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Judiciary committee discusses child support for children of DUI victims

by Jordan Hensley - LRC Public Information

FRANKFORT— A Tennessee state representative spoke with Kentucky lawmakers on June 9 about a new Tennessee law requiring people convicted of vehicular homicide due to intoxication to pay child support to each of the victim's children.

Tennessee Rep. Mark Hall, R-Cleveland, testified before the Interim Joint Committee on Judiciary that Tennessee was the first state to pass this type of law, and at least 14 other states have proposed similar legislation.

Hall said he believes the bill, Tennessee House Bill 1834, is a “common sense approach” to addressing driving while intoxicated offenders.

“(The law) does two things. It protects our greatest resource, which is our children, and also holds the drunk drivers accountable,” Hall said.

Senate President Robert Stivers, R-Manchester, asked Hall if a wrongful death lawsuit would offset some of the child support obligation or not. Committee co-chair Rep. C. Ed Massey, R-Helton, questioned how the bill requires the person to make the payments.

“The person may be incarcerated, etc., and may not have any financials to (make payments). Some could say it's an empty shell, but is there like a restitution order that would go with that?” Massey asked.



Senate President Robert Stivers, R-Manchester, asks a Tennessee state representative a question during the Interim Joint Committee on Judiciary meeting on June 9.

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DUI victims,

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Hall had a similar answer to both questions. Tennessee's law is open-ended, which gives the district attorneys and judges discretion to decide whether or not a child support order would be appropriate on a case-by-case basis, he said.

Payments, however, would not begin until one year after incarceration. Hall said there will be a formula in place much like the one used in divorce proceedings to determine payment amounts.

Sen. Karen Berg, D-Louisville, asked if a person who can't afford to pay the child support would be charged with another crime.

"My concern is that we're basically jailing people who have less money and

not jailing people who can afford this verdict," Berg said.

Massey said under Kentucky law, if the amount owed reached \$5,000 and was a contemptible arrearage then the person could be put in jail.

Since the Kentucky General Assembly adjourned on April 14, legislators cannot file or take action on any new bills until the 2023 legislative session begins on Jan. 3. Massey said Thursday's discussion with Hall was for the committee to find out more about Tennessee's law as lawmakers consider whether or not they want to pursue similar legislation next year.

The next Interim Joint Committee on Judiciary is currently scheduled for July 7 at 11 a.m.

Education committee shares teacher recruitment and retention ideas, concerns

by Jordan Hensley - LRC Public Information

FRANKFORT — A teacher shortage crisis could be on the horizon, and the Kentucky General Assembly is already looking at ways to confront the issue.

Kentucky Department of Education Commissioner Jason Glass testified before the Interim Joint Committee on Education on June 7 to discuss ways Kentucky can improve teacher recruitment and retention efforts.

Glass said about 72% of teachers in Kentucky – about 42,000 – are at-risk of leaving the profession. Groups that are considered "at-risk" include teachers who are eligible to retire, teachers who retired and came back to the classroom, and teachers with less than five years of experience.

Rep. Killian Timoney, R-Lexington, said the teacher shortage is a national trend Kentucky needs to "get out in front of." One of his suggestions included recruiting unemployed, qualified teachers from other states.

"If we're going to move Kentucky forward, we definitely need to be aggressive about pursuing those teachers," Timoney added.



Rep. Killian Timoney, R-Lexington, shares his concerns on the possible teacher shortage during the Interim Joint Committee on Education meeting on June 7.

Glass's presentation to the committee included a list of ideas to improve teacher recruitment and retention in the Commonwealth. Addressing the compensation crisis, increasing the desirability of teaching, paying student teachers, creating new scholarships and offering grants were on the list.

Timoney, who is an educator, said student teaching was a difficult time for him since it was unpaid and student teachers are often not allowed to work other jobs.

"There's a fiscal demand there that we need to address, so I support that idea," Timoney said.

During the discussion, Sen. Danny Carroll, R-Benton, posed a different question. He asked Glass what the legislature can do to improve its relationship and perception among Kentucky teachers.

"I think there is often a perception within the teaching profession that the legislature doesn't care and that couldn't be further from the truth," Carroll said.

To keep fostering a positive relationship with

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Legislative committee hears update on infant formula shortage

by Jordan Hensley - LRC Public Information

COVINGTON — State public health leaders testified before the Interim Joint Committee for Health, Welfare and Family Services in Covington this month on how they're helping Kentucky families locate infant formula.

In February, Abbott Nutrition, an infant formula manufacturer, issued a recall of some of its powdered formula products following reports that four infants were hospitalized and two died due to a bacterial infection, according to the U.S. Food and Drug Administration.

This recall has led to a dangerous nationwide infant formula shortage. Kentucky lawmakers are monitoring the shortage closely as supplies continue to dwindle across the Commonwealth.

During the hearing on June 2, committee co-chair Rep. Kimberly Poore Moser, R-Taylor Mill, said she has reached out to the Kentucky Attorney General's Office about price gouging concerns. She also contacted the state Agriculture Commissioner, who has offered to call for donations through his Kentucky Hunger Initiative, she said.

"I would encourage you, the Cabinet (for Health and Family Services), to work with the AG department to see maybe how we can filter some of those donations out to our families," Moser said.

On the retail front, Shannon Stiglitz, senior vice president for government affairs for the Kentucky Retail Federation, said retailers have worked to minimize theft and panic buying by securing infant formula on the shelves and placing limits on how much powdered formula can be purchased at one time.

The federal government is working to fix the supply chain issue by shipping in formula from other countries, but getting those products on the shelves is going to take some time as the products are inspected.

On the state level, Eric Friedlander, secretary for the Kentucky Cabinet for Health and Family Services, said the state is looking at taking back formula and redistributing.



Friedlander said he encourages families to check out online resources to locate formula such as the U.S. Department of Health and Human Services website at hhs.gov/formula. Doctors' offices may also have infant formula samples to give to families.

For families who qualify for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the infant formula shortage has been particularly difficult due to the program's strict guidelines, one presenter reported.

Sara Jo Best, public health director for Lincoln Trail District Health Department, said there are nearly 108,000 WIC participants in Kentucky. Prior to the recall, Kentucky's WIC participants could only purchase Abbott Nutrition formula due to a contract the state has with the company. Struggles in supply however, were being seen as early as November, she added.

"The Kentucky Department for Public Health began to create temporary choices for larger powdered cans of formula and expanded formula packed choices to assist families affected by both the shortage and the recall," Best

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Education committee, from page 2

teachers, Glass suggested the legislature continue to fund and increase money for education. Glass also mentioned some teachers feel like they're being targeted or blamed for some of society's problems.

"The legislature really has to consider our teachers in Kentucky and our teachers that are in your communities. What is the language that we're using around them and is this going to make them feel supported, valued, where we can keep attracting people into teaching and keep those great teachers in our communities?" Glass said.

One obstacle facing teachers is the Praxis teacher certification exam. Glass said the Praxis is expensive to take and can be difficult to pass.

Rep. Kim Banta, R-Ft. Mitchell, questioned the relevancy of the Praxis and whether or not Kentucky can pursue other avenues to measure qualifications without sacrificing quality. Glass said there are an "abundance" of opinions on the Praxis and different ideas on alternatives.

In closing, committee co-chair Rep. Regina Huff,

R-Williamsburg, asked her fellow lawmakers to be mindful when considering ways to make the teaching profession more accessible.

"Although I know we're trying to meet the needs, I just want to make sure that we keep the quality and the standards that are expected for the teachers," she said.

The next Interim Joint Committee on Education meeting is currently scheduled for July 15 at 10 a.m.



2022 Kentucky General Assembly

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Formula shortage, from page 3

said. “Flexibility within the program continued to expand as the problem worsened.”

In addition to expanding options, health departments across the Commonwealth also worked to alert all families to the recall and to warn them about the dangers of making formula at home, giving infants cow’s milk or other milk substitute products, and purchasing formula online.

Rep. Danny Bentley, R-Russell, asked Friedlander if infant formula being sold on the black market is a concern. Friedlander said CHFS has been alerted to some infant formula scams.

Sen. Danny Carroll, R-Benton, said he has concerns about prescription formula supplies. Friedlander responded that the cabinet is working hard to try to meet the needs of those families.

“We have this specialized formula we think we have been able to prioritize,” Friedlander said. “We have worked some with health departments. We’ve worked some with pharmacies, and so we feel like we’ve been able to get by on that. But it is a concern.”

Committee co-chair Sen. Ralph Alvarado, R-Winchester, who is a physician, encouraged new mothers and soon-to-be mothers to breastfeed.

“You can provide your child with the nutrition that it needs, probably the best nutrition that your baby can have, so I would encourage moms to think about that,” he said.

The next Interim Joint Committee on Health, Welfare and Family Services meeting is currently scheduled for 1 p.m. on July 20 in Frankfort.



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Committee Meetings

Legislative Research Commission Minutes of the 571st Meeting

June 1, 2022

Call to Order and Roll Call

The 571st meeting of the Legislative Research Commission was held on Wednesday, June 1, 2022, at 1:30 PM, in Room 125 of the Capitol Annex. Senator Robert Stivers, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robert Stivers, Co-Chair; Representative David W. Osborne, Co-Chair; Senators Julie Raque Adams, Morgan McGarvey, Reginald Thomas, and Mike Wilson; Representatives Angie Hatton, Joni L. Jenkins, Chad McCoy, David Meade, Suzanne Miles, and Steven Rudy.

LRC Staff: Jay Hartz and Christy Glass.

There being a quorum present, Senator Stivers called for a motion to approve the minutes of the November 10, 2021, meeting; accept as indicated items A. through H. under Staff and Committee Reports; refer administrative regulations as indicated and approve items B. through M. under New Business; and accept and refer as indicated items 1 through 49 under Communications.

Senator Thomas said he understands a decision was made not to permit members to attend meetings by Zoom during the 2022 interim, and he would ask that the decision would be revisited. He said there may valid reasons why a member may not be able to participate in a meeting in person, but could do so by Zoom, such as medical reasons. Senator Stivers said he thinks there are some exceptions for medical purposes, such as a positive COVID test. He said they would go back through it, but that the reasoning and rationale are that they are elected to be there attending meetings.

A motion was made by Representative Rudy and seconded by Senator Wilson, to approve, accept, or refer the following items and a roll call vote was taken.

Minutes of the November 10, 2021, MEETING

STAFF AND COMMITTEE REPORTS

Committee Activity Reports since November 2021.

Report of the Administrative Regulations Review Subcommittee meetings on November 9 and December 9, 2021, and January 10, February 7, March 7, April 13, and May 10, 2022.

Committee review of administrative regulations by the Interim Joint Committee on Health, Welfare, and Family Services during its meetings on November 23 and December 15, 2021.

Committee review of administrative regulations

by the Interim Joint Committee on Transportation during its meeting on November 15, 2021.

From Senator David Givens and Representative Samara Heavrin, Co-chairs of the Commission on Race and Access to Opportunity: 2021 Final Report.

Committee review of administrative regulations by the Senate Standing Committee on Health and Welfare during its meetings on January 12, February 9, and March 9, 2022.

Committee review of administrative regulations by the House Standing Committee on Health and Family Services during its meetings on January 13, February 10, and March 10, 2022.

Committee review of FY 2021 Small Cities Community Development Block Grant and Section 108 Loan Guarantee Program Application by the Senate Standing Committee on State and Local Government and the House Standing Committee on Local Government during their meeting on March 2, 2022.

NEW BUSINESS

Referral of administrative regulations to the following committees for a secondary review pursuant to KRS 13A.290(6): 803 KAR 001:026 (Equal pay provisions, meaning and application), 803 KAR 001:061 (Overtime pay requirements), 803 KAR 001:064 (Trading time), 803 KAR 001:067 (Hours worked), 803 KAR 001:068 (Recordkeeping requirements), 803 KAR 001:071 (Executive, administrative, supervisory or professional employees; salesmen), 803 KAR 001:076 (Exclusions from minimum wage and overtime), 803 KAR 001:081 (Board, lodging, gratuities and other allowances) and 803 KAR 001:091 (Workers with Disabilities and Work Activities Centers' employee's wages) to Economic Development and Workforce Investment; 702 KAR 003:090 (Depository of board, collateral), 704 KAR 007:170 (Corporal punishment), 704 KAR 019:002 (Alternative education programs) and 780 KAR 003:020 (Compensation plan) to Education; 201 KAR 002:440 (Legend drug repository), 201 KAR 017:110 (Telehealth and telepractice), 201 KAR 020:260E (Organization and administration standards for prelicensure registered nurse or practical nurse programs of nursing), 201 KAR 020:480E (Licensure of graduates of foreign nursing schools), 201 KAR 020:480 (Licensure of graduates of foreign nursing schools), 201 KAR 022:020 (Eligibility and credentialing procedure), 201 KAR 022:070 (Requirements for foreign-educated physical therapists and physical therapist assistants), 201 KAR 022:170 (Physical Therapy Compact Commission), 201 KAR 033:015 (Application; approved programs), 201 KAR 035:070 (Supervision experience), 201 KAR 046:060

(Continuing education requirements), 908 KAR 003:010E (Patient's rights), 922 KAR 001:470 (Central registry) and 922 KAR 002:280 (Background checks for child care staff members, reporting requirements, and appeals) to Health, Welfare, and Family Services; 301 KAR 004:010 (Districts), 301 KAR 004:020 (Ballard Wildlife Management Area restrictions), 301 KAR 004:100 (Peabody Wildlife Management Area use requirements and restrictions), and 301 KAR 004:110 (Administration of drugs to wildlife) to Natural Resources and Energy; 009 KAR 001:070 (Standards of ethical conduct for transition team members and disclosure form) to State Government.

From Senate President Robert Stivers and House Speaker David Osborne: Revised 2022 Regular Session Calendar.

From Senate President Robert Stivers and House Speaker David Osborne: Revised 2022 Regular Session Calendar.

From Senate President Robert Stivers and House Speaker David Osborne: Revised 2022 Regular Session Calendar.

