



PUBLIC PROTECTION
CABINET

**Office of Claims and Appeals
Fiscal Year 2024 Report**

July 1, 2023 – June 30, 2024



PUBLIC PROTECTION CABINET

Andy Beshear
GOVERNOR

Jacqueline Coleman
LIEUTENANT GOVERNOR

**Kentucky Office of Claims and
Appeals**

Board of Claims
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Ray A. Perry
SECRETARY

DJ Wasson
DEPUTY SECRETARY

John Hardesty
EXECUTIVE DIRECTOR

December 31, 2024

Via e-mail

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

Via e-mail

Legislative Research Commission
c/o Jay Hartz, Director
702 Capitol Avenue
Capitol Annex
Frankfort, Kentucky 40601

Dear Secretary Hicks and Director Hartz:

Please accept the following as the Fiscal Year 2024 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 2024.

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(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.

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 a wide variety of expense types 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.

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) 2024.

OFFICE OF CLAIMS AND APPEALS

The following is a breakdown of OCA’s expenditures for FY 2024. 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 2024	
110-Salaries And Wages	812,884.58	*
120-Fringe Benefits	550,772.30	*
130-Other Personnel Costs	2,627.61	
140-Pro Contract (Inc Per Serv)	0.00	
150-Non-Pro Contract	64,670.16	
Total Personnel Costs	1,430,954.65	
210-Utilities And Heating Fuels	0.00	
220-Rentals	59,685.28	
230-Maintenance & Repairs	1,441.14	
240-Postage And Related Services	4,848.23	
250-Miscellaneous Services	2,766.14	
260-Telecommunications	0.00	
270-Internal Computer Services	39,507.20	
320-Supplies	2,009.13	
340-Commodities	1,474.61	
360-Travel Exp & Exp Allowances	9,215.27	
370-Misc Commodities & Other Exp	1,256,692.78	**
Total Operating Expenses	1,377,639.78	
450-Care And Support	192,572.39	***
Total Grants, Loans, Benefits	192,572.39	
 Total Expenditures	3,001,166.82	

* 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: 438
Claims Approved: 220
Victims Receiving Awards: 220
Claims Denied: 100
Total Amount Awarded: \$1,246,100.31

Sexual Assault Examination Program

Claims Filed: 663
Claims Approved: 468
Claims Denied: 168
Total Amount Awarded: \$197,220.47

Recoveries

Collections: \$100,358.36
Donations: \$15,384.35
Subrogation: \$2,088.00
PIECP: \$18,001.69
Total: \$135,832.40

Training, Outreach, and Updates

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 FY24, CVCB conducted 11 trainings. The attendees for those trainings totaled 269. Attendees worked for or represented 97 diverse organizations, agencies, and nonprofits.

During FY24, OCA applied for and received a grant through the Victims of Crime Act (VOCA) Assistance program to hire a victim advocate. OCA hired the victim advocate in FY25, and he has made great strides in assisting victims with filing and perfecting their Crime Victims

Compensation claims, as well as building a network of other victim service organizations across the Commonwealth.

Pursuant to Senate Bill (SB) 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 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. The Board has scheduled its 2024 training for December 10, 2024.

In FY24, the Crime Victims Compensation Program received the largest number of annual claims in its history. Total claims received for the program equaled 438. This constitutes a 21% increase from the total of 361 claims received in FY23.

In the 2024 Regular Session, the Kentucky General Assembly passed SB 319, introduced and sponsored by Senator Denise Harper Angel, which significantly expanded the Crime Victim Compensation and Sexual Assault Examination programs.

Regarding Crime Victims Compensation, SB 319 broadened the scope of individuals who are eligible to receive awards, including when they are a victim of motor vehicle crimes; increased monetary award caps; eliminated the statute of limitations for filing claims and the requirement to report crimes to law enforcement within a short timeframe; added deadlines for claim processing to shorten the time victims must wait to receive a decision on their claim; added provisions to increase transparency into claim status and the Board's decision making; and added new award categories, including costs for relocation, temporary housing, tattoo removal for victims of human trafficking, crime scene cleanup, replacement of items seized by law enforcement, replacement or repair of windows and locks, rehabilitative and wellness practices, and court proceedings related to the crime.

Regarding the Sexual Assault Examination Program, SB 319 expanded the program to require reimbursement for not only sexual assault examinations and basic related treatment, but also for prophylactic medical treatment, strangulation assessments, and other tests and services related to the incident or exam which occur on the same date as the original exam.

