

**Office of Claims and Appeals**

**Fiscal Year 2023 Report**

**July 1, 2022 – June 30, 2023

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|  | **PUBLIC PROTECTION CABINET**OFFICE OF CLAIMS AND APPEALS |  |
| **Andy Beshear**Governor  | 500 Mero Street, 2SC1Frankfort, KY 40601Phone: (502) 782-8255Fax: (502) 573-4817http://kycc.ky.gov/ | **Ray Perry**Secretary**John Hardesty** Executive Director  |

December 29, 2023

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 2023 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 2023.

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 and mental health counseling 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”) submitted by medical providers for reimbursement of expenses incurred related to sexual assault forensic examinations. 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 call 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 office 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 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) 2023.

**OCA Operations**

 The following is a breakdown of OCA’s expenditures for FY 2023. 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 2023** |   |
| 110-Salaries And Wages | 759,899.16 | \* |
| 120-Fringe Benefits | 589,226.48 | \* |
| 130-Other Personnel Costs | 5,522.04 |   |
| 140-Pro Contract (Inc Per Serv) | 0.00 |   |
| 150-Non Pro Contract | 37,265.48 |   |
| **Total Personnel Costs** | **1,391,913.16** |   |
|  |  |   |
| 210-Utilities And Heating Fuels | 0.00 |   |
| 220-Rentals | 59,494.12 |   |
| 230-Maintenance & Repairs | 1,753.38 |  |
| 240-Postage And Related Services | 4,761.26 |   |
| 250-Miscellaneous Services | 4,576.94 |   |
| 260-Telecommunications | 0.00 |   |
| 270-Internal Computer Services | 35,729.20 |   |
| 320-Supplies | 2,322.56 |   |
| 340-Commodities | 541.36 |   |
| 360-Travel Exp & Exp Allowances | 10,412.46 |   |
| 370-Misc Commodities & Other Exp | 967,529.13 | \*\* |
| **Total Operating Expenses** | **1,087,120.41** |   |
|  |  |   |
| 450-Care And Support | 310,447.16 | \*\*\* |
| **Total Grants, Loans, Benefits** | **310,447.16** |   |
|  |  |   |
| **Total Expenditures** | **2,789,480.73** |   |