From Representative Killian Timoney: Memorandum requesting approval for and formation of the American-Irish Caucus.

From Senator Max Wise and Representative Jerry Miller: Memorandum requesting approval for and formation of the Kentucky History Caucus.

From Senate President Robert Stivers and House Speaker David Osborne: Revised 2022 Regular Session Calendar.

From Senate President Robert Stivers and House Speaker David Osborne: Memorandum authorizing the 2022 Interim Joint Committee Regular Meeting Schedule.

From Senate President Robert Stivers and House Speaker David Osborne: Memorandum directing the Director of the Legislative Research Commission to assign appropriate nonpartisan staff to conduct a study during the 2022 Interim examining costs, mechanisms for, and benefits of implementing an ARM for public utilities regulated by the Public Service Commission.

From Jay D. Hartz, Director: Memorandum recommending that Marcia Seiler be appointed as Deputy Director of the Office of Education Accountability in accordance with KRS 7.410.

From Senate President Robert Stivers and House Speaker David Osborne: Memorandum appointing Representative Kevin Bratcher to the Interim Joint Committee on Veterans, Military Affairs and Public Protection.

From Senate President Robert Stivers and House Speaker David Osborne: Memorandum appointing membership to the Budget Review Subcommittee on Transportation and the Budget Review Subcommittee on Human Resources of the Interim Joint Committee on Appropriations and Revenue.

From Senate President Robert Stivers and House Speaker David Osborne: Memorandum approving Interim Joint Committees to hold out-of-town meetings

at the Kentucky State Fair on August 25.

COMMUNICATIONS

From the Finance and Administration Cabinet, Office of the Controller: Surtax Receipts Statements for the Law Enforcement and Professional Firefighters Foundation Fund Programs, which reflect activity for Accounting Periods 4, 5, 6, 7, 8, 9, and 10, and year-to-date activity for the period of October 1, 2021, through April 30, 2022. Pursuant to KRS 42.190.

From the Office of the Attorney General: Constitutional Challenge Reports for the months of April, May, June, July, August, and September 2021. Pursuant to KRS 418.075(3).

From the Cabinet for Economic Development: Construction activity reports for each loan approved as of the quarters ending December 31, 2021, and March 31, 2022. Pursuant to KRS 154.20-150.

From the Kentucky Teachers' Retirement System: FY 2021 Report of the Actuary on the Annual Valuation of the Retirement Annuity Trust.

From the Kentucky Teachers' Retirement System: FY 2021 Report of the Actuary on the Annual Valuation of the Retiree Health and Life Insurance Trusts.

From the Auditor of Public Accounts: 2021 Report of the Audit of the Kentucky Artisan Center at Berea.

From the Department of Fish and Wildlife: 2021 Annual Professional Standards Update. Pursuant to KRS 235.312.

From the Cabinet for Health and Family Services: Social Service Worker Caseload Averages Report for the months July through December 2021, and January through March 2022. Pursuant to KRS 199.461(4).

From Kentucky Employers' Mutual Insurance Authority: Quarterly Statements and Financial Status for the periods ending September 30, 2021, and March 31, 2022. Pursuant to KRS 342.813 and KRS 342.821.

From the Teachers Retirement System: Financial Statements and Audit Report for June 30, 2021, and 2020.

From the Commonwealth Office of Technology: 2021 Blockchain Technology Working Group Annual Report. Pursuant to KRS 42.747.

From Northern Kentucky University: 2021 Annual Financial Report.

From Finance and Administration, Division of Fleet Management: 2021 Alternative Fuel Vehicle Report. Pursuant to KRS 45A.625.

From the Judicial Form Retirement System: 2022 Biennium Cost of Living Adjustment Advise. Pursuant to KRS 21.405(5)(b).

From the Cabinet for Health and Family Services: 2021 Annual Report on Committed Children. Pursuant to KRS 194A.365.

From the Legislative Ethics Commission: FY 21 Annual Report. Pursuant to KRS 6.666(16).

From the Cabinet for Health and Family Services

and the Personnel Cabinet: 2021 Diabetes Report and 2021 Diabetes Report Executive Summary. Pursuant to KRS 211.752.

From the Justice and Public Safety Cabinet: 21RS HB 192, 1st Quarter Substance Abuse Treatment and Job Training Pilot Report.

From the Justice and Public Safety Cabinet: 21 RS HB 192 1st Quarter County Jail Incentive Program Report.

From the Justice and Public Safety Cabinet: 21 RS HB 192 1st Quarter Population Management Report.

From the Cabinet for Health and Family Services: Report of the Use of American Rescue Plan Act of 2021 funds. Pursuant to SS21 SB 3.

From the Kentucky Personnel Cabinet: Kentucky Employees' Health Plan Twenty-First Annual Report. Pursuant to KRS 18A.226(5)(b).

From the Cabinet for Health and Family Services: 2021 Child Care Advisory Council's Annual Report. Pursuant to KRS 199.8983.

From the Cabinet for Health and Family Services: 2021 Kentucky Elder Abuse Report. Pursuant to KRS 209.005(4).

From the Cabinet for Health and Family Services: 2021 Pharmacy Benefits Report.

From the Cabinet for Health and Family Services: 2021 Child Fatality Review Report. Pursuant to KRS 211.684.

From the Cabinet for Health and Family Services: 2020-2021 Telehealth Report.

From the Auditor of Public Accounts: 21-22 Biennial Report on Kentucky Employers' Mutual Insurance Authority. Pursuant to KRS 342.843(5).

From the Energy and Environment Cabinet, Department for Environmental Protection: FY21 Waste Tire Program Annual Report. Pursuant to KRS 224.50-872.

From the Justice and Public Safety Cabinet: 2021 Reentry Drug Supervision Annual Report. Pursuant to KRS 439.651.

2021 Child Fatality and Near Fatality External Review Panel Annual Report.

From the Cabinet for Health and Family Services: FY22 Family Resource or Youth Service Centers 70% Budget Annual Report.

From the Cabinet for Health and Family Services: 2022 Kentucky Eating Disorder Council Annual Report. Pursuant to KRS 210.051(9).

From the Auditor of Public Accounts: FY 21 Report of the Statewide Single Audit of the Commonwealth of Kentucky, Volume I.

From the Kentucky Employers' Mutual Insurance Authority: 2021 Annual Statement.

From the Kentucky Employers' Mutual Insurance Authority: 2021 Statement of Actuarial Opinion.

From the Administrative Office of the Courts: 2021 Citizen Foster Care Review Board Annual Report. Pursuant to KRS 620.320.

From the Louisville Firefighters Pension Fund:

2022 Actuarial Report. Pursuant to KRS 65.156.

From the Justice and Public Safety Cabinet: 2021 Restrictive Housing Annual Report.

From the Kentucky Employers' Mutual Insurance Authority: 2021 Management's Discussion and Analysis with Supplementary Schedules.

From the Kentucky Personnel Cabinet: March 2022 Semi-Annual Report listing all filled positions. Pursuant to KRS 18A.030(6).

From the Kentucky Personnel Board: FY21 Annual Report.

From the Auditor of Public Accounts: 2022 Examination of Certain Financial Operations and Internal Policies and Controls of the City of London and the City of London Tourism and Convention Commission.

From the Kentucky Eating Disorder Council: 2022 Annual Report. Pursuant to KRS 210.051.

From the Auditor of Public Accounts: 2021 Report of the Audit of the Fish and Game Fund of the Kentucky Department of Fish and Wildlife Resources.

From the Kentucky Personnel Cabinet: Quarterly report as of March 31, 2022, which lists the number of all full-time classified (merit) and unclassified (non-merit) employees. Pursuant to KRS 61.392.

From Kentucky Employers' Mutual Insurance Authority: Statutory Basis Financial Statements for the years ended 2021 and 2020.

From the Department of Revenue: 2022 Real Estate Exemption List.

From the Auditor of Public Accounts: FY21 Report of the Audit of the Kentucky Board of Nursing.

The motion passed unanimously.

There being no further business, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 1st Meeting of the 2022 Interim

June 2, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on Thursday, June 2, 2022, at 9:00 AM, in Covington, KY at the Northern Kentucky Convention Center. Senator Wil Schroder, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Wil Schroder, Co-Chair; Representative Russell Webber, Co-Chair; Senators Christian McDaniel, Robby Mills, Adrienne Southworth, Brandon J. Storm, Reginald Thomas, Phillip Wheeler, Mike Wilson, and David Yates; Representatives Kim Banta, Lynn Bechler, Tina Bojanowski, Josh Bray, George Brown Jr., Josh Calloway, McKenzie Cantrell, Daniel Elliott, Chris

Freeland, Al Gentry, Mark Hart, Thomas Huff, DJ Johnson, Kim King, William Lawrence, Matt Lockett, Bart Rowland, Steve Sheldon, and Timmy Truett.

Guests: Brent Cooper, President and CEO, Northern Kentucky Chamber of Commerce; Seth Cutter, Director of Communications and Government Affairs, Cincinnati/Northern Kentucky International Airport; Brian Miller, Executive Director, Building Industry Association of Northern Kentucky; Vicki Berling, Director of Professional Development, Enzweiler Building Institute; Representative Susan Westrom; Representative Buddy Wheatley; and Matt Lenz, Director of State Government Affairs, Entertainment Software Association.

LRC Staff: Janine Coy, Audrey Ernstberger, Crystal Thompson, and Sasche Allen.

Northern Kentucky Chamber of Commerce

Brent Cooper, President and CEO of the Northern Kentucky Chamber of Commerce, welcomed members to Northern Kentucky. He highlighted some of the key industries in the area such as advanced manufacturing, healthcare, information technology, supply chain logistics and distribution, and construction. He stated these industries and many small businesses are struggling to attract and retain employees.

Update on Sustainable Aviation Fuel (SAF) Development

Seth Cutter, Director of Communications and Government Affairs at Cincinnati/Northern Kentucky International Airport and a representative of the Kentucky Sustainable Aviation Fuels Coalition, discussed the potential economic impact of manufacturing Sustainable Aviation Fuel (SAF) in the Commonwealth.

SAF is a biofuel used to power aircrafts and has comparable properties to conventional jet fuel but with a smaller carbon footprint. It can be comingled with jet fuel and is produced using the same infrastructure. There are currently seven approved production pathways for biofuel made from the following base materials: solid wastes, hardwood residues or resins, and oils and greases. Supporting SAF production would combine the energy and aviation industries and could have a major economic impact in Kentucky that few other states experience due to the existing energy and aviation infrastructures already in place throughout the Commonwealth.

Legislative incentives for alternative fuels were enacted during previous legislative sessions. During the 2022 Regular Session, SB 323 was introduced and aimed to spur SAF production by proposing a \$2.50 per gallon tax credit for SAF used and produced in the state and a \$2 per gallon tax credit for SAF consumed in but not produced in the Commonwealth. The bill also proposed creating a SAF-specific program that involved a \$10 million appropriation to the Kentucky Economic Development Finance Authority (KEDFA)

to use as forgivable loan funding for SAF facility projects with a minimum capital investment of \$100 million. According to Mr. Cutter, production of SAF would create more air service and cargo development, jobs in a newly formed industry, spur synergies with existing state industries, and make Kentucky a global leader in the field.

Answering a question from Representative Kirk-McCormick, Mr. Cutter explained that the only approved fuel types for commercial aircrafts are jet fuel and SAF, but natural gas is used to power some ground support equipment. Replying to a follow up, he stated the current cost of jet fuel is approximately \$2.15 a gallon.

Responding to Representative Gentry, Mr. Cutter confirmed that SAF stands for sustainable aviation fuel, it is an alternate to traditional jet fuel and is comprised of a reusable base material.

Workforce Development in the Construction Trades

Brian Miller, Executive Director of the Building Industry Association of Northern Kentucky, and Vicki Berling, Director of Professional Development for the Enzweiler Building Institute, gave an overview of the construction industry in the region. Despite growth in the industry and increasing wages, there is a critical shortage of workers across the skilled trades. In the next ten years, the Greater Cincinnati area will need about 65,000 new workers to enter the construction industry.

The Building Industry Association of Northern Kentucky is trying to combat the workforce shortage by encouraging the approach used by the Enzweiler Building Institute which provides apprentice style training in the skilled construction trades. Areas of training include carpentry, welding, masonry, HVAC, plumbing, electric, and diesel mechanics. A high school program that involves exposure to all the major trades is also offered, as well as events and presentations for elementary and middle school aged children.

Ms. Berling discussed the following challenges facing the Building Industry Association of Northern Kentucky and Enzweiler Building Institute: the state's narrow definition of "career ready," finding and certifying instructors, high workers' compensation rates for high school students participating in work based learning, stringent licensure laws, finding funding resources for transportation and tuition, and Kentucky Educational Excellence Scholarship (KEES) monies not being applicable to all programs. Mr. Miller presented some recommendations that included incorporating the Home Builders Association curriculum into the state's career readiness definitions, removing barriers for field professionals to teach, convening employers to discuss ways to increase involvement, revising state statutes pertaining to licensures, and allowing KEES monies to be used in any state recognized program in high impact career

areas.

Representative Bojanowski expressed her hesitancy about presenting the idea of a career in trades to elementary and middle school age children and encouraged further development of post-graduation success rates as an accountability measure for the Enzweiler Building Institute.

Answering a question from Representative Brown, Ms. Berling stated that the Enzweiler Building Institute aims to increase enrollment of women and minorities by offering scholarships and having targeted events such as Women in Construction Week. Representative Brown also commented about offering opportunities for individuals with criminal records who are reentering the workforce.

Discussion of HB 106 2022 Regular Session - AN act relating to the termination of automatic renewal offers and continuous service offers.