CVCB Board Meeting Dates

July 11, 2023
August 8, 2023
September 12, 2023
October 10, 2023
November 14, 2023
December 14, 2023
January 9, 2024
February 13, 2024
March 12, 2024
April 9, 2024
May 14, 2024
June 11, 2024

BOARD OF TAX APPEALS

Appeals Filed: 188

PVA Appeals Regarding Big Box Stores: 25

PVA Business and Multi-Family Residential Appeals (Non-Big Box): 127

PVA Individual Taxpayer Appeals: 20

Department of Revenue Appeals: 15

Department of Transportation Appeals: 1

Appeals Closed/Final Orders Issued: 98

Appeals to Circuit Court from BTA Final Orders: 1

Board of Tax Appeals Meeting Dates

July 19, 2023

August 16, 2023

September 27, 2023

October 25, 2023

November 21, 2023

December 20, 2023

January 24, 2024

February 28, 2024

March 27, 2024

April 24, 2024

May 22, 2024

June 26, 2024

BOARD OF CLAIMS

Negligence Claims Filed (Total): 1,205
Appealed to Circuit Court: 1
Amount Awarded to Claimants (Total): \$1,132,769.15
Claims Closed: 961
Claims Awarded: 455
Claims Dismissed or Settled: 477
Claims Withdrawn: 29

Negligence Claims by Agency Respondent:

Kentucky Transportation Cabinet: 971
University of Kentucky: 73
Justice and Public Safety Cabinet (Dept. of Corrections): 34
Justice and Public Safety Cabinet (Dept. of Public Advocacy): 1
Justice and Public Safety Cabinet (Kentucky State Police): 7
Tourism, Arts, and Heritage Cabinet (State Fair Board): 3
Tourism, Arts, and Heritage Cabinet (Dept. of Parks): 17
Tourism, Arts, and Heritage Cabinet (Tourism): 10
Tourism, Arts, and Heritage Cabinet (Dept. of Fish & Wildlife Resources): 2
Administrative Office of the Courts: 8
Northern Kentucky University: 1
Cabinet for Health and Family Services: 22
Education and Labor Cabinet, Office of Unemployment Insurance: 1
Murray State University: 1
Eastern Kentucky University: 4
Western Kentucky University: 4
Non-state Respondent (Improper): 21
Board of Education: 6
Finance & Admin Cabinet (Dept. of Revenue): 1
Unknown (defaulted claims): 7
Dept. of Military Affairs: 2
Dept. of Veteran Affairs: 1
Dept. of Housing, Building, and Construction: 1
Governor Andy Beshear: 2
National Guard: 1
University of Louisville: 1
Board of Cosmetology: 1
Dept. of Insurance: 1

Kentucky Lottery: 1

Claims Awarded against Individual Agencies:

Kentucky Transportation Cabinet: 410

University of Kentucky: 21

Justice and Public Safety Cabinet (Dept. of Corrections): 4

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

Dept. of Military Affairs: 1

Western Kentucky University: 2

Northern Kentucky University: 1

Tourism, Arts, and Heritage Cabinet (Dept. of Parks): 3

Murray State University: 1

Cabinet for Health and Family Services: 2

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

Tourism, Arts, and Heritage Cabinet (Tourism): 6

Dept. of Veteran Affairs: 2

Amount Awarded against Individual Agencies:

Kentucky Transportation Cabinet: \$579,324.26

University of Kentucky: \$476,393.38

Justice and Public Safety Cabinet (Dept. of Corrections): \$634.23

Justice and Public Safety Cabinet (Kentucky State Police): \$536.08

Dept. of Military Affairs: \$5,000.00

Western Kentucky University: \$2,850.00

Northern Kentucky University: \$598.00

Tourism, Arts, and Heritage Cabinet (Dept. of Parks): \$2,015.17

Murray State University: \$500.00

Cabinet for Health and Family Services: \$35,476.00

Tourism, Arts, and Heritage Cabinet (Dept. of Fish & Wildlife Resources): \$12,000.00

Tourism, Arts, and Heritage Cabinet (Tourism): \$15,942.03

Dept. of Veterans Affairs: \$1,500.00

Board of Claims Meeting Dates

July 26, 2023
August 29, 2023
September 26, 2023
October 24, 2023
November 28, 2023
January 23, 2024
February 27, 2024
March 26, 2024
April 30, 2024
May 20, 2024
June 25, 2024