

## 2020 REGULAR SESSION

### HOUSE BUDGET REVIEW SUBCOMMITTEE ON GENERAL GOVERNMENT of the HOUSE STANDING COMMITTEE ON APPROPRIATIONS AND REVENUE

3rd Meeting

February 25, 2020

The House Budget Review Subcommittee on General Government of the House Standing Committee on Appropriations and Revenue held its third meeting of the 2020 Regular Session on February 25, 2020, at 12:00 PM, in Room 169 of the Capitol Annex. The Chair called the meeting to order, and the secretary called the roll.

Members Present: Representative Jim Stewart III, Chair; Representatives Kevin D. Bratcher, Mark Hart, Jerry T. Miller, Patti Minter, and Wilson Stone.

Guests: Mike Harmon, Auditor of Public Accounts (APA); Farrah Petter, Assistant Auditor (APA); Sara Beth Gregory, Chief of Staff, APA; Allison Ball, State Treasurer; Lesley Bilby, Chief of Staff, Office of the Treasurer; and, Kellie McCain, Executive Director, Commonwealth Council on Developmental Disabilities (CCDD).

LRC Staff: Nick Peak, Emma Mills, Dillard Collier, and Spring Emerson.

#### **Approval of Minutes**

Chair Stewart called for a motion to approve the minutes of the February 18, 2020 meeting. Motion was made by Representative Hart, seconded by Representative Bratcher, and the minutes were approved without objection.

#### **Auditor of Public Accounts**

Auditor Harmon provided an overview of the agency and its budgetary needs.

In response to questions from Representative Bratcher regarding APA oversight of public monies, Ms. Gregory said they have a fairly broad scope of authority and their jurisdiction is determined by statute. The Governor's recommended budget included a total appropriation of \$17.9 million in fiscal year 2021 and almost \$18 million in fiscal year 2022. The agency is requesting for an increase of \$2 million in General Fund in each year, including an appropriation of \$650,000 in fiscal year 2021 and \$740,000 in fiscal year 2022 in order to fill vacancies. Mr. Harmon added that the \$2 million additional General Fund request would allow the General Assembly to lower the rate the Auditor charges to local governments from 75 percent to 50 percent.

In response to questions from Representative Miller, Ms. Gregory said quasi-governmental agencies fall under the jurisdiction of the APA if they are special purpose

entities. More information will be provided at a later date regarding the urban services district in the old city of Louisville.

### **Office of the Treasurer**

Treasurer Ball provided an overview of the agency and its budgetary needs.

In response to a question from Representative Miller regarding the CCDD, Ms. McCain said their employees participate in the Kentucky Employees Retirement System (KERS) non-hazardous group.

In response to a question from Representative Miller, Ms. Ball said the State Investment Commission invests state funds and the Asset Liability Commission is bond-related for others to invest in. Investment decisions are made by the State Investment Commission.

In response to a question from Representative Bratcher regarding the General Fund request, Ms. Ball said the amount of \$2,543,000 also includes the CCDD.

In response to a question from Representative Bratcher, Ms. Ball said the early payment tuition program was run by the board, but is now closed. In response to a question from Representative Minter, Ms. Ball said tuition rose more than anticipated, so other states have the same issues as Kentucky.

In response to a question from Representative Miller regarding Road Fund, Ms. Ball said those funds are used for Treasury operations and work performed for the Transportation Cabinet. No funds are received from other cabinets. Representative Miller expressed his opinion that the use of Road Funds for this purpose should be stopped.

In response to a question from Representative Stone, Ms. Ball said fewer checks are being issued, but payments are higher now.

### **Adjournment**

There being no further questions, the meeting was adjourned at 12:50 PM.