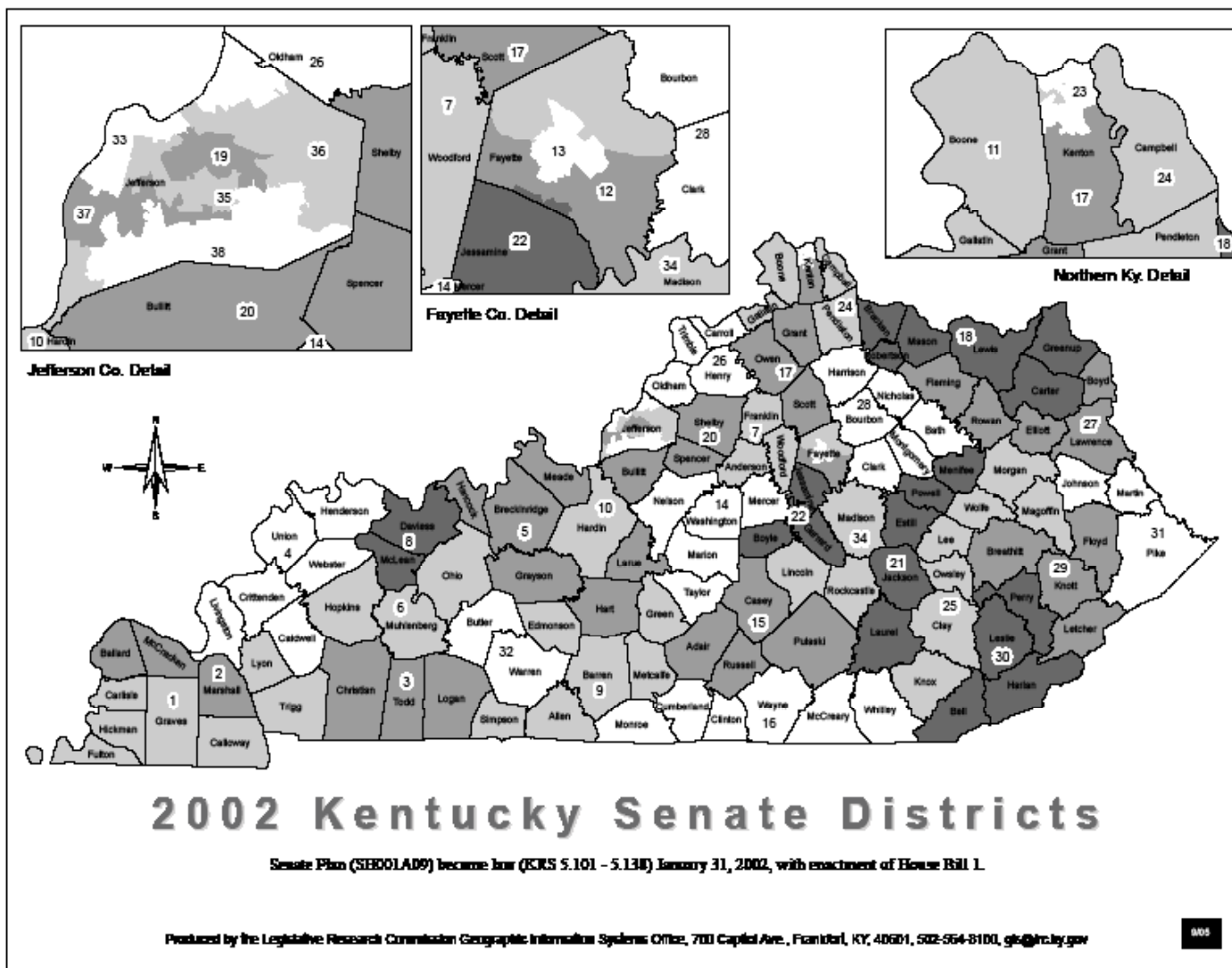
At one point, Co-chair Gibson asked if there was a notable decline in dairy operations. Mr. Thomas stated that there was a decline.

Responding to Co-chair Sims, the GOAP officials explained the new state project application review process, which has the board reviewing state project applications during one monthly meeting, then considering the applications during the next month's meeting. CAIP applications will be reviewed at every monthly ADB meeting.

In looking at a chart showing projects funding through the years, Representative Adams asked what happens to those applicants who do not meet their obligations under forgivable loan arrangements. Mr. Thomas responded that those who do not achieve their forgiveness obligations must repay the remaining portion of the loan. According to Mr. Neaveill, the board has generally moved away from forgivable loans, partly because they are difficult to track and it is difficult to make the loan procedure uniform.

Sen. Gibson stated that due to the shortness of the hour, that Mr. Tom Keene with the University of Kentucky agreed to delay this presentation until the next meeting of the committee.

Documents distributed during the committee meeting are available with meeting materials in the LRC Library. The meeting adjourned at approximately 11:45 a.m.





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