

Requests From The Update For Staff Report On Single-Bid Asphalt Contracts

- **Representative Petrie asked for a cost estimate of single-bid contracts, compared to the potential cost if there had been multiple bidders.**
 - Assuming that all other variables remained unchanged, the potential savings to the state if all awarded asphalt contracts from January 2018 through July 2023 had at least two bidders would be approximately \$111.0 million. Table 1 shows actual single-bid awards and theoretical awards if a second contractor had bid on the projects.
 - The theoretical two-bid award estimates were calculated assuming that all single-bid asphalt contracts from January 2018 to July 2022 had a second bidder and the presence of a second bidder caused the awarded amount to be equal to the ratio of the awarded amount to the engineer’s estimates for two bid asphalt contracts from the same period.
 - For example, in 2018 the ratio of the total awarded amount to the engineer’s estimate for asphalt contracts with one bidder was 100.1 percent. Asphalt projects with two bidders were awarded at 88.6 percent of the engineer’s estimate – or 11.4 percent less than the state’s estimated cost. To calculate costs under theoretical two-bid awards for the 2018 single-bid awards, their engineer’s estimates were totaled and then multiplied by 88.6 percent.
 - The estimates for theoretical two-bid awards should be considered an optimal outcome rather than a likely scenario. As seen in Figure 3.I from the report, some portions of the state have limited producers of asphalt. Having a second bidder would require new contractors to enter the market in those regions. In addition, having a second bidder would likely result in the original contractors from the single-bid contracts receiving less work. This could result in those contractors leaving the market, returning those regions to single-bid markets again.

Table 1
Theoretical Savings If Single-Bid Asphalts Had A Second Bidder
2018 To July 2023 (In Millions Of Dollars)

Costs	2018	2019	2020	2021	2022	2023	Total
Single-bid awards	\$305.6	\$398.4	\$76.6	\$299.4	\$462.1	\$363.9	\$1,906.1
Theoretical two-bid awards	270.5	371.0	69.3	262.4	450.9	371.1	1,795.1
Difference	\$35.2	\$27.5	\$7.3	\$37.0	\$11.2	-\$7.2	\$111.0

Note: Differences for 2018 and 2019 do not equal the cost of single-bid awards minus the cost of theoretical two-bid awards due to rounding.

Source: Staff analysis of Kentucky Transportation Cabinet data.

- **Representative Lockett requested further investigation into the lower percentages of single-bid contracts in Indiana and Ohio compared to Kentucky.**
 - Staff reviewed the data provided for Indiana and Ohio and could not identify any trends that would explain the variation in single-bid contracts between the states. It is likely that the differences in competitiveness between Kentucky and its border states are due to market conditions such as the number of competitors, the location of plants, and local geographic and economic factors. Differences are most likely not tied to variation in state procurement policies. Staff reviewed asphalt procurement policies for both Indiana and Ohio and found that the prequalification and bidding processes for both states are similar to those in place in Kentucky.
 - Indiana provided information on award amounts, engineer’s estimates, award dates, the number of bidders, and a description of projects. Project descriptions were brief, such as “asphalt resurface” or “wedge and level” and did not provide additional details that could have been used for trend analysis.
 - Staff were able to connect Ohio’s projects to specific work projects but this was insufficient to indicate why Ohio had single-bid contracts. Most of Ohio’s single-bid projects, 71.3 percent, were associated with two lane resurfacing projects while 20.0 percent were associated with four lane resurfacing projects. However, Kentucky’s most common single-bid awards were also for asphalt resurfacing projects. The remaining single-bid projects in Ohio were associated with reconstruction, intersections, widening, and preventative maintenance.

Requests From The Summary Of Complaint Data

- **Senator Thomas requested staff review complaints regarding the Board of Cosmetology that were received before and after July 15, 2024. He also requested to see whether complaints were related to the Executive Director of the Board of Cosmetology.**
 - Table 2 summarizes complaints submitted by Kentucky citizens. Two additional years of data were analyzed for comparisons to 2024. Each complaint was categorized based on the citizen’s concern. Some complaints contained multiple concerns and were placed in multiple categories.
 - One complaint has been received about the Board of Cosmetology since July 15, 2024. Due to the short amount of time since July 15, it is difficult to determine if there has been a change in the number of complaints. However, it is consistent with the earlier portion of 2024, when there was about one complaint per month. The complaint discussed how a 2024 license was never sent to the practitioner and emails to the board did not provide responses.
 - Concerns about the executive director appears in two of the 34 complaints. Both complaints concerned practitioners who were licensed in Indiana and were attempting to transfer to Kentucky. One complaint claimed the executive director changed the transfer rules and now required individuals to take a practical exam to transfer. The second

individual received an email from the executive director saying they would need to take a practical exam. The individual described the response as “over reach.” The Board of Cosmetology website says, as of August 28, 2024, that an examination “may be required for an out of state transfer applicant.”¹

