

**Local Mandate Fiscal Impact Estimate
Kentucky Legislative Research Commission
2016 Regular Session**

Part I: Measure Information

Bill Request #: 1364

Bill #: HB 438 GA

Bill Subject/Title: AN ACT relating to area development districts

Sponsor: Representative Brent Yonts

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local
Government

Office(s) Impacted: No local government offices would be impacted

Requirement: Mandatory Optional

Effect on

Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Purpose and Mechanics

The purpose of HB 438 GA is to bring more transparency and accountability to the hiring, salaries, and financial operations of the 15 Kentucky Area Development Districts (“ADDs”), with oversight by the Legislative Research Commission (“LRC”). Section 1 of the bill would amend KRS 147A.070 to establish: requirements for advertising a vacant executive director position for an ADD, a prohibition on bonuses, awards, or other one time salary adjustments to an employee’s compensation, and to establish that the board, its committees, and staff must comply with federal and state procurement laws, conflict of interest laws, and laws prohibiting reprisal against employees. Section 2 of the bill would require, following any year the Cabinet for Health and Family Services (“CHFS”) and the Education and Workforce Development Cabinet award federal or state money to an ADD, that those agencies submit a detailed financial report to the LRC and the ADD board members. The report would be required to include the total amount of state and federal funds awarded to each ADD, the amount of each award allocated to administrative and other costs, how much of each award was not spent, and why. The report would also be required to identify direct services provided by the ADD and the performance measures used to evaluate the ADD’s actions. The LRC would be responsible for distributing the report to relevant Interim Joint Legislative Committees

and to each budget review subcommittee with jurisdiction over CHFS and the Education and Workforce Development Cabinet.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

HB 438 GA would have no fiscal impact on local governments.

Area Development Districts are not funded by local governments, but with federal and state funds. Therefore, the minimal additional cost to an ADD resulting from the requirement in HB 438 GA for website and newspaper advertisement to fill a vacant executive director position would not fall on the local government.

Data Source(s): Kentucky League of Cities, LRC staff, Kentucky Revised Statutes

Preparer: Mary Stephens **Reviewer:** JWN **Date:** 3/24/16