

LEGISLATIVE OVERSIGHT & INVESTIGATIONS COMMITTEE

Minutes

August 29, 2025

Call to Order and Roll Call

The third meeting of the Legislative Oversight and Investigations Committee was held on Friday, August 29, 2025 at 9 a.m. in Room 131 of the Capitol Annex. Senator Greg Elkins, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Greg Elkins, Co-Chair; Representative Scott Sharp, Co-Chair; Senator Jason Howell, Vice-Chair; Senators Danny Carroll, Gerald A. Neal, Matt Nunn, Aaron Reed, and Phillip Wheeler; Representatives John Blanton, Lindsey Burke, Adrielle Camuel, Matt Lockett, Steve Riley, and Tom Smith.

Guests: John T. Hicks, State Budget Director and secretary, Governor's Executive Cabinet; Kim Bechtel, deputy executive director, Financial Analysis Office of Financial Management; Joe McDaniel, executive director, Office of the Controller; Mona Womack, deputy secretary, Justice and Public Safety Cabinet; Randy White, commissioner, Department of Juvenile Justice; Brian Lock, executive advisor, Department of Juvenile Justice; Representative Jason Petrie, District 16.

LRC Staff: Committee Staff Administrator William Spears; Committee Analysts Jacob Blevins, Austin Fraley, Christopher T. Hall, Taylor Johnston, Jonathan Rickett, Austin Sprinkles, Shane Stevens, Joel S. Thomas, and Holly Tracy; Graduate Fellow Chris Sierra; and Research Assistant Maegan Mohr.

Approve Minutes from July 10, 2025

Upon motion by Senator Carroll and second by Representative Lockett the minutes for the July 10, 2025, meeting were approved without objection.

Statewide Emergency Responder Voice System Testimony

John T. Hicks, State Budget Director and secretary of the Governor's Executive Cabinet gave opening remarks about the progress of the Statewide Emergency Response System (SERVS) and was available for questions. As state budget director, he monitors the project. As Kentucky State Police (KSP) moved into the second phase of the project, the challenge of finding new sites and contacting site owners was not endemic to a law enforcement agency. The Finance and Administration Cabinet was brought in to assist with land procurement and they produced a contract for land consulting services. There was a learning curve in land procurement, but they know how it works and expect to see more speed with site acquisition.

In response to a question from Representative Petrie, Mr. Hicks confirmed that of the \$218.8 million in funding that has been authorized, about \$110 million has been obligated and spent. Representative Petrie mentioned the \$107 million in additional funds that the Kentucky State Police (KSP) may request in the upcoming budget cycle.

In response to a question from Representative Petrie about legislative assistance, Mr. Hicks stated that the General Assembly is doing all that is needed by funding the project and that the delay has mostly been due to procurement of property. Carrying out the project from the west end of the state to the east end has allowed first responders to utilize SERVS in the western region of the state before the entire project is finished.

In response to a question from Representative Petrie, Mr. Hicks confirmed that the western side of the state that has been completed was less challenging in terms of construction than the planned central and eastern regions of the project. Representative Petrie stated that future funding requests will be looked at critically given the costs and expanding timeline.

Representative Blanton expressed concern that radios purchased by local law enforcement will be outdated by the time the project is complete. In response to a question from Representative Blanton, Mr. Hicks responded that the request for proposals (RFP) to contract real estate services for the SERVS project had been issued within the last six months. Representative Blanton asked if any sites have been acquired by vendors since that RFP process was completed. Mr. Hicks stated that he knew there are many site acquisitions in progress since the RFP, but he was not sure if any have been completed.

In response to a question from Representative Sharp, Mr. Hicks explained that capital projects typically follow a detailed plan, including a programming phase, a preliminary design phase, and a construction phase. When Representative Sharp asked about the SERVS capital project plan, Mr. Hicks said that the timeline for SERVS is difficult because of the nature of site identification and acquisition. In response to a question from Representative Sharp about whether projects in other states had been reviewed, Mr. Hicks deferred to the Kentucky State Police's knowledge of other states' projects. Representative Sharp asked for an estimate regarding additional costs resulting from the extended timeline of the project and again, Mr. Hicks yielded to Kentucky State Police to answer his question more accurately. Mr. Hicks answered a follow up question by explaining that the length of time required to purchase property varies depending on the situation and identified SERVS as a unique land acquisition project. Generally, the land that the Office of Real Properties purchases is for institutions such as state universities or correctional facilities which happens infrequently and usually takes place in developed areas. In response to a question from Representative Sharp, Mr. Hicks could not confirm that KSP is collaborating with the Kentucky National Guard to use their towers but stated that KSP is seeking assistance from all sources.

In response to a question from Senator Howell regarding why site acquisition for SERVS is more complicated than other projects, Mr. Hicks deferred to the Office of Real Properties. In response to a question from Senator Howell, Mr. Hicks clarified that while it took 7 years for the Office of

Real Properties to create an RFP to buy property, funding for site acquisition was only available in recent years. Once the challenge of procurement through Kentucky State Police was recognized, the Finance Cabinet stepped in and provided more resources. In response to Senator Howell's question regarding hiring private contractors to complete the project like other states have done, Mr. Hicks responded that the delay is not due to constructing towers but finding locations and owners of the specific properties identified for the project.

