

# **INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE**

## **Minutes of the 4th Meeting of the 2024 Interim**

**September 18, 2024**

### **Call to Order and Roll Call**

The fourth meeting of the Interim Joint Committee on Appropriations and Revenue was held on September 18, 2024, 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: Representative Jason Petrie Co-Chair; Senator Christian McDaniel Co-Chair; Senators Gary Boswell, Matthew Deneen, Donald Douglas, Shelley Funke Frommeyer, David P. Givens, Gerald A. Neal, Michael J. Nemes, and Robin L. Webb; Representatives Kim Banta, Adam Bowling, Josh Bray, George Brown Jr., Stephanie Dietz, Myron Dossett, Patrick Flannery, Ken Fleming, Deanna Frazier Gordon, Chris Freeland, Chris Fugate, Al Gentry, Mark Hart, DJ Johnson, Bobby McCool, Shawn McPherson, Ruth Ann Palumbo, Josie Raymond, Steve Riley, Cherlynn Stevenson, and Ken Upchurch.

Guests: Becky Gilpatrick, Director of Student Aid, Kentucky Higher Education Assistance Authority; Holly M. Johnson, Secretary, Finance and Administration Cabinet; Sam Ruth, Commissioner of Department for Facilities and Support Services, Finance and Administration Cabinet; Robert Long, General Counsel, Finance and Administration Cabinet; and Dave Hatter, Cybersecurity Consultant at Intrust IT and Mayor of Fort Wright, Ky.

LRC Staff: Jennifer Hays, Cynthia Brown, Katy Jenkins, and Heather Hamilton.

### **Approval of Minutes**

Senator Boswell made a motion, seconded by Representative Freeland, to approve the minutes from the August 21, 2024, meeting. The motion passed by voice vote.

### **Funding and Outcomes for Veterinary and Optometry Students**

Becky Gilpatrick, Director of Student Aid, Kentucky Higher Education Assistance Authority (KHEAA), began with a history of the optometry program stating that the program was established in 1974. In 2018, House Bill 200 established an optometry contract spaces

(OCS) work group to study the effect of creating a forgivable loan program for OCS students and the projected return of optometry graduates to Kentucky. She presented the recommendations from that work group and then discussed the optometry scholarship program and scholarship awards and expenditures. She continued by discussing enrollment, graduate, and employment information by institution. Finally, she presented optometric coverage numbers in Kentucky.

Responding to a question from Senator McDaniel, Ms. Gilpatrick stated the information from the 2018 work group was based on information they had at the time.

Responding to a question from Senator Webb, Ms. Gilpatrick said she could research the number of students who go into corporate versus private practice after graduation.

Responding to a question from Senator Douglas, Ms. Gilpatrick said she did not ask for data on ophthalmologist coverage in Kentucky.

Responding to questions from Senator Boswell, Ms. Gilpatrick stated there is wide criteria for program selection and there is no identifiable information on the application. The average level of debt when graduating is based on students who have debt.

Ms. Gilpatrick shared a history of the veterinary contract spaces (VCS) program stating that Kentucky's participation began in 1951. In 2018, House Bill 200 established a veterinary contract spaces work group to study the effects of creating a forgivable loan program for VCS students and the projected return of large animal veterinary graduates to Kentucky. She then presented the recommendations from that work group, discussed veterinary program activity, and highlighted graduates who return to Kentucky. She discussed veterinary coverage in Kentucky and the Kentucky Rural Veterinary Medicine Student Loan Repayment Program that was established by House Bill 553 during the 2024 legislative session.

Responding to a question from Representative McCool, Ms. Gilpatrick stated she does not know the number of veterinarians needed to fill the shortage within the state.

Responding to a question from Senator Boswell, Ms. Gilpatrick said there is no mechanism in the statute to reimburse veterinarians who already paid off their student loan debt. To be eligible for the forgivable loan program, applicants must verify a certain amount of student loan debt.

Responding to a question from Representative Johnson, Ms. Gilpatrick said of the 120 students from Kentucky who applied for admission to Auburn University College of

Veterinarian Medicine for this fall, only 38 were selected. She said some applicants were not qualified to be admitted to veterinary school.

Responding to a question from Senator Douglas, Ms. Gilpatrick stated there are areas of the state where veterinarians have mobile units that cover up to six counties, and that there are areas of the state where it is not affordable for a veterinarian to make a living because there are not enough animals using veterinarian services. She did not know if there is information available on the saturation rate of veterinarians within the state.

