

# **INTERIM JOINT COMMITTEE ON STATE GOVERNMENT**

## **Minutes of the 2nd Meeting of the 2021 Interim**

**July 20, 2021**

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

The second meeting of the Interim Joint Committee on State Government was held on Tuesday, July 20, 2021, at 1:00 PM, in Room 149 of the Capitol Annex. Representative Jerry T. Miller, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representatives Jerry T. Miller, Co-Chair, and Kevin D. Bratcher, Co-Chair; Senators Ralph Alvarado, Denise Harper Angel, Christian McDaniel, Morgan McGarvey, Michael J. Nemes, Adrienne Southworth, Brandon J. Storm, Damon Thayer, and Phillip Wheeler; Representatives John Blanton, Adam Bowling, McKenzie Cantrell, Jim DuPlessis, Joseph M. Fischer, Kelly Flood, Jim Gooch Jr., Derrick Graham, Richard Heath, Samara Heavrin, Mary Beth Imes, DJ Johnson, Matthew Koch, Derek Lewis, Scott Lewis, Savannah Maddox, Patti Minter, Kimberly Poore Moser, Jason Nemes, Attica Scott, Tom Smith, Nancy Tate, James Tipton, Ken Upchurch, Russell Webber, and Buddy Wheatley.

Guests: Gary Harbin and Beau Barnes, Teachers' Retirement System; John D. Minton, Jr., and Laurie Dudgeon, Kentucky Supreme Court; Ed Koebel, Cavanaugh Macdonald Consulting LLC; and Dee Pregliasco and Cindy Heine, League of Women Voters of Kentucky.

LRC Staff: Alisha Miller, Karen Powell, Daniel Carter, Brad Gross, Jennifer Hans, and Peggy Sciantarelli

### **Approval of Minutes**

A motion to approve the minutes of the June 15 meeting was seconded and passed without objection by voice vote.

### **TRS Experience Study Results**

Guest speakers were Gary Harbin, Executive Secretary, Teachers' Retirement System (TRS); Beau Barnes, TRS Deputy Executive Secretary of Operations and General Counsel; and Ed Koebel, Chief Executive Officer, Cavanaugh Macdonald Consulting LLC. Mr. Barnes' testimony included a PowerPoint presentation. In an opening statement, Mr. Harbin said that TRS asset growth this year has far outstripped by \$2 billion the growth in liabilities resulting from TRS' five-year experience study.

Mr. Barnes stressed the importance of looking at investment return in the long term. He said that TRS is a top-tier investment performer compared to other pension plans in the nation. Compared with other large public pension plans, TRS gross return for the quarter ending March 31, 2021, was 3.44 percent, which ranked in the top 49 percent (per AON ranking). One-year return was 40.86 percent, ranking in the top 3 percent nationwide. TRS 3-year, 5-year and 10-year return was 11.81 percent, 12.3 percent, and 9.86 percent, respectively—which ranked in the top 2-4 percent nationally. Compounded 30-year return was 8.45 percent. A past study by the LRC Program Review and Investigations Committee revealed that TRS investment fees are among the lowest in the nation. From 2008 to March 2021, TRS investment return totaled a net \$19.3 billion, compared to \$14 billion for an average pension plan—an outperformance of \$5.3 billion.

Mr. Barnes said that an experience study is a standard practice that is conducted by actuaries across the nation to review assumptions that they project for retirement plans. These periodic reviews are a prudent and necessary exercise by all actuaries. The assumptions help determine funding needs and sources. Most public pension plans do experience studies every five years, but actuaries look at assumptions every year for purposes of an annual valuation of gains and losses. The TRS experience study covered the five years ended June 30, 2020.

