



Office of Claims and Appeals Fiscal Year 2021 Report

PPC Public
Protection
Cabinet



Commonwealth of Kentucky
Office of Claims and Appeals
Public Protection Cabinet

Andy Beshear, Governor

Ray Perry, Secretary

December 15, 2021

The Honorable John Hicks
State Budget Director
Office of the State Budget Director
702 Capitol Avenue
Room 284, Capitol Annex
Frankfort, Kentucky 40601

Sen. Christian McDaniel, Co-Chair
Rep. Jason Petrie, Co-Chair
Interim Joint Committee on
Appropriations and Revenue
702 Capitol Avenue
Capitol Annex
Frankfort, Kentucky 40601

Dear Director Hicks and Members of the Interim Joint Committee on Appropriations and Revenue:

Please accept the following as the Fiscal Year 2021 report for the Office of Claims and Appeals (OCA), and its constituent boards, pursuant to KRS 49.010(3)(d) and KRS 49.300(8). This report details OCA and its boards' activities and operations during Fiscal Year 2021.

Sincerely,

/S/ John L. Hardesty
John L. Hardesty
Executive Director
Office of Claims and Appeals

Overview

The Kentucky General Assembly created the Office Claims and Appeals (OCA) in 2021 to administer the Crime Victims Compensation Board (CVCB), the Board of Claims (BOC), and the Board of Tax Appeals (BTA).

KRS 49.020(1)(b) grants the Board of Tax Appeals the power and authority to hear and determine appeals from final rulings, orders, and determinations of any revenue and taxation agency. The Board consists of three members appointed by the Governor, subject to Senate confirmation. Two board members must be attorneys with the qualifications for Circuit Judge. One board member must have a background in taxation.

KRS 49.020(3) grants the Crime Victims Compensation Board the power and authority to hear and determine all matters relating to a claim by a crime victim or a person authorized by law to act on behalf of a crime victim for compensation. Victims or authorized persons may submit claims for medical expenses, lost wages, loss of support, or funeral and burial expenses incurred as a result of a crime. The Board also hears and adjudicates claims under the Sexual Assault Examination Program (“SAEP”). The Board consists of three members appointed by the Governor and subject to Senate confirmation, not all of whom shall be engaged in the same occupation or profession. Two of the Board members shall be a victim as defined in KRS 421.500(1), the parent, spouse, sibling, or child of a victim as defined in KRS 421.500(1), whether or not the victim is deceased, or a victim advocate as defined in KRS 421.570(1). The other Board member shall be an attorney licensed to practice law in the state with two years of experience.

KRS 49.020(5) grants the Board of Claims the power and authority to investigate, hear proof, and compensate persons for damages sustained to either person or property as a proximate result of negligence on the part of the Commonwealth, any of its cabinets, departments, bureaus, or agencies, or any of its officers, agents, or employees while acting within the scope of their employment by the Commonwealth or any of its cabinets, departments, bureaus, or agencies. The Board consists of three members appointed by the Governor, subject to Senate confirmation. Two members of the Board shall be attorneys with the qualifications required for candidates for Circuit Judge and have a background and working knowledge in Kentucky tort law. One member shall have a background in business.

Each Board is separately authorized to promulgate suitable administrative regulations to carry out the provisions and purposes of the Board’s statutory authority; issue subpoenas and discovery orders, and to petition a court of competent jurisdiction for any order necessary to carry out the Board’s powers and duties; take or cause to be taken affidavits or depositions within or without the state; administer or cause to be administered oaths; except for the power to issue final decisions on the merits of a claim or appeal, to delegate any of its power or authority to the Office of Claims and Appeals; and publicize widely the functions and purposes of the Board.

KRS 49.010(3)(d) requires OCA’s Executive Director to prepare annual reports of the officer’s and boards’ activities. Further, KRS 49.300(8) requires the Executive Director to make an annual report, by January 1 of each year, of the Crime Victims Compensation Board’s activities for the preceding fiscal year to the Office of the State Budget Director and to the Interim Joint Committee on Appropriations and Revenue. Each report shall set forth a complete operating and financial statement covering the CVCB’s operations during the year.

OCA’s Executive Director submits this annual report in accordance with KRS 49.010(3)(d) and KRS 49.300(8). The below sections summarize OCA and its boards’ activities during Fiscal Year (FY) 2021.

OCA Operations

The following is a breakdown of OCA's expenditures for FY 2021. Please note that, unless otherwise designated, the following statistics represent the expenditures of OCA, as opposed to expenditures of the individual boards. Because OCA administers the boards, all expenditures are made through OCA.

