

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

Minutes of the 6th Meeting of the 2023 Interim

November 2, 2023

Call to Order and Roll Call

The sixth meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement of the Interim Joint Committee on Appropriations and Revenue was held on November 2, 2023, at 9:00 AM in Room 131 of the Capitol Annex. Senator Michael J. Nemes, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Ken Fleming Co-Chair; Senator Michael J. Nemes Co-Chair; Senator Reginald Thomas; Representatives Kevin D. Bratcher, David Hale, Jason Petrie, George Brown Jr., Al Gentry, Mary Beth Imes, DJ Johnson, and Ruth Ann Palumbo.

Guests: Representative Thomas Huff, 49th District; Colleen Younger, Jefferson County PVA; Whitney Allen, Commissioner, KY Department of Veterans Affairs (KDVA), General Government Cabinet; Executive Director Mark Bowman, Executive Director, Office of Kentucky Veterans Centers, KDVA; Sam Ruth, Commissioner, Department for Facilities and Support Services, Finance and Administration Cabinet (FAC); Scott Baker, Executive Director, Office of Facility Development, Department for Facilities and Support Services, FAC; Stacy Tapke, Kenton County Attorney; Courtney Baxter, Commonwealth's Attorney, 12th Judicial Circuit; Joe Ross, Logan County Attorney; Mary Elizabeth Bailey, Secretary, Personnel Cabinet; Robert Long, Deputy Secretary, Personnel Cabinet; and, Jamie Caldwell, Commissioner, Department for Human Resources Administration, Personnel Cabinet.

LRC Staff: Emma Mills, Ethan Williams, and Spring Emerson.

Approval of Minutes

Representative Hale moved to approve the minutes of the October 18, 2023 meeting. The motion was seconded by Representative Johnson, and the minutes were approved without objection.

Homestead/Disability Property Assessment

Representative Huff and Ms. Younger provided information on the Homestead/Disability Property Assessment for homeowners.

In response to a question from Representative Gentry regarding eligibility, Ms. Younger said the Homestead Exemption is for homeowners age 65 or those under full disability.

KY Department of Veterans Affairs

Commissioner Allen and Director Bowman provided information on the Veterans Centers.

In response to a question from Chair Nemes regarding the census numbers in the Veterans Centers, Mr. Bowman said the Eastern KY Veterans Center in Hazard currently has 80 of 120 beds occupied, which represents a 67 percent census. As a comparison to 2022, the bed occupation was 66, representing a 55 percent census. In 2022, the Western KY Veterans Center was at 53, which is a 34 percent census. Today, that facility has 66 beds occupied at a 42 percent census. The Radcliffe facility was at 37 residents, a 31 percent census in 2022 and today it is at 58 residents for a 48 percent census. At the Thompson-Hood facility, 2022 had 99 residents at 35 percent, and today is at 125 residents at 44 percent census.

In response to questions from Representative Petrie regarding the effect of the COVID pandemic in comparison to adjoining states, Mr. Bowman said there is a wide variety of numbers in adjoining states due to use of different structures and other factors involved. Representative Petrie expressed his concern in relation to pre-COVID numbers as compared to post-COVID numbers.

In response to a question from Representative Johnson regarding low pay rates, Mr. Bowman said some regulations were changed to allow the use of personal service contracts for nurses and nursing assistants, to allow for a higher wage for those uninterested in employee benefits. There is no single solution to this. There are two main issues to consider; quality care for current residents and providing access for future residents.

In response to questions from Representative Bratcher regarding the HVAC system being broken down for three years at the Radcliffe facility, Mr. Bowman said repairs were being done while the system was under warranty. An assessment was performed to determine that the product was removed from the market, parts were no longer available, and other issues resulted. No veterans were in danger, as they were housed in areas with a controlled climate.

Chair Nemes requested that an estimate for the cost of replacement of the system and more information be provided to the subcommittee.

Unified Prosecutorial System

Ms. Tapke, Ms. Baxter, and Mr. Ross provided information on the Unified Prosecutorial System, Commonwealth's Attorneys, and County Attorneys.

In response to questions from Representative Bratcher, Ms. Tapke said most prosecutors with ten years of service qualify for a federal loan repayment program. Ms. Baxter said there had been an increase in violent crimes, in addition to the backlog due to the COVID pandemic, during which time no cases were tried for two years.

Representative Palumbo commented that she supports an increase in the Victims' Witness Protection Program.

In response to a question from Co-Chair Fleming, Ms. Tapke said the only opportunity for pay increases would be when an employee moves up in the classification system due to a vacancy in a position in a higher classification.

In response to questions from Chair Nemes, Mr. Ross said the last two budget years is the only time there were any additional funds provided for pay increases.

Personnel Cabinet

Secretary Bailey provided information on the Personnel Classification Report which was submitted on November 1, 2023.

Chair Nemes requested that more information be provided on the pension spiking issue.

Representative Palumbo commented that there is an issue with long-term employees in the same job class making less than someone coming in new.

In response to questions from Chair Nemes regarding levels of classes and merit increases, Secretary Bailey said pay ranges for each grade of class must be considered on a case-by-case basis. Chair Nemes requested more information on this subject.

In response to a question from Senator Thomas regarding issues with recruiting and retaining quality employees, Secretary Bailey said a compensation study is undertaken every five years.

In response to a question from Co-Chair Fleming regarding why the balance of \$72 million was not spent, Secretary Bailey said the remaining funds had not been appropriated by the General Assembly to be spent.

In response to a question from Chair Nemes, Secretary Bailey said the process of reviewing job vacancies is always in progress.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 10:19 AM.