

INTERIM JOINT COMMITTEE ON LICENSING, OCCUPATIONS, AND ADMINISTRATIVE REGULATIONS

Minutes of the 3rd Meeting of the 2025 Interim

August 21, 2025

Call to Order and Roll Call

The third meeting of the Interim Joint Committee on Licensing, Occupations, and Administrative Regulations was held on August 21, 2025, at 2:00 PM at the Kentucky State Fair. Senator Julie Raque Adams, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Julie Raque Adams, Co-Chair; Representative Matthew Koch, Co-Chair; Senators Karen Berg, Donald Douglas, Jimmy Higdon, Stephen Meredith, Michael J. Nemes, and Matt Nunn; and Representatives Emily Callaway, Mike Clines, Anne Gay Donworth, Daniel Fister, Patrick Flannery, Al Gentry, Samara Heavrin, Thomas Huff, Kevin Jackson, Michael Meredith, Amy Neighbors, Rebecca Raymer, and Nick Wilson.

Guests: Maggie Garrison, Vice President, Chief Financial Officer, Kentucky Lottery Corporation (KLC); Jennifer Luhrs, Vice President, Chief Legal Officer, KLC; M. Keith Poynter, General Counsel, Kentucky Board of Physical Therapy; and Dr. Avery Schroyer, American Physical Therapy Association, Kentucky Chapter (APTA-KY).

LRC Staff: Bryce Amburgey, Wendy Craig, and Lisa W. Moore.

Approval of the July 31, 2025, Meeting Minutes

Representative Fister motioned to approve the minutes from the July 31, 2025, meeting, and Senator Nemes seconded the motion. Motion carried and the minutes were approved by voice vote.

Kentucky Lottery Corporation Updates

Maggie Garrison, Vice President, Chief Financial Officer, KLC, and Jennifer Luhrs, Vice President, Chief Legal Officer, KLC, provided an overview of the KLC and Fiscal Year (FY) 2025 milestones. In FY 2025, the lottery transferred more than \$384 million to the Commonwealth to fund seven different scholarships and grants. Since its inception, the lottery has earned more than \$7.6 billion in proceeds for the state. Specific transfers for each legislative district can be provided to members upon request or the information may be obtained from the Kentucky Higher Education Assistance Authority (KHEAA) website.

The lottery surpassed one million Kentuckians receiving educational funding at the end of the fall 2024 semester. The number will grow once the spring 2025 semester data is reported by KHEAA. The KLC partnered with the Kentucky Distillers' Association to leverage the rich heritage of Kentucky's signature bourbon industry. The partnership created three Kentucky Bourbon Trail-themed lottery games that created over \$21.9 million in sales.

In response to Senator Berg regarding what percentage of overall proceeds are distributed to education, Ms. Garrison said there has been a shift in player preference over the last couple of years causing fluctuations in margin percentages. Kentucky experienced a decrease in the margin percentage, and 19 percent was allotted to support education, while 81 percent of proceeds went to prizes and other costs. Player behavior can dictate profit margin and fluctuates based on the percentages of people playing higher payout games, such as Powerball and Mega Millions. She noted even though the percentages have decreased, the dollars raised have increased.

Responding to Representative Gentry, Ms. Garrison said the decrease in the lottery funding educational scholarships in FY 2025 is because fewer people were playing higher payout games, although the KLC is utilizing the dollars more efficiently. FY 2024 was also an outlier year, with five game payouts reaching the \$1 billion mark. Discretionary funds are at a premium, and people can now choose to spend their income on sports wagering as well. There is no data to support that the passage of sports wagering in Kentucky has affected lottery sales.

Responding to Co-Chair Koch regarding the distribution of lottery proceeds funding technical schools, Ms. Garrison said KHEAA tracks and reports specific monetary distributions to the seven scholarship and grant programs. KLC reports on jurisdictions, counties, and schools.

Responding to Senator Higdon, Ms. Garrison said retail and online sales increased in FY 2025. The percentage difference between online and retail sales is decreasing as buying online becomes more familiar.

Responding to Representative Donworth, Ms. Garrison said in FY 2025, the KLC reported a record low operating expense of 1.8 percent compared to other lottery companies that reported two percent operating expenses. The KLC is proud of its efficiency and low operating costs in comparison to sales.

Physical Therapists

Representative Neighbors; M. Keith Poynter, General Counsel, Kentucky Board of Physical Therapy; and Dr. Avery Schroyer, APTA-KY, discussed 2025 RS HB 255/GA. Representative Neighbors intends to file the same bill in the upcoming 2026 Regular Session of the

General Assembly. The bill modernizes statutes surrounding physical therapists in Kentucky. The APTA-KY is in full support of the legislation.

Responding to Representative Gentry regarding recreational therapists in adaptive golf, Mr. Poynter said recreational therapists are not recognized by the Kentucky Board of Physical Therapy. He said recreational therapists may fall under the purview of Occupational Therapists, or another category of therapist.

Responding to Chair Raque Adams, the panel said they are unaware of any organization or entity opposed to the legislation.

Nursing Board Update

Representative Raymer provided an update on the Kentucky Board of Nursing. The board licenses 79,714 nurses, and has 499 open investigations, which is less than one percent of all licensees. The biggest obstacles facing the board are staffing issues and pay equity. Pay raises vary depending upon whether the nurse is registered as non-merit or merit. She reported remote work has been instrumental for staff retention and recruitment. Legislation may be needed to allow the board more freedom to review out-of-state nurse applicants to ensure they meet Kentucky's nursing guidelines.

Chair Raque Adams said she received numerous inquiries about the need to keep the teleworking option.

Social Work Board Update

Representative Heavrin provided an update on the Kentucky Board of Social Work. One of the most notable obstacles facing the board is a social worker's transition from school to real world experience. Investigations increased in 2025, and there are no staffing issues. A cleanup licensure bill is expected for the 2026 Regular Session of the General Assembly.

Responding to Senator Nemes, Representative Heavrin said the board does not want to expand, but it does wish to add diversity and criteria prerequisites for potential board members.

Adjournment

With no further business before the committee, the meeting adjourned at 2:30 PM.