

AREA DEVELOPMENT DISTRICT WORKING GROUP

Minutes of the 4th Meeting of the 2019 Interim

September 25, 2019

Call to Order and Roll Call

The 4th meeting of the Area Development District Working Group was held on Wednesday, September 25, 2019, at 10:00 AM, 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 Suzanne Miles, Co-Chair; Senator Dennis Parrett; Representative Susan Westrom.

Guests: Mike Burress, Executive Director, Lincoln Trail Area Development District (ADD); Michelle Allen, Executive Director, Kentucky River ADD; and Jason Vincent, Executive Director, Pennyriple ADD.

LRC Staff: Mark Mitchell, Jennifer Hays, and Chase O'Dell

Approval of Minutes

A motion was made, and seconded, to approve the minutes of the June 18, July 24, and August 28 meetings. The minutes were approved by voice vote.

Procedures for Grant Awards, Grant Amounts by County in Each ADD, and Owned or Leased Facilities by ADD

Mike Burress, Executive Director, Lincoln Trail Area Development District (ADD); Michelle Allen, Executive Director, Kentucky River ADD; and Jason Vincent, Executive Director, Pennyriple ADD; discussed the procedures for grant awards, grant amounts by county in each ADD, and owned or leased facilities by each ADD.

Mike Burress testified that the state General Fund has allocated \$1.98 million to the Department for Local Government (DLG) through the Joint Funding Administration (JFA) for Fiscal Year (FY) 2020. Mr. Burress continued to say that \$1,050,000 will be allocated to Kentucky through the Economic Development Administration (EDA) in FY 2020. Kentucky will receive over \$22 million in FY 2020 through the Community Development Block Grant (CDBG).

Michelle Allen testified that there are nine ADDs that fall within the Appalachian region in Kentucky. In FY 2020, \$806,158 will come through the Appalachian Regional Commission (ARC) to those ADDs.

Mr. Burress stated that the U.S. Department of Labor provides over \$32 million directly to Kentucky for workforce development.

Ms. Allen said that the aging services program contains a blend of federal and state funds. The federal funds come from the U.S. Department of Health and Human Services Administration for Community Living. The federal and state dollars both come to the Department for Aging and Independent Living (DAIL) before being divided among the ADDs. The funds are divided by an intrastate formula.

In response to a question from Senator McDaniel, Joseph Vincent stated that reporting discrepancies can depend on how an ADD reports expenses.

In response to a question from Representative Westrom, Mr. Vincent testified that waiting lists for aging services are substantial. In response to more questions, Mr. Vincent stated that the remedy would be increased funding. The waitlist from last year totaled 6,902 individuals. Mr. Vincent continued to say that the problem is spread across the state.

Mr. Vincent testified that 10 of the 15 ADDs own their main office building. Five of the ADDs lease their main office building.

In response to a question from Senator Parrett, Mr. Vincent stated that the Pennyrile ADD works directly with the Department of Veterans Affairs (VA) and provides various services for veterans. Mr. Vincent added that the Pennyrile and Lincoln Trail ADDs do a significant amount of work with soldiers transitioning out of Fort Campbell and Fort Knox.

In response to a question from Representative Miles, Mr. Vincent testified that ADDs have been involved in social programs from the beginning. In response to further questions, Mr. Burress stated that ADDs are local government, but are modeled after local, state, and federal government policy. If an ADD were not able to fulfill its financial obligations, the debts would fall to the local board.

In response to a question from Representative Westrom, Mr. Burress testified that ADDs hold annual board orientations. He continued to say that the ADDs work with various associations to provide training for board members. In response to further questions, Mr. Burress testified that there are award costs and expenditure costs for services provided. When the expenditures are higher than the award, the difference is often made up by local contributions.

Adjournment

With no further business before the working group, the meeting was adjourned.