

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Minutes of the 4th Meeting of the 2018 Interim

September 27, 2018

Call to Order and Roll Call

The 4th meeting of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, September 27, 2018, at 1:00 PM CST, in Room 143 of the Crisp Center on the Paducah Campus of Murray State University. Representative Steven Rudy, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Steven Rudy, Co-Chair; Senators Danny Carroll, David P. Givens, Stan Humphries, Dennis Parrett, and Brandon Smith; Representatives Matt Castlen, Ken Fleming, Suzanne Miles, Jason Nemes, Jody Richards, Jim Stewart III, James Tipton, Russell Webber, and Jill York.

Guests: Dr. Robert L. Jackson, Murray State University Interim President; Brandi Harless, Mayor of Paducah; Sandra K. Dunahoo, Commissioner, Department of Local Government; Amy Barnes, Executive Director, Office of Grants; Will Rich, Attorney; Mrs. Jewelee Romine; Mr. Tyler Romine; Carla Pobst; Mary Hammond, Executive Director, Paducah Convention & Visitor's Bureau; Hank Phillips, President and CEO of the Kentucky Travel Industry Association.

LRC Staff: Jennifer Hays, Katy Jenkins, and Chase O'Dell.

Welcome and Opening Remarks from Paducah

Brandi Harless, Mayor of Paducah, welcomed members to Paducah and made her opening remarks.

Welcome and Opening Remarks from Murray State University

Dr. Robert L. Jackson, Murray State University Interim President, welcomed members to the Paducah regional campus of Murray State University and made his opening remarks.

Discussion of Tourism in Western Kentucky

Hank Phillips, President and CEO of the Kentucky Travel Industry Association, and Mary Hammond, Executive Director, Paducah Convention & Visitor's Bureau, discussed tourism in western Kentucky.

Mr. Phillips presented the Kentucky Economic Engine Award to McCracken County.

Mr. Phillips testified that Kentucky's travel and tourism industry is a \$15 billion industry that provides over 196,000 jobs. Tourism in McCracken County has an economic impact of more than \$367 million; tourism supports 3,000 jobs.

Mary Hammond testified that tourism and economic development go hand-in-hand. Paducah is a UNESCO Creative City. UNESCO Creative Cities are built on culture, creativity, and innovation. Paducah follows the sustainable development goals of the UNESCO Creative Cities program.

Discussion of Air Ambulances

Jewelee Romine, Tyler Romine, and Carla Pobst discussed air ambulances.

Mr. Romine testified that he and Mrs. Romine received a bill from Rocky Mountain Holdings for \$64,999 a few months after their son's air ambulance flight. Mr. Romine stated that a few months later Anthem Blue Cross Blue Shield sent the family a \$10,000 check to pay to Rocky Mountain Holdings. Rocky Mountain Holdings filed an appeal after Anthem Blue Cross Blue Shield only offered to pay \$10,000. Anthem declined the appeal because it did not have a contract with Rocky Mountain Holdings. The Romines filed an appeal that was also declined and, thus, they have a \$54,000 bill.

Carla Pobst testified that Rocky Mountain Holdings billed her for \$59,999 after her daughter's air ambulance flight. Anthem Blue Cross Blue Shield sent her a check for \$18,148.51, which she then sent to Rocky Mountain Holdings. She was told that she would owe \$41,850.49.

Ms. Pobst testified that there is no in-network provider of air ambulance flights in Kentucky. Air ambulance flights are not regulated like health vehicle ambulances.

Senator Humphries stated that there is no simple fix for the air ambulance issue.

Senator Parrett said that the legislative body needs to address the cost of air ambulances and when they can fly patients.

In response to questions from Senator Carroll, Mr. Romine testified that purchasing an area provider's insurance would not have helped him because that particular company was not used. The company that flew him was based out of Indiana. The issue stemmed from not being made aware that his flight would not be insured beforehand. Ms. Pobst testified that there are no in-network air evac providers in Kentucky. She did not know about insurance for air ambulance flights until after her flight.

In response to a question from Senator Smith, Mr. Romine stated that his family was flown in an airplane. Senator Smith said that he was shocked by the bill of \$64,000.

Representative Rowland stated that the Banking and Insurance committee has had several discussions on air ambulances. When other states have tried to regulate air ambulances, they have sought protection under the Federal Aviation Administration (FAA). States need the ability to regulate air ambulances, but that will take federal action. Representative Rowland said that, on August 15, 2018, Anthem Blue Cross Blue Shield went into contract with Air Evac and Rocky Mountain Holdings.

Discussion of TVA In-Lieu-Of Taxes

Sandra K. Dunahoo, Commissioner, Department of Local Government, Amy Barnes, Executive Director, Office of Grants, and Will Rich, Attorney, discussed TVA In-Lieu-Of Taxes.

Commissioner Dunahoo stated that many communities struggle to match federal funds from the Department of Local Government (DLG).

Commissioner Dunahoo said that there were 39 counties eligible to participate in the set aside program. On September 11, 2018, DLG sent copies of the application for the set aside program to all 39 counties eligible to participate. The deadline for counties to respond is November 9. The account is not yet fully funded.

In response to a question from Representative Miles, Amy Barnes testified that counties can partner with a neighboring county or a regional IDA. Some counties are in the process of creating an IDA. Commissioner Dunahoo stated that DLG does not intend to dictate how dollars are spent in communities.

In response to questions from Senator Carroll, Commissioner Dunahoo said that DLG anticipates the JFA contracts for 2018 to issue soon. DLG has received applications from Allen, Ballard, Barren, Carlisle, Grayson, Henderson, and Hickman counties.

In response to questions from Representative Rudy, Commissioner Dunahoo said that it would be a local decision as to whether a county could bond money it receives. There are a few counties struggling to make bond payments. In-lieu-of taxes fluctuate. Amy Barnes stated that she hopes to have many of the checks to counties by the end of the year.

List of Reports Received Since August, 2018

Chairman Rudy reviewed a list of reports received since the last meeting.

There being no further business, the meeting was adjourned.