	Expenditure	
	FY 2021	
110-Salaries And Wages	457,244.24	*
120-Fringe Benefits	386,651.25	*
130-Other Personnel Costs	1,369.94	
140-Pro Contract (Inc Per Serv)	0.00	
150-Non Pro Contract	64,545.48	
Total Personnel Costs	909,810.91	
210-Utilities And Heating Fuels	0.00	
220-Rentals	57,206.96	
240-Postage And Related Services	1,761.14	
250-Miscellaneous Services	1,739.44	
260-Telecommunications	1,866.66	
270-Internal Computer Services	27,700.89	
320-Supplies	1,506.31	
340-Commodities	350.00	
360-Travel Exp & Exp Allowances	300.26	
370-Misc Commodities & Other Exp	526,906.97	**
Total Operating Expenses	619,338.63	
450-Care And Support	274,441.67	***
Total Grants, Loans, Benefits	274,441.67	
Total Expenditures	1,803,591.21	

* Includes all OCA employees and board members.

** Includes Crime Victim payments.

*** Sexual Assault Examination Program payments.

Crime Victims Compensation Board

Crime Victims Compensation

Claims Filed: 263
Claims Approved: 159
Victims Receiving Awards: 158
Claims Denied: 106
Average Claim Processing Time: 111.83 days
Total Amount Awarded: \$522,682.97

Sexual Assault Examination Program

Claims Filed: 830
Claims Approved: 591
Victims Receiving Awards: 591
Claims Denied: 243
Total Amount Awarded: \$274,441.67

Recoveries

Total Amount Recovered through Restitution,
Offender Payments, and Inmate Intercepts: \$96,585.85

CVCB Training and Outreach

KRS 49.300(7) requires CVCB to publicize widely the availability of reparations and information regarding the claims therefor. In addition to publishing information and resources on its website and widely distributing an informational brochure, CVCB conducts periodic trainings to detail the available reparations under its programs, the application and claims process, and the operations of the CVCB.

In FY 2021, CVCB conducted three (3) trainings. The attendees for those trainings totaled 34. Attendees worked for or represented numerous and diverse organizations, agencies, and nonprofits, including the Louisville Metro Police Department, Christian County Attorney's Office, Clark County Attorney's Office, Kentuckians' Voice for Crime Victims, Letcher County Attorney's Office, Lewis County Attorney's Office, Boyle County Attorney's Office, Volunteers of America Mid States, Kentucky State Police, Ampersand Sexual Violence Resource Center, Maxwell Street Legal Clinic, Home of the Innocents, and Refuge for Women.

Board Meeting Dates

July 28, 2020
August 25, 2020
September 22, 2020
October 27, 2020
November 24, 2020
December 22, 2020
January 26, 2021
February 23, 2021
March 25, 2021

April 28, 2021

May 25, 2021

June 22, 2021

Board of Tax Appeals

Appeals Filed: 237

PVA Appeals Regarding Big Box Stores: 63

PVA Business Appeals (Non-Big Box): 136

PVA Individual Taxpayer Appeals: 31

Department of Revenue Appeals: 7

Appeals Closed: 166

Final Orders Issued: 166

Appeals to Circuit Court from BTA Final Orders: 2

Board Meeting Dates

July 28, 2020

August 25, 2020

October 30, 2020

November 18, 2020

December 9, 2020

January 29, 2021

February 26, 2021

March 25, 2021

April 20, 2021

May 26, 2021

June 23, 2021

Board of Claims

Negligence Claims Filed (Total): 660

Negligence Claims by Agency Respondent:

Kentucky Transportation Cabinet: 518
University of Kentucky: 65
Justice and Public Safety Cabinet: 26
Tourism, Arts, and Heritage Cabinet: 18
Administrative Office of the Courts: 7
Northern Kentucky University: 7
Cabinet for Health and Family Services: 4
Unemployment Insurance: 3
Murray State University: 3
Eastern Kentucky University: 1
Western Kentucky University: 1
Muhlenberg County Board of Education: 1
Kentucky Department of Veterans Affairs: 1
Kentucky State University: 1
Non-state Respondent (Improper): 4

Claims Closed: 483

Claims Awarded: 224
Claims Dismissed or Settled: 251
Claims Withdrawn: 8

Claims Awarded against Individual Agencies:

Kentucky Transportation Cabinet: 184
University of Kentucky: 27
Justice and Public Safety Cabinet: 5
Northern Kentucky University: 4
Tourism, Arts, and Heritage Cabinet: 3
Murray State University: 1

Amount Awarded to Claimants (Total): \$202,213.78

Amount Awarded against Individual Agencies:

Kentucky Transportation Cabinet: \$128,842.72
University of Kentucky: \$55,183.21
Justice and Public Safety Cabinet: \$14,287.89
Northern Kentucky University: \$1,877.48
Tourism, Arts, and Heritage Cabinet: \$1,768.88
Murray State University: \$253.60

Board Meeting Dates

July 28, 2020

August 25, 2020

September 28, 2020

October 27, 2020

November 24, 2020

December 22, 2020

January 26, 2021

February 23, 2021

March 25, 2021

April 25, 2021

May 25, 2021

June 22, 2021