HB 106 was filed during the 2022 Regular Session after Representative Susan Westrom had issues recovering funds from an online florist that used an automatic subscription renewal without her knowledge. In addition, she also received calls from constituents expressing that they too experienced similar problems. The introduced bill put in place stricter consumer protections by clearly defining “affirmative consent,” “automatic renewal,” “automatic renewal offer terms,” “clean and conspicuous,” “continuous service,” “continuous service offer terms,” “gift membership,” “gift subscription,” “material change,” “membership,” “purchasing agreement,” and “subscription.” Five other states passed similar legislation in 2022, and the Federal Trade Commission has released directives for automatic renewal policies. Matt Lenz, Director of State Government Affairs with the Entertainment Software Association, testified about his organization’s concerns with the bill including the notification, payment method, and cancellation sections.

Replying to a question from Senator Schroder, Mr. Lenz confirmed that there were five states that passed automatic renewal legislation in 2022 and 18 total states have similar legislation in place. These states have varying degrees of comparable language to HB 106. He said Tennessee’s automatic renewal laws would be helpful to refer to when moving forward with the legislation in the future.

Representative Roberts expressed her concern that, as a small business owner offering automatic renewal services through a third party provider, the bill would make her business unfairly liable. She asked for confirmation that the bill would take into consideration small business owners with similar contracts in place.

There being no further business, the meeting adjourned at 10:00 a.m.

INTERIM JOINT COMMITTEE ON HEALTH, WELFARE, AND FAMILY SERVICES

Minutes of the 8th Meeting of the 2021 Interim

December 15, 2021

Call to Order and Roll Call

The 8th meeting of the Interim Joint Committee on Health, Welfare, and Family Services was held on Wednesday, December 15, 2021, at 1:00 PM, in Room 149 of the Capitol Annex. Representative Kimberly Poore Moser, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ralph Alvarado, Co-Chair; Representative Kimberly Poore Moser, Co-Chair; Senators Julie Raque Adams, Karen Berg, Danny Carroll, David P. Givens, Denise Harper Angel, Jason Howell, Alice Forgy Kerr, Stephen Meredith, and Michael J. Nemes; Representatives Danny Bentley, Adam Bowling, Josh Bray, Tom Burch, Ryan Dotson, Daniel Elliott, Ken Fleming, Deanna Frazier Gordon, Mary Lou Marzian, Melinda Gibbons Prunty, Felicia Rabourn, Josie Raymond, Steve Riley, Scott Sharp, Nancy Tate, Russell Webber, and Lisa Willner.

Guests: Marta Miranda-Straub, Commissioner, Lesa Dennis, Deputy Commissioner, Mary Carpenter, Division Director, Department for Community Based Services, Cabinet for Health and Family Services; Eric Friedlander, Secretary, Cabinet for Health and Family Services; Jeffrey R. Prather, General Counsel, Office of Legal Services, Kelly Jenkins, Executive Director, Kentucky Board of Nursing; Jim Musser, Vice President, Policy and Government Relations, Kentucky Hospital Association; Julie Babbage, Chief Executive Officer, Diabetes Patient Action Coalition; Bob Babbage, Managing Partner, Rebecca Hartsough, Senior Policy Advisor, Babbage Cofounder; Addia Wuchner, Executive Director, Kentucky Right to Life Association; Ingrid Skop, M.D., Associate Scholar, Charlotte Lozier Institute; Jackie McGranahan, ACLU of Kentucky; Dr. Latisha Frazier, OBGYN, Resident Physician, University of Louisville; Tamarra Weider, Planned Parenthood; and John Bingham, Resident Physician, University of Kentucky.

LRC Staff: DeeAnn Wenk, Ben Payne, Chris Joffrion, Samir Nasir, Becky Lancaster, and Hillary Abbott.

Approval of Minutes

A motion to approve the minutes of the November 23, 2021, meeting was made by Representative Bentley, seconded by Representative Bowling, and approved by voice vote.

Children in Out-of-Home Placement Report

Mary Carpenter, Division Director, Department for Community Based Services (DCBS), Cabinet

for Health and Family Services (CHFS), testified regarding information found in the 2021 Annual Report on Committed Children. She discussed the number of committed children, their related placement goals, and the average cost for a child in out-of-home care.

In response to questions and comments from Representative Moser, Ms. Carpenter stated the focus on prevention services has impacted the number of children coming into state care. She stated that private agencies are working with DCBS and some are providing prevention services to keep children in the least restrictive environments.

In response to questions and comments from Representative Burch, Ms. Carpenter stated there are over 100 children placed into care out-of-state. She stated that the approximate cost per day for each child in out-of-home care is \$71.18. She stated that prevention services are impacting the decrease of children in out-of-home care.

Consideration of Referred Administrative Regulations

The following referred administrative regulations were placed on the agenda for consideration: **201 KAR 002:050 Proposed** - Licenses and permits; fees; **201 KAR 002:076 Proposed** - Compounding; **201 KAR 006:020 Proposed** - Other requirements for licensure; **201 KAR 008:520 Proposed** - Fees and fines; **922 KAR 002:160 Proposed** - Child Care Assistance Program; and **923 KAR 002:470 Proposed** - Disability Determinations Program. The administrative regulations above have been reviewed by the committee.

The following referred administrative regulation with amendments was placed on the agenda for consideration: **900 KAR 012:005 Emergency** - Telehealth terminology and requirements. There was an agency amendment offered by the Office of Health Data and Analytics with the Cabinet for Health and Family Services. Senator Alvarado explained how the agency amendment would change the regulation. A motion to accept the agency amendment was made by Senator Alvarado, seconded by Senator Nemes, and approved by voice vote. The agency amendment was accepted by the committee.

Social Worker Raise Update

Eric Friedlander, Secretary, Cabinet for Health and Family Services, testified that CHFS was in an acute situation regarding the loss of social workers. He discussed the challenges to attract and retain workers. He stated that CHFS is increasing the entry level salary to attract more workers.

In response to questions and comments from Senator Alvarado, Secretary Friedlander stated that there are over 600 social worker vacancies. He stated that CHFS is beginning a new process to streamline hiring social workers. He stated that the pay increase is not for every DCBS employee, it is for the frontline and family support workers and that the plan for

sustaining the pay increase will be addressed when the Governor submits his budget.

In response to questions and comments from Representative Moser, Secretary Friedlander stated that Social Clinicians I and II are usually higher level social workers. He stated that CHFS is working on proposals to address the balance of pay variances and CHFS needs to work on how to address secondary trauma among social workers.

In response to questions and comments from Representative Fleming, Secretary Friedlander stated that all DCBS employees did not get a pay increase because of budget restraints. He stated there are limitations on how much and where federal funding can be used.

In response to questions and comments from Senator Givens, Secretary Friedlander stated that CHFS has the funding to sustain the pay increase for new and existing employees due to the vacancy rate within DCBS.

In response to questions and comments from Representative Bowling, Secretary Friedlander stated that the caseloads for social workers are above the recommended numbers and the number of past dues cases is high. Lesa Dennis, Deputy Commissioner, stated that the statewide average number of cases for a social worker is 35 cases but in specific regions and counties the numbers are much higher.

Staffing of Comprehensive Programs for People with Physical and Intellectual Disabilities

Amy Staed, Chief Executive Officer, Kentucky Association of Private Providers (KAPP), discussed the number of Kentuckians supported by the Michelle P. waiver Supports for Community Living (SCL) waiver. She testified that waiver members have hiring problems made worse by the COVID-19 pandemic. She discussed reimbursements for waiver service providers that are only funded by Medicaid so that there is no way to raise wages without a corresponding increase in Medicaid reimbursement. She recommended a reimbursement increase of at least 25 percent.

In response to questions and comments from Representative Moser, Secretary Friedlander stated that CHFS is seeing challenges with staffing in facilities. He stated that the direct support professionals are the lowest paid workers. He stated that CHFS has contingency plans if there is a worker shortage and there are no plans for any facilities to close. He stated that there was confusion regarding the vaccination existing exemption form but CHFS is in compliance with Senate Bill 8. He stated that it is an employer's decision whether or not to allow the exemption.

In response to questions and comments from Senator Alvarado, Secretary Friedlander stated that CHFS has been losing staff in facilities throughout the COVID-19 pandemic. He is aware of only one staff member that would not get a COVID-19 vaccine and left their position at a facility due to the vaccine mandate.

Nursing Shortage

Jeffrey R. Prather, General Counsel, Office of Legal Services, Kentucky Board of Nursing (KBN), testified that the number of nurses in acute care has remained consistent. He discussed the rise and fall in the number of nursing program applicants and nursing faculty working on overload. He discussed the mandates in the executive order given by the Governor on December 9, 2021, related to the nursing shortage.

Kelly Jenkins, Executive Director, Kentucky Board of Nursing, discussed the development and improvement of programs to increase the number of individuals who can work in healthcare facilities. She discussed offering scholarships and loan forgiveness to incentivize nursing students and faculty. She testified that KBN is allowing programs of nursing to open new campuses.

In response to questions and comments from Representative Moser, Ms. Jenkins stated that KBN does not set admission criteria to nursing programs regarding accepting dual high school/college credits. She stated that in the Governor's executive order, all nursing schools have to submit the number of student vacancies to better fill the open seats across the state.

In response to questions and comments from Senator Alvarado, Ms. Jenkins stated that there was not a substantial nursing shortage prior to the pandemic but that there are some areas in the state that have experienced more shortages of nurses than other areas. She stated that there were 1,777 empty seats in the nursing programs last year and some schools do not have enough available facility. She stated that each member on KBN serves a four year term but there are not requirements regarding term limits or geographic representation.

In response to questions and comments from Senator Carroll, Ms. Jenkins stated that KBN is working on reversing a regulation requiring all programs of nursing to be accredited by a national accredited body.

In response to questions and comments from Representative Bentley, Ms. Jenkins stated that someone applying for the open faculty positions do not have to a Master of Science in Nursing degree or a Doctorate of Science in Nursing degree. She stated that various programs require different degrees.

In response to questions and comments from Senator Berg, Ms. Jenkins stated that accredited and non-accredited nursing programs are monitored by KBN.

In response to questions and comments from Representative Moser, Jim Musser, Vice President, Policy and Government Relations, Kentucky Hospital Association, stated that the nursing externs are of great benefit to the hospitals.

Diabetes Report Update

Bob Babbage, Managing Partner, Babbage Cofounder, testified to the origin of the Kentucky 2021 Diabetes Report. Rebecca Hartsough, Senior

Policy Advisor, Babbage Cofounder, discussed several key recommendations in the report to fight diabetes. She discussed the value of physical activity and education in relation to diabetes. Julie Babbage, Chief Executive Officer, Diabetes Patient Advocacy Coalition (DPAC), discussed Kentucky's rate of obesity for adults and the gap in coverage for products that can reduce body weight. She testified regarding the complicated system used by pharmacy benefit managers that contributes to raising the cost of drugs. Mr. Babbage discussed the diabetes and prediabetes rate in Kentucky and the amount of state money used in diabetes claims not related to prescriptions.

In response to questions and comments from Senator Meredith, Ms. Babbage stated a concerted effort by providers and patients needs to be made in regards to screening for diabetes. Mr. Babbage stated that Medicaid managed care organizations have been screening for diabetes in Kentucky.

Severe Mental Illness Task Force Report

Senator Stephen Meredith discussed several recommendations from the findings and recommendations of the Severe Mental Illness Task Force Report approved by the task force. Representative Danny Bentley, Co-Chair, Severe Mental Illness Task Force, continued discussing the recommendations from the findings and recommendations of the Severe Mental Illness Task Force Report that will improve access to mental health services, resources, and providers.

All-Claims Payer Database

Senator Ralph Alvarado discussed a bill he plans to sponsor regarding an all-claims payer database (APCD) in Kentucky. He discussed what an APCD is and how it would work to increase healthcare transparency, better understand healthcare costs, utilization, quality, and support state health system transformation efforts.

Medicaid Coverage of Community Health Workers

Representative Kimberly Poore Moser discussed her proposal for a bill relating to Medicaid coverage of community health workers. She discussed the increased eligibility for Medicaid but the lack of improvement in the health metrics. She discussed understanding the social determinants of health that create barriers for individuals who are looking to access healthcare and the role of community health workers in improving health outcomes and reducing healthcare costs.

Humanity In Healthcare

Representative Nancy Tate discussed the elements in the 2022 Humanity in Health Care Act she is proposing. Addia Wuchner, Executive Director, Kentucky Right to Life Association, discussed the rise of chemical or non-surgical abortions in Kentucky

and the risks involved. Ingrid Skop, M.D., Associate Scholar, Charlotte Lozier Institute, discussed two medical abortion medications. She described various symptoms and complications that patients could experience if the abortion medications are misused. Ms. Wuchner discussed how the legislation would keep the medical abortion as a medical procedure prescribed by doctors.

In response to questions and comments from Senator Berg, Representative Tate said she does not know the percentage of children under the age of 14 who had an abortion in Kentucky and were impregnated by family members. Representative Tate stated that surgical and chemical abortions are medical procedures. She stated that a spontaneous abortion in the medical field is where the baby died and is no longer a viable human. Dr. Skop discussed various statistics and data regarding medical abortions versus miscarriages.

Dr. Latisha Frazier, OBGYN, Resident Physician, University of Louisville, former labor and delivery nurse, former adult nurse practitioner, testified to her experience caring for women during their pregnancy journeys assisting with difficult decisions. She testified that the proposed legislation would put more limits on the patient and provider relationship. She discussed medication assisted abortion as a safe, regulated option for women.

In response to questions and comments from Representative Willner, Representative Tate stated that she would discuss preventive measures regarding evidence-based approaches to comprehensive health and contraception education.

In response to questions and comments from Representative Bentley, Dr. Frazier stated that in her clinical application, RU486 (Mifeprex) is not a poison and research has been done on RU486.

Adjournment

There being no further business, the meeting was adjourned at 3:42 PM.