The biggest issue TRS has is its legacy unfunded liability, and TRS is grateful to the General Assembly for providing funding to pay it off. The original 30-year funding plan to pay off the legacy unfunded liability is now down to 24 years. The experience study is “forward looking,” reviewing a wealth of sources and data for both the public and private sectors. TRS’ 2021 experience study is different from past studies in its timing. This year there is understandably interest in the assumptions—how are they going to change and how much—and the actuary was able to expedite release of the study. The current fiscal year is underway, and preliminary numbers are available. TRS will be refining the preliminary numbers over the coming weeks and months to determine a final fiscal year valuation, which will hugely impact TRS’ budget request that must be presented by November 15. It is not known yet how the assumptions will potentially impact the first year of the next biennial budget to which the assumptions will apply.

The experience study does not fully consider the potential impact of the pandemic on mortality or the fact that investment returns as of last March 31 were really good. A couple of months ago, TRS reported to the Public Pension Oversight Board (PPOB) that investment return for the first nine months was 22 percent, but it is now closer to 30 percent. Gains of \$4 billion that were reported to PPOB a few months ago will actually be a little over \$5 billion. These exceptional investment returns will have a big impact on the future budget request.

Mr. Barnes said that the study does not incorporate a trend among states—North Carolina, Georgia, Mississippi, and others—to phase in changes as a result of changes in assumptions. TRS will continue discussions about this with the actuary and will likely discuss this in a future meeting with the board of trustees. The experience study, which was presented to the board at its June meeting, does not consider the impact of significant pension legislation that was enacted during the 2021 RS—HB 258. Due to that enactment, as of January 1, 2022, the Commonwealth will have no responsibility for any developing unfunded liability for new tier teachers entering the system as of January 1. In about 10 years, half of TRS active members may be in this new tier.

Changes resulting from the experience study include lowering the investment return assumption for all plans from 7.5 percent to 7.1 percent and lowering the payroll growth assumption from 3.5 percent to 2.75 percent. The payroll growth assumption is a 30-year long-term assumption that can grow as the number of teachers' increases. Mr. Barnes later said that, given TRS' investment performance, lowering the investment return assumption to 7.1 percent was a very conservative assumption.

Representative Tipton asked whether TRS anticipates a trend for costs to grow and the need for future budget requests to increase by \$40-\$50 million each biennium. Mr. Barnes said there have been modest increases in recent years, and they anticipate that there will be some increases in future years. Regarding TRS' FY 2024 budget request, Representative Tipton asked how much the changes brought about by the experience study added to the annual cost, assuming investment returns stay the same—and whether it would be reasonable to assume there will be additional annual cost to fund the \$2.95 billion increase in the pension unfunded liability. Mr. Barnes said yes, if based on the 2020 valuation, but, based on the actual numbers, they will have to “wait and see.” He is anticipating the 2021 valuation will be different because it was an exceptional year in the market and a particularly exceptional year for TRS.

Mr. Barnes discussed the new teacher-specific mortality tables, which will impact the budget request. Teachers live longer than the general population. A multi-year project by the society of actuaries to collect teacher specific mortality data has resulted in new teacher-specific mortality tables.

Representative Miller asked Mr. Koebel to comment regarding doing financial assumptions every two years rather than five years, since the assumptions would then likely be much simpler and less costly to adjust. Mr. Koebel said there has been an upward trend to examine the economic side of the equation a little more frequently but that demographic data should definitely be based on five years. Gathering just two years of demographic data is not credible enough. On the economic side, unless there are a lot of shifts in asset allocation, it is okay to look at the financial assumptions every five years. Representative Miller said he agrees with Mr. Koebel regarding the demographic data but thinks that the financial assumptions should perhaps be examined more frequently.

