

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

## **Minutes of the 3rd Meeting of the 2024 Interim**

**July 17, 2024**

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

The 3rd meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement was held on July 17, 2024, 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: Senator Michael J. Nemes Co-Chair; Representatives Ken Fleming Co-Chair; Chris Freeland Co-Chair; Senators and Reginald Thomas; Representatives Kevin D. Bratcher, David Hale, George Brown Jr., DJ Johnson, and Josie Raymond.

Guests: Denise Lyons, Commissioner; Beth Milburn, Deputy Commissioner; Jessica Williamson, General Counsel, Education and Labor Cabinet; Anthony Hudgins, Deputy Executive Director, Office of Unemployment Insurance; Kenneth Jones, Deputy Executive Director, Office of Technology Services

LRC Staff: Emma Mills, Jeremy Simpson, Mariah Derringer-Lackey, and Jennifer Luttrell.

### **Approval of Minutes (June 5, 2024)**

Due to an unmet quorum, the minutes were moved to the next meeting.

### **Department for Libraries and Archives**

Ms. Lyons, Ms. Milburn, and Ms. Williamson gave a brief overview of the Department for Libraries and Archives (DLA).

Senator Thomas commented that The Marksbury Family Branch in Lexington is an attractive facility and serves a diverse constituency.

In response to Representative Bratcher's question, Ms. Milburn stated that Louisville has three open construction grants with the DLA. If funds were available, another cycle for construction funds would have been opened. She explained that the construction fund is used for debt retirement and helps to pay down their construction debt, which is a set amount for 20 years.

In response to Chair Nemes' questions, Ms. Lyons stated that the testing centers do GED testing and skills training based on the community's needs.

Representative Hale commented that rural libraries are needed because many homes don't have internet service. Ms. Lyons added that libraries in rural communities seek ways to connect with them in all the county's regions, even if the constituents cannot access a library.

In response to Chair Nemes' questions, Ms. Williamson explained that the wealthier districts follow their taxing authority and would need to change the statutes to divert money to the poorer counties. DLA is open to discussion with the General Assembly. Ms. Lyons added that DLA's facilities have 87 percent capacity in archives.

### **Department of Workforce Development**

Mr. Hudgins, Mr. Jones, and Ms. Williamson gave a summary for the Department of Workforce Development.

In response to Representative Johnson's questions, Mr. Jones explained that the system is being designed with modern cloud technologies in a modular fashion to allow technology changes and to allow for modules to be pulled out and replaced as needed. Normal maintenance costs should be expected.

In response to Representative Brown's questions, Mr. Hudgins said the biggest obstacle is the number of unemployment insurance claims needing adjudication and more adjudicators in those areas. The pandemic funding from the federal government has been exhausted, and ELC experienced a staff reduction in November to meet its budget.

In response to Senator Thomas' questions, Mr. Jones stated that the call centers use artificial intelligence (AI) for translation and dictation services. ELC is awaiting the state's AI policy to apply further AI features.

In response to Chair Nemes' questions, Mr. Jones stated that ELC has a perpetual license to the code, which cannot be resold. ELC is working with other states and Deloitte to form a coalition that would benefit all states using the same codebase. Mr. Hudgins explained Unemployment Insurance's (UI) process to adjudicate claims. UI is 100 percent federally funded, with the ability to operate and maintain 185 merit-trained employees.

### **Adjournment**

There being no further business, the meeting adjourned at 9:49 AM.