INTERIM JOINT COMMITTEE ON HEALTH, WELFARE, AND FAMILY SERVICES

Minutes of the 1st Meeting of the 2022 Interim

June 2, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Health, Welfare, and Family Services was held on Thursday, June 2, 2022, at 1:00 PM, in Covington, KY at the Northern Kentucky Convention Center. Representative Kimberly Poore Moser, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ralph Alvarado, Co-Chair; Representative Kimberly Poore Moser, Co-Chair; Senators Julie Raque Adams, Karen Berg, Danny

Carroll, David P. Givens, Jason Howell, Stephen Meredith, Michael J. Nemes, and Max Wise; Representatives Danny Bentley, Josh Bray, Tom Burch, Ryan Dotson, Daniel Elliott, Ken Fleming, Deanna Frazier Gordon, Melinda Gibbons Prunty, Josie Raymond, Steve Riley, Steve Sheldon, Nancy Tate, Russell Webber, and Susan Westrom.

Guests: Brent Cooper, President, Chief Executive Officer, Northern Kentucky Chamber of Commerce; Julie Babbage, Executive Director, Diabetes Patient Advocacy Coalition; Elizabeth Goode, Division Director, Department for Public Health, Cabinet for Health and Family Services, Kentucky Prescription Assistance Program; Sharon Lamberton, Deputy Vice President, State Policy, Pharmaceutical Research and Manufacturers of America; Gary Dougherty, Director, State Government Affairs, American Diabetes Association; Stewart Perry, Board Chair, Diabetes Leadership Council; Rebecca Kelly, State Chapter Lead, Angela Lautner, Legislative Lead, Kentucky#insulin4all; Sara Jo Best, Public Health Director, Lincoln Trail District Health Department, President, Kentucky Health Departments Association; Cathy Winston, WIC Coordinator, Northern Kentucky District Health Department; Shannon Stiglitz, Senior Vice President, Government Affairs, Kentucky Retail Federation; and Eric Friedlander, Secretary, Cabinet for Health and Family Services.

LRC Staff: DeeAnn Wenk, Chris Joffrion, Samir Nasir, Becky Lancaster, and Hillary Abbott.

Welcome

Brent Cooper, President, Chief Executive Officer, Northern Kentucky Chamber of Commerce, gave opening remarks and welcomed the committee members.

Diabetes and Prescription Drug Affordability

Gary Dougherty, Director, State Government Affairs, American Diabetes Association, gave a brief background on diabetes and discussed the difference between Type 1 and Type 2 diabetes. He discussed interventions that can be taken to lower the risk of developing diabetes, escalating medical expenses for diabetes patients, insulin affordability initiatives, and the need for a cost-sharing cap for certain diabetes devices and supplies.

Julie Babbage, Executive Director, Diabetes Patient Advocacy Coalition, discussed the rate of people with diabetes and pre-diabetes in Kentucky. Stewart Perry, Board Chair, Diabetes Leadership Council, testified regarding the prevalence of insulin-dependent diabetes. Mr. Perry gave a brief explanation of how rebates to pharmacy providers and pharmacy benefit managers effect the price of medications. Ms. Babbage explained how the rebate system is driving up the cost of drugs to patients but that biosimilar and generic insulins are new tools to reduce the cost of insulin to patients. Mr. Perry gave recommendations on how the legislature can continue to make insulin

more affordable to diabetic patients.

Elizabeth Goode, Division Director, Department for Public Health, Cabinet for Health and Family Services, Kentucky Prescription Assistance Program, discussed the Kentucky Prescription Assistance Program's (KPAP) mission to consolidate all national prescription assistance programs to help Kentuckians obtain free or reduced-price prescription drugs. She explained KPAP's eligibility and access to a network of national, state, and local resources.

Sharon Lamberton, Deputy Vice President, State Policy, Pharmaceutical Research and Manufacturers of America, testified regarding investments into research and development of treatments and revenue provided by clinical trials. She discussed inhalable and 24-hour insulin products, how drugs are priced, and various solutions, legislation, and programs geared to help patients lower their costs for medications.

Rebecca Kelly, State Chapter Lead, Kentucky#insulin4all, shared her story as an uninsured patient with diabetes and her struggle with obtaining affordable insulin. She testified regarding the rising price of insulin and the struggle to qualify for medication assistance. Angela Lautner, Founder, Legislative Lead, Kentucky#insulin4all, testified to her struggle with medication assistance programs.

In response to questions from Senator Berg, Mr. Perry stated that the costs for and rebates to the insurer for medications determine what medications are listed on each tier of a medication formulary list.

Feeding America's Infants: Infant Formula Safety and Shortage

Sara Jo Best, Public Health Director, Lincoln Trail District Health Department, President, Kentucky Health Departments Association, discussed the increase in participation of the special supplemental nutrition program for women, infants, and children (WIC), and the timeline and events leading up to the national shortage of formula. Cathy Winston, WIC Coordinator, Northern Kentucky District Health Department, shared information regarding the WIC program and the adjustments made to get baby formula to families in need.

Shannon Stiglitz, Senior Vice President, Government Affairs, Kentucky Retail Federation, discussed retailers strained conditions for producing baby formula prior to the recall and shortage caused by the effects of COVID-19 to the workforce. She discussed the strategies that retailers are taking to make baby formula more available to consumers and to the issues caused by having too few manufacturers and exclusive contracts between states and a manufacturer.

Eric Friedlander, Secretary, Cabinet for Health and Family Services (CHFS), testified that existing price-gouging statutes will continue to be enforced and that CHFS is working with assistance programs to better distribute the baby formula. He discussed various websites nationally and locally to assist in

finding baby formula.

In response to questions from Representative Bentley, Secretary Friedlander stated that CHFS is aware of baby formula scams online and suggested that individuals look at trusted federal and state websites for assistance.

In response to questions from Senator Carroll, Secretary Friedlander stated that CHFS has been able to work with local health departments and pharmacies to fill prescriptions for specialized baby formula.

Consideration of Referred Administrative Regulations

The following referred administrative regulations were placed on the agenda for consideration: **201 KAR 002:106E** - Licensed or permitted facility closures; **201 KAR 002:106** - Licensed or permitted facility closures; **201 KAR 026:115** - Definition of psychological testing; **201 KAR 026:125** - Health service provider designation; **201 KAR 026:130** - Grievances and administrative complaints; **201 KAR 026:155** - Licensed psychologist: application procedures and temporary license; **201 KAR 026:160** - Fee schedule; **201 KAR 026:175** - Continuing education; **201 KAR 026:185** - Requirements for granting licensure as a psychologist to an applicant licensed in another state; **201 KAR 026:190** - Requirements for supervised professional experience; **201 KAR 026:215** - Nonresident status; **201 KAR 026:225** - Renewal and reinstatement; **201 KAR 026:230** - Examinations and applications; **201 KAR 026:250** - Employment of a psychological associate, a temporarily licensed psychological associate, or a temporarily licensed psychologist; **201 KAR 026:270** - Change of license status; **201 KAR 026:310** - Telehealth and telepsychology; **201 KAR 046:020E** - Fees; **900 KAR 010:201** - Repeal of **900 KAR 10:200**; **907 KAR 003:170** - Telehealth service coverage and reimbursement; **910 KAR 001:190** - Nutrition program for older persons; **921 KAR 004:122** - Assistance for low-income households with water or wastewater utility arrears; and **922 KAR 001:360E** - Private child care placement, levels of care, and payment. The administrative regulations above have been reviewed by the committee.

Adjournment

There being no further business, the meeting was adjourned at 12:51 PM.

INTERIM JOINT COMMITTEE ON LICENSING, OCCUPATIONS, AND ADMINISTRATIVE REGULATIONS

Minutes of the 1st Meeting of the 2022 Interim

June 2, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee

on Licensing, Occupations, and Administrative Regulations was held on Thursday, June 2, 2022, at 10:00 AM, in Ballrooms D&E, Northern Kentucky Convention Center. Senator John Schickel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator John Schickel, Co-Chair; Representative Adam Koenig, Co-Chair; Senators Julie Raque Adams, Donald Douglas, Jason Howell, Christian McDaniel, Gerald A. Neal, Michael J. Nemes, Damon Thayer, and Reginald Thomas; Representatives Kim Banta, Tom Burch, Patrick Flannery, Al Gentry, Keturah Herron, Thomas Huff, Matthew Koch, C. Ed Massey, Chad McCoy, Michael Meredith, Kimberly Poore Moser, Phillip Pratt, Killian Timoney, and Susan Westrom.

Guests: Kevin R. Winstead, Commissioner, Department of Professional Licensing, Kentucky Public Protection Cabinet; Darryl Thompson, Kentucky State University; Mollie Lewis, Director of Sales, New Riff Distilling; Peggy Payne Montgomery, Owner, Verona Vineyards; Joe Dan Beavers and Eric Embry, Lifeskills, Incorporated; Brent Cooper, President & CEO, Northern Kentucky Chamber of Commerce; Chip Bach, General Manager, Turfway Park; Jake Rouse, Co-Founder & CEO, Braxton Brewing Company; and Denise Logsdon, Former Member, Kentucky Board of Licensure for Massage Therapy.

LRC Staff: Bryce Amburgey, Jasmine Williams, Wendy Craig, CaraBell Preece, and Lisa W. Moore

Welcome from the Northern Kentucky Chamber of Commerce

Brent Cooper, President and CEO, Northern Kentucky Chamber of Commerce, welcomed the members to Northern Kentucky. There are 450,000 people in the region and growing through tourism from visitors from Ohio, Indiana, and other surrounding areas. Northern Kentucky is an important economic engine for the Commonwealth of Kentucky.

Chairmen Schickel said how proud he was of Northern Kentucky's growth, particularly Boone County. Located in the largest bend of the Ohio River, a few miles downstream from Cincinnati, Boone County is the northernmost county in Kentucky. It is one of the fastest growing counties in Kentucky, and industry and commercial development are flourishing. The county's geographic diversity provides an excellent quality of life.

Chairman Koenig acknowledged local leaders and invited members to stay and visit and spend local tourism dollars. He also discussed the recent renovation of Turfway Park and other Northern Kentucky attractions that contribute to Kentucky's economy.

Senator Thayer introduced Senator-elect Matt Deneen, who will represent the 10th Senate District upon Senator Parrett's retirement. He was in

attendance to observe the committee process.

Discussion of the Racing Industry in Northern Kentucky

Chip Bach, General Manager, Turfway Park, showed the committee a short video about Turfway's history and expansion. He encouraged members to tour the newly renovated Turfway Park, and thanked them for the passage of House Bill 607, which he credited as saving horse racing in Kentucky.

Mr. Bach said Churchill Downs bought the property in 2019, followed by Kentucky legalizing historical horse racing in 2021, and that Turfway Park will open its gaming facility featuring 840 historical horse racing machines to guests on September 1, 2022.

Mr. Bach said live racing has continued at Turfway throughout the past few years, despite construction and the COVID-19 pandemic. There just has been no one present to watch it, besides personnel, jockeys, trainers, and owners. That will change starting in late November, as guests will return for live races, which will run through the end of March 2023. He noted guests will see a whole new product in early December that will much better represent the Kentucky brand. Even without fans in attendance, Turfway Park's handle, which is the amount of money bet on races there, has grown by 34 percent. The \$150 million project will offer the largest simulcast area in Kentucky, along with doubled and tripled purses.

Responding to a question from Senator Thayer about the new barns and dormitories, Mr. Bach said Churchill Downs is investing \$26 million in the barns along the backside. Older dormitories will be torn down and replaced with a new two-story dormitory housing 164 occupants, along with five new barns. It is an aggressive timeline, but the goal for project completion is December 2022. Mr. Bach noted racing is no longer just for the wealthy, but for hard-working people in the industry who love the sport.

Representative Burch discussed the changes at Turfway Park since visiting in 1975. He said he was excited to see the positive changes in the facility and industry.

Discussion of the Alcoholic Beverage Industry in Kentucky

Senator Schickel said small farm wineries have transformed rural Kentucky and are facing the most challenges, which he plans to address. He also said craft breweries are thriving, and the bourbon distillers have made tremendous progress through private sector donations.

Peggy Payne Montgomery, Owner, Verona Vineyards, discussed the challenges facing small farm wineries. An important goal for any small farm winery

is the ability to sell its products in local restaurants. This change would promote tourism, and would only apply to local, not chain, restaurants. Self-distribution continues to be a challenge, and one case of wine a month seems reasonable. It can be difficult to find a distributor to transport such small amounts into the cities.

Ms. Montgomery said Verona Vineyards prides itself on producing hand-crafted wines that have character and quality. She is happy to promote agriculture tourism and the Kentucky Proud experience by utilizing a NQ2 license. This license allows her small farm winery to sell other alcoholic beverages, and she has been very successful adding bourbon sales. A holder of an NQ2 retail drink license may purchase, receive, possess, and sell alcoholic beverages at retail by the drink. The licensee shall only purchase alcoholic beverages from licensed wholesalers or distributors. She said the problem with the NQ2 license is that 50 percent of the sales must also come from food, which is unrealistic and problematic when offering high-end bourbons. She usually provides a huge cheese and fruit board to meet this requirement, which is quite costly.

Ms. Montgomery also encouraged the Kentucky Chamber of Commerce, and other Kentucky small businesses, to support the 70 wineries within Kentucky when hosting events. She said special events are a great way to advertise and promote Kentucky wineries instead of using California wines. Senator Schickel encouraged all attendees and KET viewers to visit and support Kentucky's small farm wineries, and noted there are four in Boone County.

Mollie Lewis, Director of Sales, New Riff Distilling, thanked the committee members for their hard work and passage of House Bill 500 in the Regular Session of the 2022 General Assembly, which she considers the most important legislation passed in the in the last 20 years for the industry. It established the ability for exclusive bottling, customer engagement experiences, and the establishment of satellite locations to help facilitate tourism to New Riff and Northern Kentucky.

Jake Rouse, Co-Founder & CEO, Braxton Brewing Company, said it is the nation's fourth fastest-growing craft brewery. The company attributes its success coming into 2020 to its hard seltzer brand, the opening of its rooftop in Covington, and its dedicated barrel-aging brewery and taproom in Fort Mitchell. Braxton Brewing is highly innovative and adapts to compete globally.

Mr. Rouse said beer production is down nationally, and the pandemic did not help. Record inflation and supply chain issues continue to present challenges. Braxton remains focused to rising above the difficulties and continuing to thrive and adapt.

