



Interim Joint Committee on Local Government

October 3, 2019

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, 2019
 - Data is unaudited as of report date
 - Compliant and Noncompliant figures can fluctuate due to reporting due dates
 - Compliance percentages may move up or down depending on the SPGEs status at the time of report. Example: Dissolutions, Merges, Declassifications, Hold
 - Approximately 11,580 individual records
 - Six records for most SPGEs
 - Compliance by fiscal year

Compliance Report – FY 2015 (Data as of 9/25/2019)

► Compliance

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

LRC Report Dated	
2018	2019
1,823	1,747
69	18
1,892	1,765

► Exceptions

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

LRC Report Dated	
2018	2019
76	76
31	8

- Percentage Compliant:

LRC Report Dated	
2018	2019
96%	99%

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

Compliance Report – FY 2016 (Data as of 9/25/2019)

► Compliance

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

LRC Report Dated	
2018	2019
1,742	1,743
69	25
1,811	1,768

► Exceptions

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

LRC Report Dated	
2018	2019
81	81
37	9

- Percentage Compliant:

LRC Report Dated	
2018	2019
96%	99%

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

Compliance Report – FY 2017 (Data as of 9/25/2019)

► Compliance

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

LRC Report Dated	
2018	2019
1,318	1,336
66	35
1,384	1,371

► Exceptions

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

LRC Report Dated	
2018	2019
73	73
427	432
41	9

Percentage Compliant:

LRC Report Dated	
2018	2019
95%	97%

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

Compliance Report – FY 2018 (Data as of 9/25/2019)

► Compliance

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

370 Not Due

LRC Report Dated	
2018	2019
994	1,286
0	77
994	1,363

► Exceptions

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

LRC Report Dated	
2018	2019
74	75
440	441
44	10
370	–

LRC Report Dated	
2018	2019
TBD	94%

Percentage Compliant:

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

Compliance Report – FY 2019 (Data as of 9/25/2019)

► Compliance

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

Registration and
Budget (due
7/15/2018)

LRC Report Dated

2018	2019
1,090	770
104	634
1,194	1,404

Amendments and
YE Actuals
(Due June 30, 2019
and September 1,
2019)
[System](#)

► Exceptions

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

LRC Report Dated

2018	2019
32	61
40	122
443	293
44	9
170	---

LRC Report Dated

2018	2019
91%	55%

Percentage Compliant:

Compliance Report – FY 2020

(Data as of 9/25/2019)

► Compliance

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

LRC Report Dated
2019
921
347
1,268

Registration and
Budget (due
7/15/2019)

► Exceptions

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

LRC Report Dated
2019
System
122
292
7
110

Percentage Compliant:

LRC Report Dated
2019
73%

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 Calculations per statute.

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Special Purpose Governmental Entities