- The communication category was for individuals who had attempted to contact the board but received no answers. These individuals commonly claimed they could not reach individuals over the phone, that emails were not returned, and that the board could not provide a time line for licensing. One individual visited the board in person but was told they needed to email the board instead.
- The renewal category was for individuals that had issues with renewing their license. Some citizens were working with older family members that had difficult with the board website. Another individual was told by board staff to go to the library for help. Another practitioner was told to provide a proof of GED when they did not have to provide proof before and did not have a GED.
- The transfer category was for those individuals who had difficulty transferring their license from other states to Kentucky. Some individuals were told they needed to submit everything through an online portal while another was told that practitioners would need to send a paper transfer of hours form and then apply on paper for a testing date. Another individual was told they would need to reenter cosmetology school. A different practitioner submitted forms, received an automated message that the forms were incomplete or incorrect, and then was unable to contact anyone at the board.
- The license group was for individuals who had difficulty getting their license initially or receiving a license after a suspension. Three individuals were certified but had not received a license. One person’s license was suspended after their school was investigated and was told they would receive instructions, but did not.
- The inspector complaints involved one individual who claimed an investigator for the board lied in a court case to revoke the person’s license. The second individual was waiting for an inspector to approve their salon, but the inspector never arrived.
- The “other” category was for complaints about
 - denial of a “hair show” due to practitioners outside Kentucky being invited and sanitation concerns;
 - not receiving a date for a written exam;
 - losing all training hours because the state board could not verify or certify that the hours are correct, which was associated with a school threatened with closure;
 - assistance with an open records request;
 - an applicant having to take a test in English instead of their native language; and

¹ Kentucky. Board of Cosmetology. “Out of State Info.” nd. Web.

- a practitioner could not find regulations for a med spa.

Table 2
Citizen Concerns Regarding Board Of Cosmetology
2022 To August 2024

Concern	2022	2023	2024		Total
			Before July 15	July 15 And After	
Communication	0	6	2	1	9
Renewal	0	9	0	0	9
Transfer	2	4	3	0	9
License	1	3	3	1	8
Executive director	0	1	1	0	2
Inspector	0	1	1	0	2
Other	4	2	0	0	6
Total	7	18	8	1	34
Monthly average	0.6	1.5	1.1	1.0	1.1

Note: The total number of concerns does not sum to 34 because citizens can submit concerns that cover multiple topics.

Source: Staff analysis of internal Legislative Research Commission information.

- **Senator Raque Adams requested information on when boards were constituted and changes that have been made over time.**
 - The included file “2024-09-12 LOIC Boards Creation Update Dates” includes all boards identified by the Governor’s Office, the primary statute or other legal authority for the board, and the last time the primary legal authority was updated.
 - The 2012 Program Review report “[Kentucky’s Boards, Commissions, and Similar Entities](#)” may also be of interest for this question. It is available on the LRC Publications page.²
- **Senator Storm requested further information regarding whether complaints related to driver’s licenses were linked to the Medical Review Board.**
 - Since January 2022, there were 59 constituent referrals requesting assistance with the Medical Review Board in the Transportation Cabinet. However, the contact indicated the Division of Customer Services with the Transportation Cabinet is typically responsive to these requests and resolves the issues.

² <https://apps.legislature.ky.gov/lrc/publications/ResearchReports/RR394.pdf>

Legislative Oversight and Investigations Committee

September 12, 2024

Committee Member Requests From August 15, 2024

Contact: Will Spears, 502-564-8100 (ext. 59923) or Ashley Taylor (ext. 59195)

- **Representative Burke requested that clarification regarding whether the Kentucky Bar Association uses the services of the Department of Professional Licensing.**
 - The Kentucky Bar Association does not use the services of the Department of Professional Licensing. The department provides services to the following 25 boards:
 - Applied Behavior Analysis Licensing Board,
 - Board of Alcohol and Drug Counselors,
 - Board of Chiropractic Examiners,
 - Board of Durable Medical Equipment Suppliers,
 - Board of Examiners of Psychology,
 - Board of Interpreters for the Deaf and Hard of Hearing,
 - Board of Licensed Diabetes Educators,
 - Board of Licensed Professional Counselors,
 - Board of Licensure and Certification for Dietitians and Nutritionists,
 - Board of Licensure for Long-Term Care Administrators,
 - Board of Licensure for Marriage and Family Therapists,
 - Board of Licensure for Massage Therapy,
 - Board of Licensure for Occupational Therapy,
 - Board of Licensure for Pastoral Counselors,
 - Board of Licensure for Private Investigators,
 - Board of Licensure for Professional Art Therapists,
 - Board of Ophthalmic Dispensers,
 - Board of Podiatry,
 - Board of Prosthetics, Orthotics, and Pedorthics,
 - Board of Registration for Professional Geologists,
 - Board of Speech-Language Pathology & Audiology,
 - Directory of Registered Athlete Agents,
 - Licensing Board for Specialists in Hearing Instruments,
 - Registry for Secondary Metals Recyclers, and
 - Board of Radon Safety.³

Correction Regarding “Constituent Concerns” Presentation

- Slide 13 of the presentation stated that citizens were concerned about how the Public Protection Cabinet approached utility issues. On August 28, 2024, the Legislative Liaison for the Public Protection Cabinet said these issues would not be the responsibility of the cabinet. The Public Service Commission or the Energy and Environment Cabinet would be more likely to resolve these issues.⁴

³ Kentucky. Department of Professional Licensing, Public Protection Cabinet. “Our Boards.” nd. Web.

⁴ Nancy Gruen, legislative liaison, Kentucky Public Protection Cabinet. Aug. 28, 2024. Interview.