Mr. Barnes discussed the experience study's impact on total liabilities. As a result of the assumption changes, total liability in the Retirement Annuity Trust as of June 30, 2020, increased by \$2.95 billion. The biggest drivers for the increase were a \$1.49 billion increase in liability due to the new teacher-specific mortality tables and a \$1.65 billion increase from lowering the discount rate—or investment rate of return—to 7.1 percent. He said that if TRS continues to meet 7.5 percent or better investment return, as it is now in all measured time periods, the \$1.65 billion “goes away immediately.” He noted that lowering the total payroll growth for teachers in the Commonwealth decreased liabilities by \$400 million due to salary assumption changes. Liabilities in the Health Insurance Trust increased by \$350 million as of June 30, 2020. The main drivers were the lowering of the investment rate of return and the new mortality tables.

Mr. Barnes said that for the first year of the next two-year budget, TRS will request additional funding of \$629.4 million. That amount has already been determined because it was based on the 2020 annual valuation. The amount that is requested for the fiscal year ended June 30, 2024, will hinge on the 2021 valuation, which must be completed by November 15. When that valuation is available, TRS will have final numbers for the second year of the budget and will submit an updated budget request.

Senator Thayer said that recently the Jefferson County public school system announced a \$5,000 raise for teachers. He asked how that will affect the TRS budget request. Mr. Barnes noted that this topic is on the agenda of today's meeting of the Public Pension Oversight Board meeting. He explained that federal funds became available, which has resulted in school districts across the state giving bonuses to teachers. The bonuses range from \$300 to \$5,000 in Jefferson County, with the next largest being \$1,500. TRS is receiving contributions from those bonuses, with members paying 12.855 percent and the state paying 13.105 percent to TRS. This infusion of additional contributions was not previously anticipated by the actuary. Most of the bonuses will not be used for retirement calculation purposes because they are going to teachers who are not nearing retirement. For teachers who are close to retirement, TRS' anti-spiking statute will exclude or significantly reduce a lot of the bonus money for retirement calculation purposes. The bonuses are not expected to have significant actuarial impact. Senator Thayer said that the bonuses will increase the budget request, since the state will be required to pay 13.105 percent. The unilateral decision of the JCPS superintendent to give the bonuses means that the General Assembly will have to appropriate more money in order to make the match for a locally made decision. Mr. Barnes said that is correct. He said that when the bonuses are not used for retirement calculation purposes, those contributions are refunded both to the member and to the state. Also, the state is not responsible for federally-funded positions—approximately 10 percent of positions in the district. TRS will have to request additional dollars in the budget for the bonuses, but there will not be a significant impact on TRS liabilities.

Mr. Barnes agreed with Senator Thayer when he asked whether the additional funding from the General Assembly over the last six years allowed TRS to make more long-term investments on behalf of its members. He explained how the additional funding has positively impacted TRS' investment return. Senator Thayer emphasized that because of the decisions made by the General Assembly over the last six years, TRS has had more money to spend on longer-term investments, providing higher yields.

When Senator Thayer asked about TRS' cash flow situation as of the end of the fiscal year, Mr. Barnes responded that there had been concern about TRS' negative cash flow prior to receiving the additional funding. It would be over \$1 billion per year without the additional funding; now it is about \$350-\$400 million per year, which is in a normal range. It is normal for a mature plan to have negative cash flow, so long as it is not too high. TRS is in great shape now—getting the cash flow it needs to invest and earn money for teachers in the Commonwealth.

In response to Representative DuPlessis, Mr. Koebel confirmed that \$350 million is an acceptable amount of negative cash flow. Mr. Koebel said that for a mature system like TRS that has been saving money in a trust fund for many years, it is perfectly normal to have negative cash flow, meaning that the contributions coming in are less than the benefit payments going out. The TRS investment committee and the board of trustees are responsible for making sure that the investment earnings in the trust fund are sufficient. Actuaries look very carefully at negative cash flow, as a percentage of assets, to make sure it does not get out of hand.

Responding to a question from Representative DuPlessis regarding the need for the state to infuse \$600+ million into the system, Mr. Koebel said that TRS, like most pension systems, has an unfunded accrued liability that is paid over an amortization period—similar to a mortgage. The plan for TRS that was set by its board of trustees is to pay that over a closed 30-year period. He went on to discuss how the state's statutory contribution requirement and TRS' additional funding requests are applied.