Review of Administrative Regulation 201 KAR 42:020

201 KAR 42:020. Fees. Kevin Winstead, Commissioner, Department of Professional Licensing,

and Denise Logsdon, Former Member, Kentucky Board of Licensure for Massage Therapy, represented the board and explained the administrative regulation and the proposed amendment.

Responding to a question from Senator Schickel regarding raising fees, Mr. Winstead said fees were set by statute in 2003 and expired in 2021. The fee increases are necessary for the Kentucky Board of Massage Therapy to continue operating in an effective manner. There will be a \$75 fee for new applications, and a \$100 renewal fee.

Chairman Koenig made a motion, seconded by Representative Timoney, to approve the following amendments: to amend Section 2 to make the late renewal period end at 90 days after the expiration of a massage therapist license and to require license reinstatement 91 days or more after the expiration of a massage therapist license. Without objection, and with agreement of the agency, the amendments were approved by voice vote.

With no further business before the committee, the meeting adjourned at 10:45 a.m.

INTERIM JOINT COMMITTEE ON TOURISM, SMALL BUSINESS, AND INFORMATION TECHNOLOGY

Minutes of the 1st Meeting of the 2022 Interim June 2, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Tourism, Small Business, and Information Technology was held on Thursday, June 2, 2022, at 9:00 AM, in Covington, KY at the Northern Kentucky Convention Center. Senator Wil Schroder, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Wil Schroder, Co-Chair; Representatives Kim King, Co-Chair, and Phillip Pratt, Co-Chair; Senators Christian McDaniel, Robby Mills, Adrienne Southworth, Brandon J. Storm, Reginald Thomas, Phillip Wheeler, Mike Wilson, and David Yates; Representatives Lynn Bechler, Tina Bojanowski, Josh Branscum, George Brown Jr., Josh Calloway, Jeffery Donohue, Ryan Dotson, Daniel Fister, Deanna Frazier Gordon, Chris Freeland, Chris Fugate, Jim Gooch Jr., David Hale, Richard Heath, Thomas Huff, Norma Kirk-McCormick, William Lawrence, Michael Sarge Pollock, Josie Raymond, Rachel Roberts, Bart Rowland, Steve Sheldon, Cheryl Lynn Stevenson, Nancy Tate, Killian Timoney, Timmy Truett, and Bill Wesley.

Guests: Brent Cooper, President and CEO, Northern Kentucky Chamber of Commerce; Seth Cutter, Director of Communications and Government Affairs, Cincinnati/Northern Kentucky International Airport; Brian Miller, Executive Director, Building

Industry Association of Northern Kentucky; Vicki Berling, Director of Professional Development, Enzweiler Building Institute; Representative Susan Westrom; Representative Buddy Wheatley; and Matt Lenz, Director of State Government Affairs, Entertainment Software Association.

LRC Staff: Janine Coy, Audrey Ernstberger, Crystal Thompson, and Sasche Allen.

Northern Kentucky Chamber of Commerce

Brent Cooper, President and CEO of the Northern Kentucky Chamber of Commerce, welcomed members to Northern Kentucky. He highlighted some of the key industries in the area such as advanced manufacturing, healthcare, information technology, supply chain logistics and distribution, and construction. He stated these industries and many small businesses are struggling to attract and retain employees.

Update on Sustainable Aviation Fuel (SAF) Development

Seth Cutter, Director of Communications and Government Affairs at Cincinnati/Northern Kentucky International Airport and a representative of the Kentucky Sustainable Aviation Fuels Coalition, discussed the potential economic impact of manufacturing Sustainable Aviation Fuel (SAF) in the Commonwealth.

SAF is a biofuel used to power aircrafts and has comparable properties to conventional jet fuel but with a smaller carbon footprint. It can be comingled with jet fuel and is produced using the same infrastructure. There are currently seven approved production pathways for biofuel made from the following base materials: solid wastes, hardwood residues or resins, and oils and greases. Supporting SAF production would combine the energy and aviation industries and could have a major economic impact in Kentucky that few other states experience due to the existing energy and aviation infrastructures already in place throughout the Commonwealth.

Legislative incentives for alternative fuels were enacted during previous legislative sessions. However, during the 2022 Regular Session, SB 323 was introduced and aimed to spur SAF production by proposing a \$2.50 per gallon tax credit for SAF used and produced in the state and a \$2 per gallon tax credit for SAF consumed in but not produced in the Commonwealth. The bill also proposed creating a SAF-specific program that involved a \$10 million appropriation to the Kentucky Economic Development Finance Authority (KEDFA) to use as forgivable loan funding for SAF facility projects with a minimum capital investment of \$100 million. According to Mr. Cutter, production of SAF would create more air service and cargo development, create jobs in a newly formed industry, spur synergies with existing state industries, and make Kentucky a global leader in the field.

Answering a question from Representative

Kirk-McCormick, Mr. Cutter explained that the only approved fuel types for commercial aircrafts are jet fuel and SAF, but natural gas is used to power some ground support equipment. Replying to a follow up, he stated the current cost of jet fuel is approximately \$2.15 a gallon.

Responding to Representative Gentry, Mr. Cutter confirmed that SAF stands for sustainable aviation fuel, it is an alternate to traditional jet fuel and is comprised of a reusable base material.

Workforce Development in the Construction Trades

Brian Miller, Executive Director of the Building Industry Association of Northern Kentucky, and Vicki Berling, Director of Professional Development for the Enzweiler Building Institute, gave an overview of the construction industry in the region. Despite growth in the industry and increasing wages, there is a critical shortage of workers across the skilled trades. In the next ten years, the Greater Cincinnati area will need about 65,000 new workers to enter the construction industry.

The Building Industry Association of Northern Kentucky is trying to combat the workforce shortage by encouraging the approach used by the Enzweiler Building Institute which provides apprentice style training in the skilled construction trades. Areas of training include carpentry, welding, masonry, HVAC, plumbing, electric, and diesel mechanics. A high school program that involves exposure to all the major trades is also offered, as well as events and presentations for elementary and middle school aged children.

Ms. Berling discussed the following challenges facing the Building Industry Association of Northern Kentucky and Enzweiler Building Institute: the state's narrow definition of "career ready," finding and certifying instructors, high workers' compensation rates for high school students participating in work based learning, stringent licensure laws, finding funding resources for transportation and tuition, and Kentucky Educational Excellence Scholarship (KEES) monies not being applicable to all programs. Mr. Miller presented some recommendations that included incorporating the Home Builders Association curriculum into the state's career readiness definitions, removing barriers for field professionals to teach, convening employers to discuss ways to increase involvement, revising state statutes pertaining to licensures, and allowing KEES monies to be used in any state recognized program in high impact career areas.

Representative Bojanowski expressed her hesitancy about presenting the idea of a career in trades to elementary and middle school age children and encouraged further development of post-graduation success rates as an accountability measure for the Enzweiler Building Institute.

Answering a question from Representative

Brown, Ms. Berling stated that the Enzweiler Building Institute aims to increase enrollment of women and minorities by offering scholarships and having targeted events such as Women in Construction Week. Representative Brown also commented about offering opportunities for individuals with criminal records who are reentering the workforce.

Discussion of HB 106 2022 Regular Session - AN act relating to the termination of automatic renewal offers and continuous service offers.

HB 106 was filed during the 2022 Regular Session after Representative Westrom had issues recovering funds from an online florist that used an automatic subscription renewal without her knowledge. In addition, she also received calls from constituents expressing that they too experienced similar problems. The introduced bill put in place stricter consumer protections by clearly defining "affirmative consent," "automatic renewal," "automatic renewal offer terms," "clean and conspicuous," "continuous service," "continuous service offer terms," "gift membership," "gift subscription," "material change," "membership," "purchasing agreement," and "subscription." Five other states passed similar legislation in 2022, and the Federal Trade Commission has released directives for automatic renewal policies. Matt Lenz, Director of State Government Affairs with the Entertainment Software Association, testified about his organization's concerns with the bill including the notification, payment method, and cancellation sections.

Replying to a question from Senator Schroder, Mr. Lenz confirmed that there were five states that passed automatic renewal legislation in 2022 and 18 total states have similar legislation in place. These states have varying degrees of comparable language to HB 106. He said Tennessee's automatic renewal laws would be helpful to refer to when moving forward with the legislation in the future.

Representative Roberts expressed her concern that, as a small business owner offering automatic renewal services through a third party provider, the bill would make her business unfairly liable. She asked for confirmation that the bill would take into consideration small business owners with similar contracts in place.

There being no further business, the meeting adjourned at 10:00 a.m.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

January 18, 2022

Call to Order and Roll Call

The Capital Projects and Bond Oversight Committee was held on Tuesday, January 18, 2022, at 2:00 PM, in Room 169 of the Capitol Annex. Representative Chris Freeland, Chair, called the

meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Chris Freeland, Co-Chair; Representatives Joni L. Jenkins, Jason Petrie, and Walker Thomas.

Guests: Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Phil Richardson, Division Director, Division of Facilities Management, Office of Administrative Services, Cabinet for Health and Family Services; Christina Stewart, Administrative Branch Manager, Office of Vital Statistics, Division of Epidemiology and Health Planning, Department for Public Health, Cabinet for Health and Family Services; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Korey Sallee, Committee Analyst; and Elizabeth Hardy, Committee Assistant.

Welcome of New Member

Representative Freeland welcomed Leader Joni Jenkins to the committee.

Approval of Minutes

Representative Freeland moved to approve the December 15, 2021 meeting minutes. Representative Thomas seconded the motion and the committee approved without objection.

Information Items

Ms. Halloran referenced four information items. Pursuant to KRS 26A.168(1), KRS 45.793, and KRS 45.818; the Administrative Office of the Courts, the Finance and Administration Cabinet, with the Commonwealth Office of Technology reporting independently, and postsecondary institutions managing their own capital construction under KRS 164A.580, transmitted quarterly capital project status reports. Pursuant to KRS 45.765, the University of Kentucky reported federally funded research equipment purchases for its Mass Spectrometry Service Center, Robotics Center, and various engineering departments. The University of Louisville reported use of grant awards for the Brown Cancer Center and Dental School equipment purchases. Pursuant to KRS 45.812, through their fiscal agents; the Kentucky Interlocal School Transportation Association reported its annual Equipment Lease Certificates of Participation debt issuance, \$11.665 million on behalf of 28 school districts to finance 97 school buses, and the Montgomery County School District, which did not need an additional tax levy to pay debt service, reported a projected \$2.2 million debt issuance to finance improvements at Mount Sterling Elementary. The School Facilities Construction Commission reported previous school district debt issues with SFCC debt service participation.

In response to Representative Thomas, Ms. Halloran said that SFCC funding could not be used

for equipment purchases. [SFCC funding can be used only for fixed components of District Facilities Plan Priority 1 through 2 projects.]

Project Report from the Finance and Administration Cabinet

Ms. Tomes submitted a fifteen percent appropriation increase and reported a research equipment purchase and two Fees-in-Lieu-of Stream Mitigation Projects Pool allocations.

The \$750,000, fifteen percent, appropriation increase from \$5 million to \$5.75 million for the Cabinet for Health and Family Services, Department for Public Health, Scan and Image Historical Records project was due to an unanticipated pricing increase for the scanning of documents, allowing time for CHFS staff to process the metadata into a document management system, and the development of a web application for Department for Public Health staff to access the scanned images.

In response to Senator Girdler, Ms. Stewart said that CHFS's Office of Administrative Technology Services's costs have increased due to the scale of the scanning and imaging. OATS has to collect metadata from different software systems; the mainframe, SQL Server containing various databases, and Excel. OATS then has to organize and store the data before transmitting it to Iron Mountain, the project's contractor. Iron Mountain receives the scanned images and corresponding metadata, which are loaded into the Vital Statistics databases. OATS then has to develop and maintain the web applications for DPH staff to search for and print certificates from the scanned images.

Leader Jenkins moved to approve the appropriation increase, Senator Girdler seconded the motion, and the committee approved by unanimous roll call vote.

DPH purchased a \$253,800 microbial identification system using Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases federal funds. The system will allow unbiased identification of microorganisms within a few minutes down to the species level.

The Tourism, Arts and Heritage Cabinet, Department for Fish and Wildlife Resources executed two Fees-in-Lieu-of Stream Mitigation Projects Pool allocations for projects authorized by the U.S. Army Corps of Engineers and at the start of the acquisition and survey phase. The projects are as follows: Horse Mill (Morgan County), \$5.377 million to restore and protect over 24,000 linear feet of Horse Mill Branch and other headwater tributaries as well as approximately five acres of wetlands in the Middle Fork Elk Fork watershed and Middle Creek I (Boone County), \$4.135 million to restore and protect over 19,000 linear feet of Middle Creek and some tributaries in the Northern Kentucky Service Area. Ms. Tomes explained that there were three separate

projects for Middle Creek because there were three separate properties, with separate owners and permits.

Office of Financial Management

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Senator Girdler moved to roll the four debt issues with SFCC participation into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

Mr. Barrow submitted four debt issues with SFCC participation, all for new projects. The Leslie County, Montgomery County, Powell County, and Trimble County school districts, none of which needed an additional levy for debt service, planned debt issues totaling \$38.4 million, around ninety percent with local funding and about ten percent with SFCC debt service participation.

In response to Representative Thomas, Mr. Barrow said that the KISTA transaction for financing buses is scheduled for around March. Senator Girdler referenced the property and casualty insurance carried by school districts, which could be used for vehicle replacement.

Senator Girdler moved to approve the four debt issues with SFCC participation, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

Representative Freeland announced the 11:00 AM. February 15 meeting. With there being no further business, the meeting adjourned at 2:17 PM.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE Minutes

February 22, 2022

Call to Order and Roll Call

The February Capital Projects and Bond Oversight Committee meeting was held on Tuesday, February 22, 2022, at 2:00 PM, in Room 169 of the Capitol Annex. Senator Rick Girdler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Chris Freeland, Co-Chair; Senator Christian McDaniel; Representatives Joni L. Jenkins, Jason Petrie, and Walker Thomas.