Responding to a question from Senator McDaniel, Ms. Gilpatrick stated Tuskegee University has had a difficult time finding students from Kentucky to apply to their veterinary program and KHEAA has had discussions with Tuskegee on how to remedy that situation.

### **Update on Capitol Building Construction and Costs**

Holly M. Johnson, Secretary, Finance and Administration Cabinet, provided an update on the capitol campus renovation project. Ms. Johnson stated the budget for the renovation is \$291.5 million dollars. The firms of EOP and PDP were hired to design the renovation. She stated that upon further examination by the firms, certain elements of the planning and design had to be revised as well as some cost estimates. They have been working on these issues. The Governor met with the House Speaker and Senate President to discuss the issues and what that means for the project. Ms. Johnson stated they will be able to meet the project scope and stay within the budget. She stated construction on the capitol is scheduled to begin after the 2025 session, probably in June. It will take about three and a half years to complete. They are currently working on relocation options for the Attorney General, Secretary of State, and the Supreme Court.

Responding to questions from Senator McDaniel, Ms. Johnson stated that the dome's tiles have been removed and scanned, bids were advertised, a moisture membrane was installed on the dome, and the tiles are in the process of being manufactured so that they can be reinstalled. Sam Ruth, Commissioner, Department for Facilities and Support Services, explained that originally there were four manufacturers who might be able to produce the tiles, but three dropped out, leaving one manufacturer in England. The process of getting data to the manufacturer in England slowed the work on the dome. The scaffolding on the capitol will remain until the repair work below the dome is complete and the tiles are reinstalled. Mr. Ruth testified he did not have a specific date for the scaffolding to be taken down and that the cost is part of the project cost. Mr. Ruth stated that finding new items that need to be replaced instead of repaired has caused

some delays. He stated that the supposed reluctance of the executive branch to relocate has not been a factor in the delays.

Responding to questions from Senator Douglas, Mr. Ruth stated there was no effect on the current bid for the tile work when the other manufacturers withdrew. Mr. Ruth stated that he speaks to the current consultant group weekly. He stated one of the problems with the project was first approaching it with a band-aid approach of individual repair projects. However, after seeking the opinion of a consultant with experience in renovating historic buildings, it was decided to halt individual repair projects and instead take a more holistic approach to the renovation.

Responding to questions from Representative Petrie, Mr. Ruth stated there were initially three individual projects with separate consultants for electric, plumbing, and windows. He stated he regrets not having a general consultant from the beginning. He stated that currently there is one general consultant with another consultant experienced in historic building renovations assisting. The current general consultant has been the only general consultant under contract with the state. He stated the contract does not contain a timetable; the consultant is not paid by the hour; and there is no penalty for missing the project's expected completion deadline. He further stated that if the project goes beyond the completion date, they would have to address it with the consultant. Ms. Johnson restated the expected completion is in three and a half years, beginning in June 2025.

Senator Boswell commented on the difficulties of renovating existing structures with Kentucky's building codes and laws.

Responding to a question from Representative Petrie, Mr. Ruth stated that EOP was the general consultant and PDP were the subconsultants.

Senator McDaniel requested a milestone schedule for the project to be given to the committee within the next month.

### **Cybersecurity Working Group**

Mayor Dave Hatter, Cybersecurity Consultant at Intrust and Mayor of Fort Wright, KY, shared cybercrime trends and projections. He presented on the Ohio Cyber Collaboration Committee (OC3). He noted the entire program operates out of the Ohio National Guard and is funded by the state. He then discussed why Kentucky needs a cyber collaboration committee similar to Ohio's OC3.

Senator Nemes shared with Mr. Hatter what they have tried to accomplish in Kentucky so far and stated he would like to work together to do more.

Senator McDaniel commented about a whole government approach to cybersecurity.

### **Correspondence Received**

Correspondence received included Interim Allotment Adjustments for FY 2025 from Jenny Bannister.

### **Reports Received August 2024**

Reports received included the August 2024 Reports Received from Jennifer Hays.

### **Staff Analysis**

Report received on Tax Increment Financing (TIF) Projects.

**Next Meeting- October 16, 2024 at 1:00 PM chaired by Rep. Petrie**

### **Adjournment**

With no further business, the meeting was adjourned at 2:33 PM.