Representative DuPlessis said that TRS continues to be one of the top performing pension plans in the country in investment return, yet still has negative cash flow without the infusion of cash from the state. He questioned whether TRS is more expensive—that is, has higher benefit payouts—compared to other pension systems. Mr. Barnes said no—it is not a function of benefits that are paid out. In regard to the benefit structure, the actuaries are recommending and asking for the normal, or actuarial, cost, plus the additional money needed to pay the pension unfunded liability. Mr. Harbin said that being 50 percent funded and not having the dollars to invest is the biggest issue. TRS is earning great investment return on 50 percent of the assets that the system needs. As the funded level grows closer to 70, 80, or 90 percent—the level of most pension plans—the easier it will be to step out of that unfunded situation. TRS will need to get more assets in the system in order to “invest its way out,” and additional contributions will be needed to do that.

Representative Nemes said that prior to the Republican administration assuming office in 2017, the General Assembly historically had not satisfied TRS' funding requests, but since 2017, the General Assembly has granted TRS 100 percent of its funding requests. Mr. Harbin said that is correct, except that it was slightly below 100 percent during the first two years. He confirmed that TRS' funding level would be much higher than 50 percent today if its funding requests had been met prior to 2017.

When Representative Miller asked about TRS' preferred way to increase assets, Mr. Harbin said they would prefer to have an additional \$100, \$200, or \$300 million coming in now. However, when the County Employees Retirement System (CERS) in the past had lowered its 7.75 percent rate of return to 6.25 percent, the city and county government budgets were not able to handle that shift immediately. The legislature then phased that in for city and county governments. TRS is looking at that same methodology.

Representative Bratcher asked how TRS benefits compare with other state pension systems. Mr. Harbin said that the retirement benefit is comparable to other states in which teachers are not subject to social security. The TRS medical benefit ranks in the top tier and has been on a prefunded basis since 2010.

Senator Alvarado asked about the funding level for the medical insurance benefit. Mr. Harbin said the health insurance trust fund now has about \$2.2 billion in assets, as of June 30, 2021, with liabilities around \$3.5 billion. It will be fully funded ahead of the 30-year schedule established in 2010, partly because significant federal dollars are being reimbursed into the plan. TRS has received over \$300 million in federal funds that were not anticipated at the time the shared responsibility program was enacted by the General Assembly in 2010. Mr. Harbin said he fears that the federal government will change that program, and TRS is constantly in contact with members of Congress about keeping the program in place. The federal dollars are an important component in funding the medical benefit. He said that costs also have been lower than projected. In 2010, medical cost per month for retirees age 65 and over was around \$300 per member; today it is \$178 per member. The success of the program is due in part because of the great job being done by TRS insurance staff to keep costs down. Through the Know Your Rx Coalition with the University of Kentucky and the University of Louisville, TRS has been able to cut drug purchasing costs by about \$13 million per year.

Mr. Barnes said the annual valuation for the year that just ended June 30 will be ready by November 15. That valuation will include fiscal year return for 2021, which was an exceptional year. FY 2021 return, preliminarily, will be 20 percent, but it could be closer to 30 percent. Return for FY 2016 will drop off; 2016 was a bad year in the market for TRS, with market value being a negative one percent.

Through the third quarter of FY 2021, the trusts collectively gained more than \$4.5 billion in assets. Net asset gains in the Retirement Annuity Trust were above \$4 billion, and Health Insurance Trust asset gains were \$509,300,000. Since then, another \$1+ billion has been added to assets in the Retirement Annuity Trust.