Guests: Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff

Administrator; Korey Sallee, Committee Analyst; and Elizabeth Hardy, Committee Assistant.

Approval of Minutes

Representative Thomas moved to approve the February 22, 2022 meeting minutes. Representative Freeland seconded the motion and the committee approved without objection.

Information Items

Ms. Halloran referenced five information items. Pursuant to KRS 45.760(5), the University of Kentucky reported two restricted funds equipment purchases totaling \$608,600 for UK Chandler Hospital; a \$938,900 equipment purchase, primarily with restricted funds although UK utilized some private funds, for its Health Sciences Research Building; and a \$289,300 privately funded Mobile Health Unit purchase. Pursuant to KRS 45.760(6), Western Kentucky University reported \$5.5 million in private funds rather than agency bonds for its Improve Softball and Soccer Complex project under the \$50 million Construct, Renovate, and Improve Athletics Facilities authorization. Pursuant to KRS 45.812(1); six school districts, none of which needed an additional tax levy to pay debt service, reported upcoming debt issues for new projects through their fiscal agents as follows: Leslie County, Marshall County, Meade County, Monroe County, Paducah Independent (McCracken County), Pike County, and Simpson County. Pursuant to KRS 45A.180(2), UK reported the construction management-at-risk project delivery method for its Improve Sanders-Brown Center on Aging/Neuroscience Facilities project. Pursuant to KRS 56.823(11)(a), the Division of Real Properties reported a quarterly square footage lease modification under \$50,000. DRP did not have any reportable KRS 56.813(2)(a)3.b. leasehold improvements under \$10,000.

Project Report from the Finance and Administration Cabinet

Ms. Tomes submitted two new projects. Senator McDaniel moved to roll the two new projects into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection. The first was the \$2 million Education and Labor Cabinet, Office of Unemployment Insurance, Unemployment Insurance System Maintenance and Support Upgrades project, funded with one hundred percent federal funds from the U.S. Department of Labor. The Office of Unemployment Insurance needs to complete UI system security and software maintenance. This project will help secure personal identifiable information, provide database support, reduce vulnerabilities and operational risk, and make value-driven improvements to the claims/benefits processing capabilities of the UI system. The

second is the Kentucky Community and Technical College System, Renovate Student Center Building - Elizabethtown Community and Technical College project. KCTCS submitted the \$800,000 restricted fund appropriation increase under the authority of KRS 164A.575(15) [statute references new projects]. The original 2016-18 biennial budget project authorization was \$4.3 million and this increase will bring the total appropriation to \$5.1 million. The project was bid and rebid and still came in over budget. Current construction market conditions have increased material and labor costs.

In response to Senator Girdler, Ms. Tomes said OSBD has seen other construction project appropriation increase requests due to market conditions.

Representative Thomas moved to approve the two new projects, Representative Freeland seconded the motion, and the committee approved by unanimous roll call vote.

Lease Report from the Finance and Administration Cabinet

Mr. Aubrey reported two Graves County emergency leases expiring February 28, 2022; in Mayfield, both for a one dollar one-time payment with the same lessor for temporary office space necessitated by the December 10, 2021 tornadoes. The first was with the Department of Corrections for 2,919 square feet and the second was with the Cabinet for Health and Family Services for 7,410 square feet.

Office of Financial Management

Kentucky Infrastructure Authority

Ms. Williams submitted four Drinking Water State Revolving Fund (Fund F) Program transactions. Representative Freeland moved to roll the four Fund F drinking water transactions into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

The City of Morehead, Rowan County, requested a \$16.57 million Fund F loan increase to its previously approved \$28.428 million Fund F loans for a \$44.998 million total Fund F loan amount. The Regional Water Treatment Plant construction loan increase is due to additional supply costs and price increases for both the plant and the raw and finished waterline. The loan term is thirty years at a 0.5 percent interest rate.

The Grayson County Water District requested a \$7.231 million Fund F loan for its Grayson County Water District East - West Improvements II project; comprehensive improvements to the water treatment plant and the distribution system. The loan term is thirty years at a 0.25 percent interest rate.

The City of Whitesburg, Letcher County, requested a \$1.66 million Fund F loan for its Water Line Replacement Phase 1 project; replacement of

water lines, meters, hydrants, valves, and other related items to enhance the system on the eastern side of the city. The loan term is thirty years at a 0.25 percent interest rate.

The City of London, Laurel County, requested a \$2.904 million Fund F loan for its Water Treatment Plant Improvements project; various improvements to the water treatment plan, repairs to three existing water storage tanks, and submersible pump station installation. The loan term is twenty years at a 0.25 percent interest rate.

Representative Freeland moved to approve the four Fund F drinking water transactions, Leader Jenkins seconded the motion, and the committee approved by unanimous roll call vote.

New and Previous Debt Issues

Mr. Barrow submitted the State Property and Buildings Commission Revenue and Revenue Refunding Bonds, Project No. 126. Series A will finance \$100 million of various remaining capital projects authorized in appropriations bills with general fund supported debt. OFM included two refunding series in its submission; however, it is unlikely that OFM will execute the refundings unless market conditions change. For the first series, the all-in true interest cost is 2.86 percent. If OFM completes the refundings, then projected savings are close to \$915,000 and \$2 million for Series B and C. The sale date will be around March 9th with delivery on April 5th.

In response to Senator McDaniel, Mr. Barrow said that he did not expect a negative effect on the municipal market if the Federal Reserve scales back or divests its bond purchases.

Representative Thomas moved to approve the new State Property and Buildings Commission debt issue, Senator McDaniel seconded the motion, and the committee approved by unanimous roll call vote.

Mr. Barrow reported three previous Kentucky Housing Corporation conduit debt issues, applied towards the state's private activity volume cap for the tax-exemption and affecting neither the commonwealth's nor KHC's financials as the developer pays the debt service, for multifamily rental housing in Louisville, Kentucky. The first was Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Crossings at Mill Creek), Series 2021; 180 units, \$20.8 million net proceeds with an over \$38.1 million project cost. The second was Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Lower Hunter's Trace), Series 2021; 168 units, \$18.7 million net proceeds with an over \$35.2 million project cost. The final was Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Mt. Lebanon of Cedars of Lebanon Homes), Series 2022; 70 units, \$5.6 million net proceeds with an over \$16 million project cost.

Mr. Barrow reported two previous postsecondary debt issues. The first was Murray State University

General Receipts Bonds, 2022 Series A, the debt issue was just over \$11 million to fund \$12.2 million of projects in the Historic Buildings Preservation Pool as authorized by the General Assembly. The all-in true interest cost was 2.15 percent with an A2 Moody's rating and an AA Standard and Poor's rating [insured rating for maturities 2037, 2039, and 2041]. The second was University of Kentucky General Receipts (Forward Delivery) Refunding Bonds, Series 2022 A. The debt issue was \$27.5 million with an April 2034 final maturity. The all-in true interest cost was 1.57 percent with an Aa2 Moody's rating and an AA- Standard and Poor's rating. UK received its net present value savings, \$3 million [net of costs of issuance] or close to eleven percent, upfront and applied \$2.9 million towards electrical infrastructure improvements at the agricultural complex and nearly \$130,000 towards the central plant deaerators.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Mr. Barrow submitted six new school district debt issues with SFCC debt service participation, none of which needed an additional tax levy to pay debt service as follows: Christian County, Crittenden County, Greenup County, Lee County, Paducah Independent (McCracken County), and Scott County. Senator McDaniel moved to roll the school district debt issues with SFCC participation into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection. The debt issues totaled about \$195 million, over ninety-six percent with locally supported debt service and just under four percent, around \$7.7 million, with SFCC debt service participation.

Senator McDaniel moved to approve the school district debt issues with SFCC participation, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

Senator Girdler announced the 9:00 AM. March 15 meeting. With there being no further business, the meeting adjourned at 2:34 PM.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

March 15, 2022

Call to Order and Roll Call

The March Capital Projects and Bond Oversight Committee was held on Tuesday, March 15, 2022, at 9:00 AM, in Room 171 of the Capitol Annex. Representative Chris Freeland, Chair, called the meeting to order, and the secretary called the roll. There was no quorum at this meeting.

Present were:

Members: Representative Chris Freeland, Co-Chair; Senators Jason Howell and Robin L. Webb;

Representative Walker Thomas.

Guests: Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Korey Sallee, Committee Analyst; and Elizabeth Hardy, Committee Assistant.

Introduction of New Member

Representative Freeland welcomed Representative Keturah Herron from the 42nd District in Jefferson County to the committee.

Information Item

Ms. Halloran referenced an information item. Pursuant to KRS 45.812(1), four school districts reported upcoming debt issues through their fiscal agents. Bowling Green Independent, Jefferson County, and Rowan County; none of which needed an additional tax levy to pay debt service, reported financings for new projects. Carter County reported a current refunding.

Lease Report from the Finance and Administration Cabinet

Mr. Aubrey submitted a new lease, lease renewal with a rate increase, and lease modification over \$50,000. The Transportation Cabinet, Department of Vehicle Regulation’s new lease in Jefferson County; 7,594 square feet at \$15.00 per square foot for a \$113,910 total annual cost from January 18, 2022 through June 30, 2023, was due to the reassignment of REAL ID office space from the Circuit Clerk to the Transportation Cabinet. The Finance and Administration Cabinet, Department of Revenue’s lease renewal; 7,081 square feet at \$19.18 per square feet for a \$138,814 total annual cost through June 30, 2030, involved a rental rate increase. DRP procured bids [required by KRS 56.806(1) for rate increases. The advertisement notice was reported to the committee at its December, 2021 meeting.] DRP received one best and final proposal [from the current lessor]. Both leases included janitorial and utilities. The Transportation Cabinet, Department of Vehicle Regulation’s over \$50,000 lease modification in Boyle County was to amortize leasehold improvements for REAL ID office space. DRP received two estimates: \$79,600 from Mobley’s and \$95,520 from McAnly Commercial Properties [the current lessor]. DRP selected the lower bid, the amount of which will be amortized through the lease term ending June 30, 2029.

Mr. Aubrey reported a KRS 56.820(4)(b) General Government Cabinet, Department of Military Affairs, Bluegrass Station Division lease modification in

Fayette County. The Bluegrass Station Division is modifying, at the federal agency occupant’s request, one of its built-to suit leases to construct a two-story 65,327 square foot secured storage facility adjacent to and connected to Building #344. The \$4.14 square foot rental rate will remain unchanged with extension of the lease term to November 30, 2049.

Office of Financial Management

Kentucky Infrastructure Authority

Ms. Williams submitted two Drinking Water State Revolving Fund (Fund F) Program loans, two Fund F loans with Cleaner Water Program grants, and one hundred three Cleaner Water Program grants.

The City of Hazard requested two Fund F loans with thirty-year loan terms at a quarter percent interest rate. The first request was \$1 million for its Buckhorn Middle Fork Water Treatment Plant to Chavies Transmission Line project and the second was \$1.95 million for its Lothair Waterline Replacement project, which will reduce excessive water loss for two hundred seventy-seven existing customers.

The City of Monticello requested a \$2,340,250 Fund F loan and a \$746,750 CWP grant for its New Powersburg Booster Pump Station, Wray Hill BPS/ Storage Tank Replacement, and Miscellaneous Waterline Improvements project. The loan term is thirty years at a quarter percent interest rate. The Knox County Utility Commission requested a \$1.193 million Fund F loan and a \$1,143,832 CWP grant for its Barbourville Connection - KY 225 project, which will install about 15,000 linear feet of eight inch water main and add a booster pump station. The loan term is twenty years at a quarter percent interest rate.

Of the one hundred three CWP grants, thirty-four were for sewer and sixty-nine were for water projects. The General Assembly appropriated \$250 million for the CWP program; \$150 million based upon each county’s population, \$50,000 for unserved drinking water or consent decree sewer projects, [and \$49.9 million to supplement project grants]. All of today’s submittals, except one from the consent decree pool, were from the county allocation pool.

In response to Representative Freeland, Ms. Williams confirmed that KIA would be submitting more CWP grants.

Cabinet for Economic Development

Ms. Smith submitted a \$100,000 Economic Development Fund grant for the City of Elizabethtown on behalf of Kruger Packaging (USA), a subsidiary of Kruger Incorporated; to be applied towards its capital investment in its first U.S. corrugated box plant; which will serve future and existing customers across the midwestern and southern U.S. The grant agreement includes job and wage requirements; 147 new full-time jobs for employees subject to Kentucky individual income tax at a \$32.50 average hourly

wage, including benefits, measured annually over three years beginning December 30, 2025. CED will disburse funds after annual compliance reporting, with the amount based upon the achieved performance requirements. If Kruger fails to achieve the job or wage targets, then CED will reduce the disbursement amount at each of the compliance measurement dates.

New Conduit Bond Issue

Mr. Barrow submitted the Kentucky Economic Development Finance Authority Hospital Revenue Refunding Bonds, Series 2022A-1 and Series 2022A-2 (Baptist Healthcare System Obligated Group) conduit bond issue. This conduit debt issue, refinancing the remaining Series 2009B-1 through 2009B-4 variable rate demand notes for certain healthcare facilities, affects neither the commonwealth’s nor KEDFA’s financials as the debt service is the Baptist Healthcare System’s obligation. The proposed sale and closing dates are March 31 and April 1.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Mr. Barrow submitted three new school district debt issues with SFCC debt service participation, two for new projects and one to refinance debt. For new projects; Beechwood Independent plans a \$26 million issuance for the second phase of its school renovations and passed a tax increase in 2019. Taylor County, which did not need an additional tax levy to pay debt service, plans a \$4.9 million issuance; \$4.7 million through district debt service and \$210,000 through SFCC debt service. Jefferson County plans a \$31.8 million refunding debt issue.

Next Meeting Date

Representative Freeland announced the next meeting date, Thursday April 14 at 11:00 AM in Room 169 with Senator Rick Girdler presiding, and the April 1 agency submission due date.

