

BUDGET REVIEW SUBCOMMITTEE ON GENERAL GOVERNMENT, FINANCE, PERSONNEL, AND PUBLIC RETIREMENT

Minutes of the 1st Meeting of the 2026 Interim

July 1, 2026

Call to Order and Roll Call

The second meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement was held on July 1, 2026, at 9:00 AM (ET)/8:00 AM (CT) in Room 129 of the Capitol Annex. Senator Scott Madon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Scott Madon, Co-Chair; Representatives Chris Freeland, Co-Chair; Walker Thomas, Co-Chair; Senators Michael J. Nemes and Reginald L. Thomas; and Representatives Patrick Flannery, Al Gentry, Erika Hancock, Mark Hart, Kevin Jackson, and Matt Lockett.

Guests: Eric Gibson, Kentucky Emergency Management Director, DMA; Doug Hargreaves, State Urban Search and Rescue Coordinator, DMA; Sandy Williams, Executive Director, KIA; and Milward Deadman, Deputy Executive Director, KIA.

LRC Staff: Emma Mills and Jennifer Luttrell.

Approval of Minutes (June 3, 2026)

Representative Lockett moved to approve the minutes from June 3, 2026. Representative

Freeland seconded the motion, and the minutes were approved unanimously.

Department of Military Affairs (DMA)

Eric Gibson, Kentucky Emergency Management Director, and Doug Hargreaves, State Urban Search and Rescue Coordinator, DMA, updated the committee on the Urban Search and Rescue Team's activities.

In response to Representative Thomas's questions, Director Gibson clarified that the team operates with a limited full-time staff and is supplemented by firefighters from local departments through mutual aid agreements. Although a workers' compensation policy is available for temporary staff, some opt to utilize coverage from their home departments. He noted a pressing issue for the 2027 legislative session: search-and-rescue team members are currently ineligible for line-of-duty death benefits afforded to police officers and full-time firefighters.

In response to Representative Hart's inquiry, Director Gibson revealed that the average local search-and-rescue grant is \$20,000. Representative Hart expressed a desire to see that amount increased by 50%.

In response to a question from Senator Thomas, Director Gibson indicated that 2 locations have been established for statewide service in Fayette and Muhlenberg Counties.

Addressing Chair Madon's questions, Mr. Hargreaves noted that approximately 80 water

rescues or evacuations were conducted during the most recent flood, but that more may be reported. Several counties had met the FEMA threshold for public assistance, but he did not yet have an accurate count. He confirmed significant agricultural damage. The goal was to shift funds to counties with unmet needs. Some counties were able to release funds, allowing reallocation to those awaiting FEMA-ineligible work requests by the June 30th, 2026, deadline. However, many counties couldn't repay due to ongoing losses since 2022. The FEMA match is 75/25—of the 25%, the state covers 12%, so counties must cover the remaining 13%. These funds served only as a temporary solution. Chair Madon emphasized the need to address this situation during the 2026 Regular Session, as many counties and their schools are struggling to repay funds.

In response to Representative Hancock, Director Gibson urged the committee to advocate for mitigation funding to enhance infrastructure and community resilience, noting that such funds have been under appeal since August 2025, complicating the ability to complete buyout projects. Currently, no mitigation projects await FEMA approval.

Kentucky Infrastructure Authority (KIA)

Sandy Williams, Executive Director, and Milward Deadman, Deputy Executive Director, KIA, provided an update on the Kentucky WWATERS Program.

In response to Chair Madon, Director Williams confirmed that Kentucky American Water Company purchased the City of Livingston.

In response to Representative Jackson, Director Williams clarified that the Bowling Green/Warren County Water District does not qualify for this program, as it is designed specifically for economically strained or financially troubled systems. However, KIA has other programs that may address their needs.

In response to Chair Madon, Director Williams explained that the Kentucky Infrastructure Authority (KIA) has established strong partnerships with all 15 area development districts (ADDs). Each ADD is supported by a water management council, which consists of locally elected officials and citizen representatives from each county within the district. These councils ensure that all projects are accurately recorded in the project database and adequately mapped within the water resource information system. Using specific scoring criteria, the ADDs assess and rank projects according to regional priorities, which encompass economic development, environmental considerations, and rural needs. Over the past 6 years, KIA has introduced 14 new programs.

Adjournment

There being no further business, the meeting adjourned at 10:10 AM (ET)/9:10 AM (CT).