The pension trust funds in July 1, 1985, had assets of \$1.8 billion and, as of June 30, 2020, had grown to \$20.7 billion. During that period, member/other contributions were \$7.9 billion, and employer contributions were \$15.7 billion. Investment income was \$28.7 billion, more than member and employer contributions combined, even though during that time period TRS was closer to 50 percent than 100 percent funded. After benefit payments and refunds of \$33.2 billion and \$.2 billion for administrative expenses, the ending asset balance after those 35 years was \$20.7 billion.

When asked by Senator Thayer, Mr. Barnes confirmed that the total TRS budget request is a little over \$1 billion per year—additional funding of \$629.4 million plus about \$450 million for percentage of payroll (13.105 percent). Senator Thayer stated, therefore, that \$1 billion a year of an \$11 billion executive branch budget would be going to support teacher pensions.

Mr. Koebel responded to Representative DuPlessis when asked when negative cash flow should be considered a cause for alarm stating that the real return assumption should be enough to cover the negative cash flow. Actuaries become alarmed when plans have a negative cash flow greater than -5 percent. Under the new projection, negative cash flow for TRS is in the range of -3 percent, which is fine. There will be enough investment earnings to cover the difference.

Representative Miller asked whether Cavanaugh Macdonald (CM) is recommending a phase-in of the valuation changes. Mr. Koebel said that CM recommended to the TRS board a 7.1 percent return assumption. He acknowledged that there is a lot of phasing-in by pension plans across the country but said CM is recommending the one single rate, in accord with its actuarial standards of practice.

Discussion concluded, and Representative Miller thanked the speakers.

### **Judicial Redistricting**

John D. Minton, Jr., Chief Justice of the Kentucky Supreme Court, appeared before the committee accompanied by Laurie Dudgeon, Director, Administrative Office of the Courts (AOC). His testimony included a PowerPoint presentation.

Chief Justice Minton said that redistricting of appellate courts—Supreme Court and Court of Appeals—are governed by Kentucky Constitution Sec. 110(4). Redistricting of trial courts—circuit and district courts—are governed by Kentucky Constitution Sec. 112(2) & (3) and Sec. 113(2) & (3). Section 110, which was adopted in 1976, states that

the Court of Appeals districts existing on that date “shall constitute the initial Supreme Court districts. The General Assembly thereafter may redistrict the Commonwealth, by counties, into seven Supreme Court districts as nearly equal in population and as compact in form as possible.”

During the 2012 Regular Session, appellate redistricting was included in HB 1, which was challenged by several legislators in *Legislative Research Commission v. Fischer, et al* and later struck down by the Supreme Court. During the 2013 Special Session, the General Assembly passed HB 2, the legislative redistricting plan, but it did not include appellate redistricting. During the 2019 Regular Session, HB 496, filed by Representative Jason Nemes, presented an appellate redistricting plan. The bill was heard in committee for informational purposes only.

Chief Justice Minton said that population shifts have resulted in disparate population distribution among the current seven appellate districts. Because counties cannot be split, Jefferson County alone constitutes Supreme Court and Court of Appeals District 4. By subtracting the Jefferson County population from the estimated state population, the ideal population of the remaining six appellate districts was determined to be 616,819.

Kentucky Constitution Sections 112 and 113, adopted in January 1976, governing circuit courts and district courts, require the Supreme Court to certify the necessity to “reduce, increase, or rearrange the judicial districts” before the General Assembly can act. Districts composed of more than one county must be as compact in form as possible; counties must be contiguous; and no county can be divided. The number of circuit or district judges in each district shall be determined by the General Assembly, upon certification of necessity by the Supreme Court. There are currently 57 judicial circuits and 60 judicial districts.

Chief Justice Minton explained that the “one man, one vote” principle does not apply to the judiciary. Unlike the legislature, the state judiciary is not the body responsible for achieving representative government. Judges serve people but do not represent people. Judges must be conveniently located to the people they serve but do not have to be distributed on a per capita basis. These principles were adopted in 1972 in *Kentucky State Bar Ass’n. v. Taylor*. That opinion has not been judicially tested in Kentucky.