With there being no further business the meeting adjourned at 9:17 AM.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

April 13, 2022

Call to Order and Roll Call

The Capital Projects and Bond Oversight Committee meeting was held on Wednesday, April 13, 2022, at 10:00 AM, in Room 154 of the Capitol Annex. Senator Rick Girdler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Chris Freeland, Co-Chair; Senator Jason Howell; and Representative Walker Thomas.

Guests: Ethan Witt, Assistant Vice President, Government and Community Relations, Eastern Kentucky University; Ryan Green, Executive Director, Budgeting, Financial Planning, and Fiscal Effectiveness, Eastern Kentucky University; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Jason Siwula, Assistant State Highway Engineer, Office of Commissioner, Department of Highways, Kentucky Transportation Cabinet; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Sarah Butler, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Korey Sallee, Committee Analyst; and Liz Hardy, Committee Assistant.

Introduction of New Staff

Senator Girdler welcomed Liz Hardy, Committee Assistant.

Information Items

Pursuant to KRS 26A.168(1), KRS 45.793, and KRS 45.818; the Administrative Office of the Courts; the Finance and Administration Cabinet with the Commonwealth Office of Technology reporting independently; and postsecondary institutions managing their own capital construction under KRS 164A.580, transmitted quarterly capital project status reports.

Pursuant to KRS 45.760(5), the University of Kentucky reported two restricted fund medical equipment purchases for healthcare facilities and two federally funded research equipment purchases.

Pursuant to KRS 45.800(4) and KRS 45.810(4), the Finance and Administration Cabinet notified the committee that it preceded with the transactions submitted for last month's meeting.

Pursuant to KRS 45.812(1), the Pulaski and Rowan County school districts, neither of which needed an additional tax levy to pay debt service, reported upcoming debt issues for new projects.

Pursuant to KRS 48.111(6)(a), the Division of Real Properties transmitted its advertisement for Cabinet for Health and Family Services space in Bullitt County.

Pursuant to the Auditor of Public Accounts 2005 Model Program Checklist for Postsecondary Education Institutions' Lease Law Compliance, the Council on Postsecondary Education transmitted lease law compliance reports and the institutions' auditors did not report any findings.

The Kentucky Infrastructure Authority released information relating to the Environmental Protection Agency's March release of the Bipartisan Infrastructure Law implementation guidelines for

the Clean Water and Drinking Water State Revolving Fund Programs. KIA and the Division of Water will incorporate key provisions in the fiscal year 2023 Intended Use Plans.

Project Report from the Postsecondary Institutions

Mr. Green submitted the \$1.15 million Upgrade Building Management System Controls information technology project, federally funded with U.S. Department of Education funds from the Coronavirus Aid, Relief, and Economic Security Act and supplemental actions through the Coronavirus Response and Relief Supplemental Appropriations and American Rescue Plan Acts. The project will upgrade multiple building supervisory control systems, changing Windows XP-era network controls to Linux, accessed through a campus-wide graphical user interface.

Project Report from the Finance and Administration Cabinet

Ms. Tomes submitted two new Department of Military Affairs (DMA) projects. The first DMA project was the federally funded \$16,120,500, Construct Burlington Field Maintenance Shop project. The 25,156 square foot facility, adjacent to the readiness center and replacing the leased maintenance shop, will provide maintenance services for military vehicles used by the Burlington, Carrolton, and Walton armories. The second was the \$3.5 million Bowman Field Annex Readiness Center Interior Restoration project, \$3 million in federal funds and \$500,000 in investment income funds from DMA's maintenance pool for the required state match. The interior restoration is a complete interior renovation; with upgrades including latrines, HVAC, lighting, electrical, antiterrorism/force protection windows, flooring, and walls. The readiness center was constructed in 1951 and served as the U.S. Army Reserve Readiness Center until it was replaced by the adjacent new facility. The building has largely laid dormant since 2016 when the acquisition transfer process to the Kentucky Army National Guard began. The Kentucky Army National Guard plans to station a newly assigned 200 soldier divisional artillery headquarters within the renovated facility, which will include Human Resources, Intelligence, Operations, Sustainment, Signal, and Special Staff Sections.

Ms. Tomes reported a Cabinet for Health and Family Services, Department for Public Health research equipment purchase. The equipment purchase is for a \$307,600 Clear DX Platform Instrument, federally funded from the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases grant. The instrument will allow for identification of broader range of diseases for surveillance of epidemiological investigations, tracing route of transmission, detection

of new mutations, and determining effectiveness of new therapies and vaccines.

Ms. Tomes reported on two emergency repair, maintenance, or replacement projects, one a DMA amended project and the other a new Department of Parks project. The DMA amended project is a \$598,300 amendment, funded with \$558,800 from the Capital Construction Surplus account and \$39,500 from the Emergency Repair, Maintenance, or Replacement fund, to the DMA Boone National Guard Center State Emergency Operations Center Window Replacement project, resulting in a \$1,648,300 revised appropriation. The increase is due to the current bid climate driven by global economy and supply issues. Ms. Tomes reported the \$6 million Tourism, Arts and Heritage Cabinet, Department of Parks, Lake Barkley Lodge Fire Repairs project, funded with insurance proceeds and involving building restoration and reconstruction to the lodge due to a fire on November 27, 2021. The work primarily consists of repairs to the West Lodge Wing from fire and smoke damage as well as water and limited demolition damage from the resulting firefighting efforts. Several hospitality rooms, linen storage room, as well as the mechanical room were directly affected by the fire and the remaining rooms in the wing have smoke damage.

Lease Report from the Finance and Administration Cabinet

Mr. Aubrey submitted a Department of Corrections lease modification and reported two Kentucky Transportation Cabinet, Department of Highways, emergency leases.

The Department of Corrections, Division of Probation and Parole's lease modification in Boyd County included an additional five years; a 1,429 square feet [and corresponding \$22,900 annual rent] increase, and renovation costs amortization. Division of Real Properties (DRP) received two estimates: \$85,300 from CTB and \$98,900 from the Boyd County Fiscal Court [the current lessor]. DRP selected the lower bid, the amount of which will be amortized through the lease term ending June 30, 2028.

The two emergency leases in Graves and Warren County were for sites housing travel trailers [KYTC purchased two hundred with House Bill 5 proceeds for the Commonwealth Sheltering Program] for families whose primary residences were majorly damaged, destroyed, or not habitable due to the December 2021 tornadoes. The sites had utility hookups to place the non-congregate shelters/trailers; therefore leases were procured through non-competitive negotiation. The leases are monthly, \$325 (Graves County - initially fifteen lots with a lease amendment increasing the lots to seventeen) and \$500 (Warren County - ten lots) per site.

In response to Representative Thomas; Mr. Siwula stated that staff does walk throughs with individuals using the travel trailers, there is twenty-four hour

contact information for a maintenance contractor; frost proof fire hydrants and such prevent frozen water lines, and KYTC is facilitating transitioning into permanent housing in partnership with Kentucky Emergency Management. The leases have a thirty day cancellation clause and individuals may occupy the travel trailers for up to six months with the ability to extend based upon individual circumstances.

Office of Financial Management

Kentucky Infrastructure Authority

Ms. Williams submitted a report on an Infrastructure Revolving Fund (Fund B) Program loan and 148 Cleaner Water Program grants. The City of Catlettsburg requested a \$499,853 Fund B loan to partially repay a \$2.485 million Clean Water State Revolving Fund (Fund A) Program loan, A14-013. The completed project was the wastewater treatment plant upgrade and rehabilitation and a portion of the sanitary sewer collection system’s replacement. For state revolving fund loans, utilities must either produce an American Iron and Steel certification letter or a waiver for certain project materials. The city was unable to produce AIS certification for the collection system replacement materials and did not have a waiver. Therefore, the Environmental Protection Agency is requiring the city to repay the remaining Fund A proceeds used for the collection system replacement materials. The loan term is twenty years with the same interest rate as the Fund A loan, three quarters of a percent. Ms. Williams then referenced the 148 Cleaner Water Program grants.

Cabinet for Economic Development

Ms. Butler submitted three Economic Development Fund grants. [The grants to the Graves County Fiscal Court and the City of Bowling Green were part of the Kentucky Product Development Initiative program which, administered in conjunction with the Kentucky Association for Economic Development and codified in House Bill 745, uses EDF monies for industrial site upgrades. Recipients are required to match funds on a dollar-for-dollar basis.] The KPI locations were identified by an independent site consultant as prospective infrastructure projects with the potential for future investment/location of an economic development project. The Cabinet for Economic Development disburses KPI program funds to the local government entity on a reimbursement basis after review and approval of supporting documentation including invoices, proof of payment, matching funds, and progress report.

The \$115,000 EDF grant to the Graves County Fiscal Court on behalf of Graves County Economic Development will fund a 150,000 square foot pre-graded pad on six acres in the Hickory Industrial Park. GCED has committed funds to match the grant.

The \$500,000 EDF grant to the Shelby County

Fiscal Court on behalf of Wieland North American Recycling, a leading manufacturer and converter of copper and copper alloy-sheet, strip, foil, tube, and fabricated components in North America, will be applied towards the new Shelbyville manufacturing facility’s capital investment costs. The grant agreement includes investment, job, and wage requirements; 75 to 225 new full-time jobs over four years [increase of 50 jobs each year] for employees subject to Kentucky individual income tax at a \$30 average hourly wage, including benefits, measured annually from December 31, 2025 to December 31, 2028. County economic development will disburse funds after annual compliance reporting, with the amount based upon the achieved performance requirements. If Wieland fails to achieve the job or wage targets, then CED will reduce the disbursement amount at each of the compliance measurement dates, \$833 for each full-time job not created or maintained by the company and a pro-rata amount of the EDF grant based on a formula to be outlined in the EDF agreement for failure to pay the \$30 average hourly wage, including benefits.

The \$500,000 EDF grant to the City of Bowling Green on behalf of Inter-Modal Transportation Authority will fund the utilities extension to over 669 acres in Kentucky Transpark. ITA’s Board of Directors has committed to match the grant.

New Kentucky Housing Corporation Conduit Debt Issues

Mr. Barrow submitted two Kentucky Housing Corporation conduit debt issues, applied towards the state’s private activity volume cap for the tax-exemption and affecting neither the commonwealth’s nor KHC’s financials, as the developer pays the debt service, for multifamily rental housing. The first was the Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Carl D Perkins), Series 2022, rehab of 150 units at 200 Douglas Parkway in Pikeville; \$10 million net proceeds with an over \$18.5 million total project cost. The second project was the Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Eclipse in Russell), Series 2022, construction of 208 units on multiple parcels at Magazine Street in Louisville; \$43 million net proceeds with an over \$73.7 million project cost.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Mr. Barrow submitted two new school district debt issues with SFCC debt service participation, both for new projects. The Caldwell County and Owen County school districts, which did not need an additional tax levy to pay debt service, planned debt issuances totaling just over \$11 million, over 92 percent with locally supported debt service and just under eight percent with SFCC debt service

participation.

Next Meeting Date

Senator Girdler announced the Tuesday, May 17 meeting, 1:00 PM in Room 169 of the Capitol Annex with Representative Freeland presiding.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes
May 19, 2022

Call to Order and Roll Call

The Capital Projects and Bond Oversight Committee was held on Thursday, May 19, 2022, at 1:00 PM, in Room 169 of the Capitol Annex. Representative Chris Freeland, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Chris Freeland, Co-Chair; Senators Christian McDaniel and Robin L. Webb; and Representatives Jason Petrie and Walker Thomas.

Guests: Bart Hardin, Executive Director of Government Relations, University of Kentucky; Jeff Spoelker, Associate Athletic Director for Finance, University of Louisville Athletics; Kevin Cardwell, Deputy State Budget Director, Office of State Budget Director; Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Korey Saltee, Committee Analyst; and Liz Hardy, Committee Assistant.

Approval of Minutes (February 22, 2022, March 15, 2022, and April 13, 2022)

Representative Petrie moved to approve the February 22, 2022; March 15, 2022; and April 13, 2022, meeting minutes. Representative Thomas seconded the motion and the committee approved without objection.

Information Items

Ms. Halloran referenced nine information items. Pursuant to KRS 45.760(5), the University of Kentucky reported a \$206,500 hardware in the loop simulator purchase for its SPARK laboratory with private funds. The University of Louisville reported a \$445,500 sequencing system purchase for its genomics facility with National Institute of General Medical Sciences IDeA Network of Biomedical Research Excellence funding and a \$374,800 imaging

reader purchase for its Center for Predictive Medicine biosafety level three facility on the Shelby Campus with National Institute of Allergy and Infectious Diseases funding.

Pursuant to KRS 45.800(4), Eastern Kentucky University's president notified the committee that he proceeded with the Upgrade Building Management System Controls project submitted last month. Pursuant to KRS 45.800(4) and KRS 45.810(4), the secretary of the Finance and Administration Cabinet notified the committee that she proceeded with the cabinet's transactions submitted last month, except for two new Department of Military Affairs' projects on the agenda today.

Pursuant to KRS 45.812(1); ten school districts, none of which needed an additional tax levy to pay debt service, transmitted upcoming debt issues for new projects. The school districts were Covington Independent (Kenton County), Dayton Independent (Campbell County), Franklin County, Hart County, Kenton County, Knox County, Mercer County, Raceland-Worthington Independent (Greenup County), Russell County, and Trigg County.

Pursuant to KRS 45A.180(2), UofL communicated its intent to use the construction management-at-risk project delivery method for its capital asset preservation project portfolio. Exhibit A of the RFP had a list of potential projects.

Pursuant to KRS 56.813(2)(a)3.b., the Division of Real Properties reported four lump-sum leasehold improvements costing between \$1,000 and \$10,000. Pursuant to KRS 56.823(11)(a), the Division of Real Properties reported three under \$50,000 Transportation Cabinet square footage lease modifications.

Pursuant to KRS 164A.600(2), UK reported the \$3 million design phase of its emergency project; replacement of the newly constructed Grain and Forage Center of Excellence in Princeton which was destroyed by the December 10, 2021, tornado.

