



# Interim Joint Committee on Local Government

November 28, 2018

**Cities and Special District Branch**

# What are Special Purpose Governmental Entities (SPGEs)

SPGEs are independent, political subdivisions of the state, government entities that exercise less than statewide jurisdiction and are organized for the purpose of performing specific services within limited boundaries.

# Topics

- ▶ Compliance Process
- ▶ Review SPGE Compliance report
- ▶ **Update** – DLG's plans for the future of the SPGE program

# Main Focus – Today

Our team will continue to monitor the requirements under KRS 65A that SPGEs register and submit certain financials online. Our Branch developed and implemented manual processes to assist SPGE compliance. Moving forward, DLG plans to transition to a new automated system for SPGEs.

# DLG Responsibility per KRS 65A

- ▶ Create and maintain:
  - Online central registry
  - Online reporting portal
  - Online public access portal
- ▶ Monitor compliance:
  - Track status changes
  - Prepare statutorily required reports
  - Activate noncompliance procedures

# LRC – SPGE Compliance Report

- ▶ The submitted report includes:
  - Data as of September 25, 2018
    - Data is accurate as of report date
    - Compliance percentages may move up or down depending on the SPGEs status at the time of report. Example: Dissolutions, Merges, Declassifications, Hold
    - Approximately 9,622 individual records
    - Five records for most SPGEs
    - Compliance by fiscal year

# Compliance Report – FY 2015 (Data as of 9/25/2018)

2017 and 2018 represents an accumulative figure and fluctuates based upon submissions by SPGE which can occur after the close of the FY

## ▶ Compliance

- Total SPGEs Compliant:
- Total SPGEs Noncompliant:
- Total SPGEs Determining Compliance:

2017	2018
1,816	1,823
26	69
1,842	1,892

## ▶ Exceptions

- Total Housing Authorities Applied for Exemption:
- Total SPGEs Overridden and On-Hold:

2017	2018
73	76
74	31

- Percentage Compliant:

2017	2018
99%	96%

% DECREASE – SPGEs Overridden/Hold  
 • Legal – Dissolution Notification/Process

# Compliance Report – FY 2016 (Data as of 9/25/2018)

2017 and 2018 represents an accumulative figure and fluctuates based upon submissions by SPGE which can occur after the close of the FY

## ▶ Compliance

- Total SPGEs Compliant:
- Total SPGEs Noncompliant:
- Total SPGEs Determining Compliance:
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	2017	2018
Total SPGEs Compliant:	1,798	1,742
Total SPGEs Noncompliant:	51	69
Total SPGEs Determining Compliance:	1,849	1,811

## ▶ Exceptions

- Total Housing Authorities Applied for Exemption:
- Total SPGEs Overridden and On-Hold:

	2017	2018
Total Housing Authorities Applied for Exemption:	76	81
Total SPGEs Overridden and On-Hold:	53	37

- Percentage Compliant:

	2017	2018
Percentage Compliant:	97%	96%

**% DECREASE – SPGEs Overridden/Hold**  
 • Legal – Dissolution Process



# Compliance Report – FY 2017 (Data as of 9/25/2018)

2017 and 2018 represents an accumulative figure and fluctuates based upon submissions by SPGE which can occur after the close of the FY

## ▶ Compliance

- Total SPGEs Compliant:
- Total SPGEs Noncompliant:
- Total SPGEs Determining Compliance:

2017	2018
1,318	1,318
124	66
1,308	1,384

## ▶ Exceptions

- Total Housing Authorities Applied for Exemption:
- Total Fire Departments <\$100,000:
- Total SPGEs Overridden and On-Hold:

2017	2018
59	73
425	427
36	41

- Percentage Compliant:

2017	2018
94%	95%

% DECREASE – SPGEs Overridden/Hold  
 • Legal – Dissolution Process

# Compliance Report – FY 2018 (Data as of 9/25/2018)

2017 and 2018 represents an accumulative figure and fluctuates based upon submissions by SPGE which can occur after the close of the FY

## ▶ Compliance

- Total SPGEs Compliant:
- Total SPGEs Noncompliant:
- Total SPGEs Determining Compliance:

2017	2018
1,134	994
143	0
1,277	994

Noncompliance Process Sept 1 Plus 75 Days

## ▶ Exceptions

- Total Housing Authorities Applied for Exemption:
- Total Fire Departments <\$100,000:
- Total SPGEs Overridden and On-Hold:
- Total SPGE Not Due:

2017	2018
36	74
443	440
29	44
0	370

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Percentage Compliant:

2017	2018
87%	TBD

% DECREASE – SPGEs Overridden/Hold  
 • Legal – Dissolution Process

# Compliance Report – FY 2019

(Data as of 9/25/2018)

## ▶ Compliance

- Total SPGEs Compliant:
- Total SPGEs Noncompliant:
- Total SPGEs Determining Compliance:

2018
1,090
104
<b>1,194</b>

## ▶ Exceptions

- Total Housing Authorities Applied for Exemption:
- Total Fire Departments KRS 75 <\$100,000:
- Total Fire Departments KRS 75 Contract KRS 273
- Total Fire Departments KRS 273:
- Total SPGEs Overridden and On-Hold:
- Total SPGEs Not Due:

2018
32
40
13
443
44
170

Percentage Compliant:

2018
90%

# SPGE Program Future

- ▶ Actively in development with COT to design software that will:
  - Create a new SPGE reporting portal and central registry;
  - Create a new SPGE public portal for citizens to view current and historical submissions;
  - Automate existing manual processes such as:
    - Compliance Administration
    - Compliance Reporting
    - Compliance Notifications
    - Fire Department Exiting and Entering the System
    - Municipal Utilities Buying and Selling Components
- ▶ Provide online tutorials for submitting and reviewing data;
- ▶ Continue to provide annual SPGE training for Financial Disclosure and Tax Rate Calculation, to be held at the Area Development Districts.

# Kentucky Department for Local Government

**Tammy Vernon – SPGE Branch Manager**

**Greg Ladd – General Counsel**

**DLG – Special District Team**

**Linda Lilly – Lori Denhart – Rebecca Morton – Tess Sommer**

**1024 Capital Center Drive, Suite 340  
Frankfort, KY 40601**

**Phone (502) 573-2382  
Toll Free (800) 346-5606**

**Special Purpose Governmental Entities**