Representative Smith asked to see a master plan for the project that provides an overview of SERVS from past to present as well as projected completion to which Mr. Hicks agreed that he would provide.

In response to a question from Senator Wheeler regarding the use of Starlink for the SERVS project or working with the private sector for alternative services for constructing physical towers, Mr. Hicks deferred to KSP to answer the question.

In response to a question from Senator Nunn, Mr. Hicks stated that he did not know how many employees who are assigned to SERVS were working from home, but the executive branch policy is 3 days a week in office. About half of the executive branch workforce does not work from home at all.

When Senator Elkins asked for the initial cost and timeline of the plan at the beginning of the project, Mr. Hicks said that he did not know but that he would provide the information to Senator Elkins. Senator Elkins requested a timeline and regular updates on the progress of the project. In response to a question from Senator Elkins about why KSP has stated that it could not use legislative authorization to directly acquire land, Mr. Hicks responded that the issue was not because KSP could not legally do so, but that it should not because it is not in KSP's skill set.

Representative Petrie reiterated the request made by other committee members for a master plan, whether from KSP, the Finance and Administration Cabinet, or the Office of the State Budget Director. He asked that the committee receive progress updates on site selection and acquisition, tower construction, and activation in monthly reports that include changes to the timeline.

In response to a question from Senator Carroll, Mr. Hicks responded that the contracted vendors are asked to work with local officials to expedite site acquisition.

Representative Sharp asked Mr. Hicks to confirm that he has agreed to provide periodic follow-up reports to the committee and Mr. Hicks confirmed that he would do so.

Investment of State Funds

Kim Bechtel, deputy executive director for Financial Analysis Office of Financial Management and Joe McDaniel, executive director for the Office of the Controller gave a presentation on how her team invests the state's money. Their full presentation is available on the Legislative Oversight and Investigations Committee webpage.

Responding to a question from Representative Lockett, Ms. Bechtel stated that the investment group, which is composed of Ms. Bechtel and her staff, within the Finance Cabinet is responsible for making specific investment decisions. Ms. Bechtel also confirmed that the information in her presentation regarding permitted investments and limits comprehensively outlined how the Investment Group makes investment decisions. Ms. Bechtel was unable to recall the average return for all accounts they manage but promised to provide that information to the committee.

Responding to Representative Smith's question about whether the committee considers consistently high rollover rates when making investment decisions, Mr. McDaniel stated that they work with each agency to determine their specific needs when establishing funds. He explained that the cabinet's investment options are limited by statute but affirmed that they are open to revisiting the issue with individual departments.

In response to Senator Reed's question about what constitutes a good or bad monthly return, Ms. Bechtel stated that the department uses benchmarks to evaluate the performance of each investment pool. These benchmarks are approved by the State Investment Commission and the staff manager for each pool is responsible for closer monitoring.

Responding to a question from Senator Elkins, Ms. Bechtel explained that she reports to the State Investment Commission quarterly and presents the progress of all three investment pools for review.

Representative Lockett asked how many members of the State Investment Commission were appointed by the governor, to which Ms. Bechtel responded that everyone but the State Treasurer, who is also the chair, was appointed by the Governor. Mr. McDaniel explained that the banking associations compiled a list of recommendations for gubernatorial appointees for two commission positions.

Representative Lockett expressed interest in researching the backgrounds of those in gubernatorially appointed positions and recommended that the State Investment Commission come before the Legislative Oversight and Investigations Committee for testimony.

Department of Juvenile Justice Update

Mona Womack, deputy secretary of the Justice and Public Safety Cabinet; Randy White, commissioner of the Department of Juvenile Justice; and Brian Lock, executive advisor of the Department of Juvenile Justice presented an overview of the Department of Juvenile Justice (DJJ) youth detention facilities and the populations they serve. Commissioner White discussed recent legislation that has impacted facility operations and detailed Governor Beshear's initiatives to address staffing shortages, including salary increases for staff. Their full presentation is available on the Legislative Oversight and Investigations Committee webpage.

Commissioner White also highlighted improvements to mental health services, noting that all DJJ facilities now have on-staff mental health professionals. He then updated members on the

steps DJJ has taken to address the findings of the LOIC report. These actions include creating new positions as part of a departmental reorganization; revising regulations and policies; implementing new data tracking procedures; updating policies for addressing staff and inmate grievances; updating facility inspection protocols; and work on facility updates. Finally, Commissioner White reviewed the ongoing challenges DJJ faces.

In response to a question from Representative Blanton, Commissioner White explained that recent pay increases were structured to ensure that new hires do not earn more than more senior staff members.

In response to Representative Burke, Commissioner White stated that the initial cost estimate for the high-acuity mental health facility was around \$40 million for 24 beds, but this figure might have changed. He also agreed with Representative Burke that a dedicated facility would help address Kentucky's liability concerns regarding mental health services.

Commissioner White confirmed for Representative Sharp that the increase in frontline officers has improved staff turnover.

Senator Carroll highlighted three ongoing issues that still need to be addressed: the process for evaluating the need for mental health services, the difficulty of transferring violent youth offenders from hospitals to a DJJ facility, and the need for more female youth detention facilities. Senator Carroll mentioned he is working on legislation to address these concerns.

Adjournment

Upon motion by Senator Nunn and second by Senator Reed, the meeting was adjourned at 10:57 a.m.