

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

Minutes of the 1st Meeting of the 2025 Interim

July 15, 2025

Call to Order and Roll Call

The first meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement was held on July 15, 2025, at 9:00 AM in Room 131 of the Capitol Annex. Representative Chris Freeland, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representatives Chris Freeland, Co-Chair, and Walker Thomas, Co-Chair; Senators Michael J. Nemes and Reginald L. Thomas; Representatives Erika Hancock, Mark Hart, Kevin Jackson, Matt Lockett, and Joshua Watkins.

Guests: Michael G. Adams, Secretary of State; Jenni Scutchfield, CERA, Assistant Secretary of State, General Counsel; Office of the Secretary of State; Rob Duncan, Deputy Attorney General, Office of the Attorney General; Jonathan Shell, Commissioner; Brandon Reed, Executive Director, Kentucky Office of Agricultural Policy; and Lee McIntosh, Executive Director, Office of Administrative Services; Department of Agriculture.

LRC Staff: Joseph Holt, Emma Mills, and Jennifer Luttrell.

Office of the Secretary of State

Secretary Adams gave a brief overview of the office's challenges. In response to a comment from Senator Thomas about the first amendment being upheld, Secretary Adams clarified that he was not advocating for Kentuckians for the Commonwealth to be banned from speaking, but rather for the General Assembly to consider the damage the lobbyist group is doing to Kentucky's institutions and the likelihood that the state would never have bipartisan election reform again. Secretary Adams stated this is not only a threat to confidence in our elections, but it also poses a threat to bipartisanship.

Office of the Attorney General

Deputy Attorney General Rob Duncan presented the office's budget. In response to Representative Lockett's questions, Mr. Duncan stated he did foresee a need to request more funds from the General Assembly in the 2026 Regular Session to obtain the Child Support Services Program from the Cabinet for Health and Family Services, but that his

office could provide more details to Representative Lockett and his staff. The barriers he identified were related to personnel, funding, and integrating the program into the existing infrastructure.

Department of Agriculture

Commissioner Shell provided a brief overview of the department's budget. In response to Representative Lockett's question, Mr. Shell stated that the Agriculture Finance Corporation Authority has approximately \$180 million in investments. The Authority offers loans of up to \$250,000 to new and beginning farmers, with the stipulation that it can cover no more than half of the requested loan amount. These loans come with a 2.75 percent interest rate. Furthermore, the funds deposited into an interest-bearing account are nearly equal to the amount disbursed each month.

In response to questions from Representative Watkins, Mr. Shell explained that the Department of Agriculture has numerous programs aimed at supporting minority communities, women-owned businesses, and smaller farmers. These programs provide \$5,000 microloans through the Agriculture Finance Corporation Authority to help address issues related to access to capital and the transition of farmland from one generation to the next. The department works with local economic development agencies to ensure that rural and urban farms are utilized in providing products for the school districts, entertainment venues, and restaurants across Kentucky.

In response to questions from Senator Thomas, Mr. Shell said the turnover rate among employees has been an issue. It is improving, but the department continually has to recruit and retrain people for the open positions. The estimated cost is approximately \$6.8 million to reach the required point, considering the current employees and potential future employees. The department believes that agriculture is a national security issue and wants to work with the General Assembly to address all concerns in this area.

Additionally, in response to questions from Representative Jackson, Mr. Shell provided insight on ensuring new non-generational farmers have access to capital and recruitment in the agricultural field. Mr. Reed added that last week, the Agriculture Finance Corporation Authority had \$3.1 million in loans. \$2.3 million of those dollars were given to 12 new farmers.

Adjournment

There being no further business, the meeting adjourned at 10:04 AM.