\* 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: 361

Claims Approved: 249

Victims Receiving Awards: 246

Claims Denied: 70

Average Claim Processing Time: 143.45

Total Amount Awarded: $991,439.62

**Sexual Assault Examination Program**

Claims Filed: 1,153

Claims Approved: 717

Claims Denied: 363

Ineligible Claims: 244

Total Amount Awarded: $326,629.72

**Recoveries**

Restitution: $69,118.68

Donations: $262,496.03

Subrogation: $13,771.66

PIECP: $3,133.44

**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 and other materials at conferences and events, 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 2023, CVCB conducted nine (9) trainings. The attendees for those trainings totaled 210. Attendees worked for or represented numerous and diverse organizations, agencies, and nonprofits, including: In FY 2023, CVCB conducted nine (9) trainings. The attendees for those trainings totaled 210. Attendees worked for or represented numerous and diverse organizations, agencies, and nonprofits, including: 53rd Judicial Circuit, Adanta Sexual Assault Resource Center, Ampersand Sexual Violence Resource Center, AppalReD Legal Aid, Baptist Health Hardin, Baptist Health Systems, Inc., Barren River Children’s Advocacy Center, Barren River Area Safe Space, Bethany House Abuse Shelter, Big Sandy Area Child Advocacy Center, Boone County CASA, Bourbon County Attorney’s Office, Boyle County Attorney’s Office, Buffalo Trace Children’s Advocacy Center, Campbell County Fiscal Court, CASA of Graves County & Southwest Kentucky, Casey County Commonwealth Attorney’s Office, Child Watch Counseling and Advocacy Center, Children’s Advocacy Center of the Bluegrass, Children’s Advocacy Center of Green River District, Children’s Law Center, Clark County Attorney’s Office, Cumberland River Behavioral Health, Cumberland Valley Domestic Violence Services, Department for Aging/Independent Living – Division of Guardianship, DOVES of Gateway, Eastern Kentucky University Title IX Office, Fayette County Attorney’s Office, Fayette County Commonwealth Attorney’s Office, Fayette County Sheriff’s Office, Frankfort Police Department, Gateway Children’s Advocacy Center, Georgetown College Title IX Office, Georgetown Police Department, Graves County Attorney’s Office, Graves County Commonwealth Attorney’s Office, Henderson County Attorney’s Office, Home of the Innocents, Hope Harbor, Hope’s Place Children’s Advocacy Center, Jefferson County Attorney’s Office, Jefferson County Commonwealth Attorney’s Office, Jeffersontown Police Department, Jennie Stuart Medical Center, Jessamine County Sheriff’s Department, Justice and Public Safety Cabinet-Grants Management Division, Kentucky Children’s Hospital, Kentucky Legal Aid, Kentucky Refugee Ministries, Kentucky River Community Care, Kentucky State Police Headquarters, Kentucky State Police Post 1, Kentucky State Police Post 2, Kentucky State Police Post 5, Kentucky State Police Post 7, Kentucky State Police Post 9, Lake Cumberland Children’s Advocacy Center, Legal Aid Society, Lewis County Attorney’s Office, Lexington-Fayette County Police Department, Lexington Pride Center, LKLP Community Action Council, Louts Sexual Assault Center, Louisville Metro Police Department, Maryhurst, McCracken County Commonwealth Attorney’s Office, Merryman House Domestic Crisis Center, New Beginnings Sexual Assault Services, Northern Kentucky Children’s Advocacy Center, Office of the Attorney General-Special Prosecutions, Office of the Attorney General-Office of Victim’s Advocacy, ONE Lexington, Owensboro Area Shelter & Information Services, Pathways, Pennyrile Children’s Advocacy Center, Safe Harbor of Northeast Kentucky, Safe Passage of Kentucky, Sanctuary, Inc., Silverleaf Sexual Trauma Recover Services, Specialized Alternatives for Families and Youth, Spring Haven, Inc., St. Elizabeth Healthcare, The Buffalo Trace CASA Program, The Care Cottage, The Center for Women and Families, The ION Center for Violence Prevention, The Rising Center, Thrive Empowerment Center, Turning Point Domestic Violence Services, Union College Deal of Students, Union College Title IX Office, University of Louisville Hospital, University of Louisville Title IX Office, University of the Cumberlands’ Title IX Office, US Attorney’s Office-Eastern District of Kentucky, Volunteers of America Mid-State Restorative Justice, Warren County Attorney’s Office, and Western Kentucky University.

Pursuant to Senate Bill 378 passed in the Kentucky General Assembly’s 2022 Regular Session, which amended KRS 49.010 and 49.020, staff and members of the Crime Victims Compensation Board are required to receive six (6) hours of trauma-informed training within thirty (30) days of hire or appointment, then three (3) hours of training each year thereafter. In compliance with these new provisions, OCA planned, and members and staff of the CVCB attended, a trauma-informed training on in August 2023 conducted by the management and staff of the Cabinet for Health and Family Service’s Department for Behavioral Health Developmental and Intellectual Disabilities. The training was engaging and effective, and empowered staff and board members to better serve the victims and survivors with whom they interact.

During its 2023 Regular Session, the General Assembly passed Senate Bill 282, which increased the award caps for Crime Victim Compensation claims. Specifically, it increased the overall cap from $25,000 to $30,000 (20% increase); the cap on lost wages and loss of financial support from $150 to $300 per week (100% increase); and the cap on funeral and burial expenses from $5,000 to $7,500 (50%) increase. These increases have benefitted numerous victims across the Commonwealth since their enactment. Additionally, Senate Bill 282 expanded award eligibility in motor vehicle accidents to include situations in which a perpetrator flees the scene and fails to disclose their identity.

Senator Denise Harper Angel intends to file a bill in the 2024 Regular Session to further expand the Crime Victims Compensation and Sexual Assault Examination programs.

**Board Meeting Dates**

July 12, 2022

August 9, 2022

September 13, 2022

October 11, 2022

November 8, 2022

December 12, 2022

January 10, 2023

February 14, 2023

March 14, 2023

April 11, 2023

May 9, 2023

June 13, 2023

**Board of Tax Appeals**

Appeals Filed: 193

 PVA Appeals Regarding Big Box Stores: 28

 PVA Business and Multi-Family Residential Appeals (Non-Big Box): 95

 PVA Individual Taxpayer Appeals: 56

 Department of Revenue Appeals: 12

 Department of Transportation Appeals: 2

Appeals Closed/Final Orders Issued: 238

Appeals to Circuit Court from BTA Final Orders: 25 (Many individual but related Board of Tax Appeals cases were combined into single hearings, so the 25 individual cases appealed to circuit court were appealed through nine (9) Petitions for Judicial Review.)

