

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Minutes of the 2nd Meeting of the 2023 Interim

July 19, 2023

Call to Order and Roll Call

The 2nd meeting of the Interim Joint Committee on Appropriations and Revenue was held on Wednesday, July 19, 2023, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Christian McDaniel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Jason Petrie, Co-Chair; Senators Gary Boswell, Matthew Deneen, Donald Douglas, Shelley Funke Frommeyer, Amanda Mays Bledsoe, Gerald A. Neal, Michael J. Nemes, and Robin L. Webb; Representatives Kim Banta, Danny Bentley, Adam Bowling, Josh Branscum, Josh Bray, George Brown Jr., Myron Dossett, Patrick Flannery, Deanna Frazier Gordon, Chris Freeland, Chris Fugate, Mark Hart, DJ Johnson, Bobby McCool, Shawn McPherson, Ruth Ann Palumbo, Josie Raymond, Brandon Reed, Steve Riley, Cherlynn Stevenson, and Ken Upchurch.

Guests: Senator Damon Thayer, Senate District 17; Jamie Eads, Executive Director, Kentucky Horse Racing Commission; Jennifer Wolsing, General Counsel, Kentucky Horse Racing Commission; Dr. Kim Schatzel, President, University of Louisville; Will Metcalf, Associate Vice President for Research and Innovation, University of Louisville; Dr. Gail DePuy, Senior Vice Provost, University of Louisville; Dr. Derek Paulsen, Dean of the College of Justice, Safety and Military Science, Eastern Kentucky University; Dr. Michael Ramage, Director of the Cyber Education and Research Center, Murray State University; Dr. Ray Blankenship, Department Chair of Analytics and Information Systems, Western Kentucky University; Dr. Kevin Kirby, Dean of the College of Informatics, Northern Kentucky University; Dr. Larry Ferguson, Acting President, Kentucky Community and Technical College System, President, Ashland Community and Technical College; Dr. Johnathan Nelson, Dean of the Elmer R. Smith College of Business, Morehead State University; Joe Monroe, Chief of Police, University of Kentucky; Dr. Melissa Bell, Vice President of Academic Excellence and Student Success, Council on Postsecondary Education; Dr. Richard Maiti, Assistant Professor of Computer Science, Kentucky State University; Senator Gex Williams, Senate District 20; and Representative Daniel Fister, House District 56.

LRC Staff: Jennifer Hays, Cynthia Brown, Katy Jenkins, Sarah Watts, Hunter Branham, and Mariah Derringer Lackey.

Approval of the June 7, 2023, minutes

Senator Douglas made a motion, seconded by Representative Hart, to approve the minutes from the June 7, 2023, meeting.

Kentucky Horse Racing Commission

Senator Damon Thayer, Senate District 17; Jamie Eads, Executive Director, Kentucky Horse Racing Commission; and Jennifer Wolsing, General Counsel, Kentucky Horse Racing Commission provided an update on the implementation of the 2023 Regular Session HB 551. Senator Thayer discussed the funding and taxation of 23 RS HB 551. He reviewed the different funding sources and where the revenue from taxes would be placed.

Ms. Eads provided information about the timeline that was established in conjunction with the Public Protection Cabinet and how to achieve that timeline. The Kentucky Horse Racing Commission had several conversations with states where sports wagering already existed. The states named were Colorado, Indiana, Nevada, New Jersey, and Massachusetts. Also covered was the agreement with Gaming Laboratories International (GLI), which helps states roll out sports wagering. The Kentucky Horse Racing Commission approved the emergency and ordinary regulations, and those were filed with the Legislative Research Commission. The start date for taking wagers in retail locations is September 7 and online is September 28.

In response to a question from Senator McDaniel, Ms. Eads confirmed that the Kentucky Horse Racing Commission requested the 14 personnel positions and she believes that will be adequate and is affordable. She clarified some of the positions will be focused on all the products available. Ms. Eads pointed out that the commission had been regulating over \$8 billion wagered in the state of Kentucky with a team of two.

Cybersecurity Programs offered at Kentucky Universities

Representatives from universities around the state were given an opportunity to discuss their respective university's current and future programs relating to cybersecurity. Universities present included the University of Louisville, Eastern Kentucky University, Murray State University, Morehead State University, Western Kentucky University, Northern Kentucky University, University of Kentucky, and Kentucky State University.

Personnel from the Council on Postsecondary Education gave a few comments on the academic pipeline in Kentucky for cybersecurity. Comments covered were statistics, different types of programs offered in the state, collaborations with different workforce areas, and programs have been certified with national accreditations. Dr. Thompson stressed the importance of research and development in cybersecurity.

In response to a question from Senator Funke Frommeyer, Mr. Metcalf explained the National Science Foundation grant has a limited number of qualified applicants they can accept into the program. He commented more teachers could be trained, if the university had more funding to support the trainers.

In response to a question from Senator McDaniel, Dr. Nelson discussed the steps Morehead State University is taking in response to the cyber-attack. There are a couple programs that are running now, but the university is moving in a slow and cautious manner to make sure everything is ready to be launched again.

Senator Nemes made several comments regarding the bill he filed relating to a cybersecurity center. He discussed the idea of the center, like Florida or Georgia, that would help coordinate collaborations, help with funding, and assist with teaching.

In response to a question from Senator Boswell, Dr. Bell commented on the funding for the Council on Postsecondary Education within the budget. Dr. Thompson discussed the board that selects the president and went into detail about funding.

Senator Williams asked questions about the availabilities of a SCIF (sensitive compartmented information facility) available. No response or comments were given.

Senator McDaniel made closing comments regarding cybersecurity and the lack of societal attention to the possibility of cyber-attacks.

Senator McDaniel encouraged committee members to review the follow-up information and the correspondence received.

The next meeting will be Wednesday, August 2 at 1 p.m. The meeting adjourned at 2:25 p.m.