Chief Justice Minton said he hopes that the time has arrived to consider statewide judicial redistricting, which was last done in 1893. There have been change to the circuits and districts since then, but they have not occurred on a statewide basis. Kentucky’s judicial circuits and districts have remained largely untouched since the passage of the Judicial Article in 1976. The Judicial Article put the burden of initiating judicial redistricting and changes in the number of judges on the Supreme Court.



Chief Justice Minton said that HB 238 (2014 RS) included language in the judicial branch budget relating to realignment of circuit and district judicial boundaries. It directed the Administrative Office of the Courts (AOC) to develop and implement a weighted caseload system to precisely measure and compare judicial caseloads throughout the Commonwealth on the circuit, family, and district court levels for the purpose of recommending a plan for realigning circuit and district judicial boundaries. HB 238 stated that “this plan shall be submitted to the House and Senate Judiciary Committees by January 15, 2016.” Pursuant to that language, AOC engaged the services of the National Center for State Courts for the weighted caseload study. For redistricting of circuits and districts, the type of caseload determines workload and the distribution of judicial resources. A comprehensive, statewide judicial redistricting plan was submitted to the General Assembly in December 2016, and the Supreme Court entered a certification of necessity endorsing the changes in the plan. During the 2017 Regular Session, Senator John Schickel filed SB 9, which incorporated all the recommended changes. Representative David Meade filed HB 515, which added a family court to the 28<sup>th</sup> circuit (Lincoln, Pulaski, and Rockcastle counties) and the 54<sup>th</sup> circuit (Boone and Gallatin counties). SB 9 was not heard in committee, and HB 515 passed the House but was not heard in committee in the Senate. The 2017 session ended with no progress on judicial redistricting.

In 2018, the Supreme Court submitted to the legislature a scaled-down redistricting plan that impacted the 10 jurisdictions with the greatest need. HB 348, filed by Representative Jeff Hoover, was enacted during the 2018 Regular Session. As a result, new family judges were elected in the 28<sup>th</sup>, 54<sup>th</sup>, and 55<sup>th</sup> judicial circuits and took office January 7, 2019. Abolishment of divisions in the 31<sup>st</sup> judicial circuit and the combined 1<sup>st</sup> and 59<sup>th</sup> judicial circuits will occur in January 2023, at the end of the current term.

HB 348 required AOC to perform a weighted caseload study in 2020 and every eight years thereafter. It also required the Supreme Court to submit to the General Assembly any changes indicated by the weighted caseload analysis. AOC conducted the study, which was thoroughly examined by the Judicial Workload Assessment Committee, as well as smaller groups of district, circuit and family court judges and legislators. The Supreme Court certified the need for five changes—in the circuits with the greatest need. Legislation to implement the plan did not pass during the 2021 Regular Session. Chief Justice Minton said that appellate redistricting needs to happen. It has not happened for a long time, and there have been changes in population distribution in the Commonwealth.

Representative Nemes said that Kentucky has one of the best court systems in the country and thanked the Chief Justice for his work relating to redistricting. From Rep. Nemes’ perspective, he does not think that legislators in the House favor a piecemeal approach to adding new judges. He feels that a more comprehensive look at trial court redistricting is promising and merits support. Chief Justice Minton agreed that the approach should be comprehensive. Forty-seven counties do not have a family court, which means they are underserved. A comprehensive plan would also involve commonwealth’s

attorneys. A comprehensive statewide plan is going to require a lot of courage and statesmanship on behalf of members of the court and the General Assembly. Chief Justice Monton suggested that 2030 would be an important year relative to judicial redistricting, since that is when district judges, circuit judges, most of the Supreme Court justices, and the commonwealth's attorneys will be elected.