**Board Meeting Dates**

July 27, 2022

August 24, 2022

September 28, 2022

November 9, 2022

December 14, 2022

January 25, 2023

February 22, 2023

March 22, 2023

April 26, 2023

May 24, 2023

June 28, 2023

**Board of Claims**

Negligence Claims Filed (Total): 993

Negligence Claims by Agency Respondent:

 Kentucky Transportation Cabinet: 777

University of Kentucky: 78

 Justice and Public Safety Cabinet (Dept. of Corrections): 59

Justice and Public Safety Cabinet (Dept. of Public Advocacy): 2

Justice and Public Safety Cabinet (Kentucky State Police): 9

Tourism, Arts, and Heritage Cabinet (State Fair Board): 3

Tourism, Arts, and Heritage Cabinet (Dept. of Parks): 11

Tourism, Arts, and Heritage Cabinet (Tourism): 5

Tourism, Arts, and Heritage Cabinet (Dept. of Fish & Wildlife Resources): 1

Administrative Office of the Courts: 2

 Northern Kentucky University: 3

Cabinet for Health and Family Services: 8

Education and Labor Cabinet, Office of Unemployment Insurance: 1

Murray State University: 2

Eastern Kentucky University: 5

 Western Kentucky University: 2

Non-state Respondent (Improper): 11

Board of Education: 2

Finance & Admin Cabinet (Dept. of Revenue): 1

Unknown (defaulted claims): 3

Dept. of Military Affairs: 5

Dept. of Alcoholic Beverage Control: 1

Dept. of Housing, Building, and Construction: 1

Governor Andy Beshear: 1

Claims Closed: 951

 Claims Awarded: 502

 Claims Dismissed or Settled: 442

 Claims Withdrawn: 7

Claims Awarded against Individual Agencies:

Kentucky Transportation Cabinet: 420

 University of Kentucky: 39

Justice and Public Safety Cabinet (Dept. of Corrections): 7

Justice and Public Safety Cabinet (Kentucky State Police): 1

Dept. of Military Affairs: 2

Eastern Kentucky University: 2

Western Kentucky University: 2

 Northern Kentucky University: 5

 Tourism, Arts, and Heritage Cabinet (State Fair Board): 3

Tourism, Arts, and Heritage Cabinet (Dept. of Parks): 8

 Murray State University: 10

 Finance & Admin Cabinet (Dept. of Revenue): 1

Finance & Admin Cabinet (Fleet Management): 1

Dept. of Alcoholic Beverage Control: 1

Appealed to Circuit Court: 6

Amount Awarded to Claimants (Total): $1,115,022.86

Amount Awarded against Individual Agencies:

Kentucky Transportation Cabinet: $592,419.81

 University of Kentucky: $440,262.73

Justice and Public Safety Cabinet (Dept. of Corrections): $6,049.71

Justice and Public Safety Cabinet (Kentucky State Police): $2,000.00

Dept. of Military Affairs: $1,000.00

Eastern Kentucky University: $1,236.38

Western Kentucky University: $1,125.00

 Northern Kentucky University: $41,151.62

 Tourism, Arts, and Heritage Cabinet (State Fair Board): $7,927.82

Tourism, Arts, and Heritage Cabinet (Dept. of Parks): $6,341.45

 Murray State University: $7,308.34

 Finance & Admin Cabinet (Dept. of Revenue): $7,200.00

Finance & Admin Cabinet (Fleet Management): $500.00

Dept. of Alcoholic Beverage Control: $500.00

**Board Meeting Dates**

July 26, 2022

August 23, 2022

September 6, 2022 (Special Session)

September 27, 2022

October 25, 2022

November 15, 2022

December 13, 2022

January 24, 2023

February 28, 2023

March 17, 2023 (Special Session)

March 20, 2023 (Special Session)

March 28, 2023

April 25, 2023

May 16, 2023

June 19, 2023