Representative Nemes said that he represents Jefferson and Oldham counties and that both are woefully underrepresented in the appellate courts. Kentucky Constitution Sec. 110(4) says that counties should be as nearly equal in population as possible. Jefferson County has over 750,000 people—almost 19 percent of Kentucky's population. Without splitting Jefferson County, there still are two districts—one centered in Lexington and one centered in northern Kentucky—with a population nearing 700,000. It seems to him that there are unconstitutional districts in the appellate courts. Chief Justice Minton replied to Rep. Nemes that his only guidance to legislators on redistricting would be that the Kentucky Constitution states that redistricting must be done “by county,” which would mean not dividing counties.

Representative Wheatley asked questions about the “one person, one vote” principle in relation to judicial redistricting in other states and in the Commonwealth. He commented that for legislative redistricting, the “one person, one vote” principle has set the standing for voters in Kentucky. He also stated that he agrees with a comprehensive approach for judicial redistricting. Chief Justice Minton said that the concept of “one person, one vote” in judicial redistricting has not been applied in states that have elected judges, except in the state of Louisiana, where there was a case in federal court. In general, historically the “one person, one vote” concept has not applied in judicial elections. It is the duty of the Supreme Court to assure that people's access to justice—access to the courts—is as nearly equal as possible. This would require the right number of judges in the right places so that people can be served in an efficient and effective manner and so that no one is deprived of access to courts. Some judges are overworked, some are underworked, and changes are needed.

Responding to questions from Senator Southworth, Chief Justice Minton discussed the Supreme Court's role in judicial redistricting, as required by the Kentucky Constitution. There were no additional questions, and Representative Miller thanked Chief Justice Minton for his testimony. He said that any members who have follow-up questions may submit them to LRC staff.

### **League of Women Voters of Kentucky – Redistricting Initiative**

The guest speaker was Dee Pregliasco, Vice-President and Redistricting Chair, League of Women Voters of Kentucky. She was accompanied by Cindy Heine, Legislative Liaison for the League in Kentucky. A proposed possible map entitled “Kentucky Estimated Population Changes from 2010 to 2018” was projected on the meeting room screens. The map and a letter from the League to the Interim Joint Committee on State

Government that were previously submitted by the League can be accessed on the LRC website.

Ms. Pregliasco said that the League does not support parties or candidates. It is a nonpartisan civic participation organization that takes positions on important public issues that affect democracy, and redistricting is one of those important issues. During the 2020 and 2021 legislative sessions, the League supported legislation that would have created a citizens' advisory redistricting commission and that would have required statewide public hearings to enlist citizen participation in the redistricting process. The League advocates an open and transparent process with public input and has labelled its current redistricting initiative as "Fair Maps."

Ms. Pregliasco said that gerrymandering undermines democracy, and in Kentucky both parties have engaged in gerrymandering to suit their needs. An open transparent process with public input is absolutely the better practice. Shifts in the state population have and will affect people. This is another reason to have public input into the redistricting process. She said that in December 2020, legislators were sent possible maps drawn by the League, using the 2010 census data. After the new census data is released—probably around August 16—the League will draw new maps. People all over the state may also draw possible maps.

When drawing maps, the League follows the legal rules—one person, one vote; provide racial districts of opportunity; and divide counties only when needed to meet population requirements. The League also bases its maps on simple, more compact boundaries; maintaining the integrity of county seats; and the League's long-standing policy of indifference to incumbents.

Ms. Pregliasco said that people in the Commonwealth care about redistricting. When giving redistricting educational programs throughout the state, the League has been struck by citizens' interest and how they have felt left out of a process that affects them daily. With citizen involvement, there is less chance of anger being directed toward elected officials and the possibility of expensive litigation. In closing, she emphasized that the League supports citizens having a role in an open and transparent process, for the good of the Commonwealth.

Representative Miller expressed appreciation for the maps that were provided by the League in December. He said they provoked a lot of discussion, and he looks forward to receiving the League's maps that are drawn based on the new data. There was no further business, and the meeting was adjourned at 3:00 p.m.