UK transmitted its Construct Beam Institute I and II project authorization consolidations. The projects were bid together and UK reflected the consolidation in its April 2022 quarterly capital projects report.

The Council on Postsecondary Education communicated its KRS 164.020(11) approval of the Upgrade Building Management System Controls project.

The School Facilities Construction Commission (SFCC) reported previous school district debt issues with SFCC debt service participation between January and April, twenty-three totaling around \$145 million for new projects and three refunding debt issues totaling around \$24 million.

Lease Report from Postsecondary Institutions

University of Kentucky

Senator McDaniel moved to roll the two UK lease transactions into one roll call vote, Representative

Petrie seconded the motion, and the committee approved without objection.

Mr. Hardin submitted a new lease and a lease renewal. The College of Social Work's new lease, [5,921 square feet at] \$19.25 per square foot [for a \$113,979 total annual cost through June 30, 2028, including utilities], will be in a Coldstream facility where UK has other lease agreements. Due to the expansion of its largest tenant [Piramal Pharma Solutions], the current lessor is not renewing the lease at the College's present Coldstream location a half-mile away. The College of Dentistry's lease renewal, roughly 13,500 square feet at \$32.67 per square foot [for a \$439,700 total annual cost through June 30, 2030, including utilities], is for clinical space at Turfland Mall on Harrodsburg Road and the new rental rate is consistent with other medical/dental facilities rented by UK in Fayette County.

Representative Thomas moved to approve the two UK lease transactions, Senator Webb seconded the motion, and the committee approved by unanimous roll call vote.

University of Louisville

Mr. Spoelker submitted a new 67 bed [in eighteen apartment units] master housing lease with Louisville Properties I. The units will be in The Province, an off-campus UofL affiliated apartment property, and used primarily by UofL's football team. The term is five years starting with around a \$510,000 annual payment and three percent annual inflationary increases thereafter.

In response to Senator Daniel, Mr. Spoelker stated that the UofL Athletic Association will use its own funds for the rental payments.

Senator Webb moved to approve UofL's new master housing lease, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

Project Report from the Finance and Administration Cabinet

Representative Petrie moved to roll the six new projects into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

Mr. Cardwell submitted six new projects; four from the Department of Military Affairs', two of which were resubmittals from last month, and two from the Kentucky Department of Fish and Wildlife Resources (KDFWR), and reported three pool allocations.

The first new Department of Military Affairs' project was the federally funded [Military Construction Cooperative Agreement (MCCA)] \$16,120,500 Construct Burlington Field Maintenance Shop. The 25,156 square foot facility, adjacent to the readiness center and replacing the leased maintenance shop, will provide maintenance services for military

vehicles used by the Burlington, Carrollton, and Walton armories.

The second was the \$3.5 million Bowman Field Annex Readiness Center Interior Restoration project, \$3 million in federal funds [MCCA] and \$500,000 from the Department of Military Affairs' 2020-2022 investment income maintenance pool. The interior restoration is a complete interior renovation; with upgrades including latrines, HVAC, lighting, electrical, antiterrorism/force protection windows, flooring, and walls. The readiness center was constructed in 1951 and served as the U.S. Army Reserve Readiness Center until it was replaced by the adjacent new facility. The building has largely laid dormant since 2016 when the acquisition transfer process to the Kentucky Army National Guard began. The Kentucky Army National Guard plans to station a newly assigned 200 soldier divisional artillery headquarters within the renovated facility, which will include Human Resources, Intelligence, Operations, Sustainment, Signal, and Special Staff Sections.

The third was the \$1.2 million Appalachian Challenge Academy (ACA) upgrades project, \$900,000 in federal funds [Youth Challenge Cooperative Agreement] and \$300,000 from Department of Military Affairs' restricted funds for the required twenty-five percent match. The interior renovations to the ACA Facility, formerly a school building, will include men's and women's showers and latrines, HVAC, water heaters, lighting, flooring, and walls.

The final was the \$2 million Boone National Guard Center (BNGC) Rear Access Control Point project, \$1.5 million in federal funds [MCCA] and \$500,000 from Department of Military Affairs' 2020-2022 investment income maintenance pool for the required twenty-five percent match. The modifications will include a security building and changes to lanes, control gates, and fences to better control traffic flow. The current rear access control point is only utilized for emergencies and oversized vehicles. The new access control point will give BNGC a dual entry and exit point for employees and emergency vehicles and will include video monitoring capability, breakroom, restrooms, and offices for security personnel.

The two new KDFWR projects received U.S. Fish & Wildlife Service Pittman-Robertson Wildlife Restoration federal funds.

The first was the \$3.5 million Veteran's Memorial Wildlife Management Area - Public Shooting Range, \$3.15 million in federal funds and \$350,000 from KDFWR restricted funds. The public shooting range, including classroom for conservation/hunter education and four offices, will be in Georgetown. There was a public forum and further community outreach regarding the project.

The second was the \$4.5 million Ballard Wildlife Management Area "Big Pump" project, \$3.375 million in federal funds and \$1.125 million from Ducks Unlimited. The replacement pump will manage water

levels on a complex of wetland units for waterfowl hunting. The current pump, with inadequate capacity, has frequent service failures and maintenance/repair requirements, which makes it no longer practical or cost effective to operate.

Representative Freeland and Senator Webb expressed their support for the project. Senator Webb mentioned the [Senate Bill 217] implementation and encouraged the Finance and Administration Cabinet and KDFWR to follow the intent of the legislature, remarked on hunting at Ballard, commented on the importance of federal law compliance for federal funds receipts, referenced taxation on sporting items [ammunition, firearms, and archery equipment] as the Wildlife Restoration fund source, and noted Ducks Unlimited’s presence at one of the Kentucky Sportsmen’s Caucus meetings and its outreach.

Representative Petrie moved to approve the six new projects, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

The first pool allocation was for the Finance and Administration Cabinet, Department for Facilities and Support Services, \$2,063,900 Library and Archives HVAC Replacement project, funded from DFSS’s 2020-2022 bond-funded maintenance pool. The project will upgrade, modify, and otherwise modernize the HVAC system and temperature controls in the 150,000 square foot facility that stores and archives historically significant documents.

The second was for the \$1,752,300 Kentucky Community and Technical College System, Land Acquisition, Somerset Community College, funded from KCTCS’s restricted funded 2020-2022 Property Acquisitions Pools. The acquisition was two buildings at 580 and 610 Valley Oak Drive for several SCC programs including heavy equipment operations, welding, customized business, industry training, and electrical technology.

The final was for the \$5,133,000 KDFWR Little Sexton project, funded from the Fees-in-Lieu-of Stream Mitigation Projects Pool. This project, authorized by the U.S. Army Corps of Engineers, will restore and protect over 26,000 linear feet of Little Sexton’s Creek and other headwater tributaries in the Sexton’s Creek watershed in Clay and Jackson Counties and fulfill an obligation of approximately 9,300 EIU advanced stream credits in the Upper Kentucky River Service Area.

Lease Report from the Finance and Administration Cabinet

Senator Webb moved to roll the three lease submittals into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

Mr. Aubrey submitted a Kentucky Department of Highways (KDOH) lease modification, Cabinet for Health and Family Services lease renewal, and new KDOH lease with modification and reported a KDOH

emergency lease with modification.

The KDOH lease modification in Jefferson County will reduce the leased area by 33,545 square feet for a total leased area of 151,938 square feet with a \$341,860.52 annual rental cost through June 30, 2025.

The CHFS lease renewal in Bourbon County is under the same terms and conditions; \$13.20 per square foot with a \$109,230 annual rental cost through June 30, 2024.

The KDOH new lease, \$14,000 per month through June 30, 2025, and lease modification in Whitley County involves 37,239 square feet of warehouse space; 2,355 square feet of office space, and six acres of land. Kentucky Transportation Cabinet (KYTC) will surplus its current maintenance facility [adjacent to Firestone Industrial Products which is conducting the \$51 million, 68,000 square foot expansion of its Williamsburg air springs production facility] to the Whitley County Industrial Development Authority pursuant to a memorandum of agreement between KYTC, the Whitley County Industrial Development Authority, and Firestone. This lease will be needed until the anticipated 2025 completion of the new maintenance and salt storage facility [reauthorized in House Bill 241]. The modification will amortize \$84,600 in improvements through the lease expiration including the installation of washout pit with oil and water separator and antifreeze hydrant as well as the construction of a drainage ditch, retention pond, and salt storage areas. Division of Real Properties received one estimate [from the lessor] for the improvements.

Senator Webb moved to approve the three lease submittals, Representative Thomas seconded the motion, and the committee approved by unanimous roll call vote.

The emergency KDOH lease with modification in Graves County was to house travel trailers [KYTC purchased 200 with House Bill 5 proceeds for the Commonwealth Sheltering Program] for families whose primary residences were majorly damaged, destroyed, or not habitable due to the December 2021 tornadoes. The site has utility hookups for the non-congregate shelters/trailers; therefore the lease was procured through non-competitive negotiation at \$350 per lot per month. The lease is month-to-month, initially for ten lots and modified to add an additional thirty lots.

Office of Financial Management

Kentucky Infrastructure Authority (KIA)

Senator McDaniel moved to roll the Infrastructure Revolving Fund (Fund B) Program loan and Drinking Water State Revolving Fund (Fund F) Program loan into one roll call vote, Representative Thomas seconded the motion, and the committee approved without objection.

Ms. Williams submitted a Fund B and Fund F loan. The South Woodford Water District requested

a \$2.23 million Fund B loan for its \$2.705 million Comprehensive System Rehabilitation project, the rehabilitation of two storage tanks and a pump station as well as the replacement of all water meters. [The district received a \$225,000 Cleaner Water Program grant approved by the committee in March and a \$250,000 American Rescue Plan Act county allocation.] The loan term is twenty years with a two percent interest rate. The city of Cynthiana requested a \$3,370,700 Fund F loan for its \$4.64 million Industrial Park Water Tank and Water Treatment Plant Upgrade project, new 750,000 gallon elevated water storage tank and booster pump station and replacement of failed valves, installation of UV disinfection units on the filter effluent, and various electrical upgrades. [The city received a \$269,300 CWP grant approved by the committee in March and a \$1 million ARPA county allocation.] The loan term is thirty years with a quarter percent interest rate.

In response to Senator McDaniel, Ms. Williams said that all projects with KIA assistance agreements require bid bonds.

Senator McDaniel moved to approve the Fund B and Fund F loans, Senator Webb seconded the motion, and the committee approved by unanimous roll call vote.

Cabinet for Economic Development

Senator McDaniel moved to roll the three Economic Development Fund (EDF) grants into one roll call vote, Representative Petrie seconded the motion, and the committee approved without objection.

Ms. Smith submitted three EDF grants. The first two are for infrastructure improvements [part of the Kentucky Product Development Initiative (KPDI) program which, administered in conjunction with the Kentucky Association for Economic Development and codified in House Bill 745, uses EDF monies for industrial site upgrades. Recipients are required to match funds on a dollar-for-dollar basis.]. The KPDI improvements were identified by an independent site consultant as prospective infrastructure projects with the potential for future investment/location of an economic development project. The Cabinet for Economic Development (CED) disburses KPDI program funds to the local government entity on a reimbursement basis after review and approval of supporting documentation including invoices, proof of payment, matching funds, and progress report. The \$212,500 EDF grant to the Rowan County Fiscal Court on behalf of the Meniffee-Morgan-Rowan County Regional Industrial Development Authority is for the construction of a 150,000 square foot pad ready site on Lot 10 of the MMRC Park. The \$300,000 EDF grant to the Mason County Fiscal Court on behalf of the Maysville-Mason County Industrial Development Authority is for renovations at 1151 Morton Lane [former Federal Mogul facility] in Maysville. The industrial development authorities

are providing the matching funds. The \$150,000 EDF grant to the city of Williamsburg on behalf of Firestone will be applied towards the \$51 million expansion referenced in the above new KDOH lease with modification. FSIP and its affiliates are manufacturers of air spring and related products for commercial trucks and trailers, cars, SUVs, light trucks, minivans, motorhomes, buses, etc. The grant agreement includes investment, job, and wage requirements; 250 new full-time jobs for employees subject to Kentucky individual income taxes at a \$29 average hourly wage including benefits, measured annually from December 31, 2025, through December 31, 2028. CED did not require collateral because disbursements will occur after each of the annual compliance measurement dates, with the amount based upon the achieved performance metrics.

In response to Representative Petrie, Ms. Smith explained that the independent site consultant/site selection group selected the submitted KPDI projects prior to the passage of House Bill 745, which included annual reporting requirements. She said she would request the site selection group's reports detailing its grant recommendations from the Kentucky Association for Economic Development.

Representative Thomas moved to approve the three EDF grants, Representative Petrie seconded the motion, and the committee approved by unanimous roll call vote.

Office of Financial Management

Representative Petrie moved to roll the three new debt issues into one roll call vote, Representative Thomas seconded the motion, and the committee approved with no objection.

Mr. Barrow submitted three new debt issues and reported three previous debt issues. The first new debt issue was the Kentucky Housing Corporation (KHC) Conduit Multifamily Housing Revenue Bonds (The Prestonian), Series 2022; \$50 million net proceeds with a \$117.5 million project cost for the acquisition, construction, and equipping of 343 units in Louisville.

The second was the Kentucky Economic Development Authority Revenue Refunding Bonds (Masonic Homes of Kentucky). The debt issue, not to exceed \$75 million, is a refinancing of the [Series 2012 debt issue and five First Midwest Bank commercial loans. The Series 2012 refinanced Series 2009 and Series 2010 debt for construction of the Sam Swope Center on Masonic's main campus in Saint Matthews as well as a \$1.8 million PNC loan for facilities improvements on the Shelbyville campus. The Series 2012 also financed a new entrance to the health care center on the Shelbyville campus and conversion of administrative area to adult day care center on the Saint Matthews campus. The commercial loans were for financing and refinancing facilities improvements on the Saint Matthews, Shelbyville, and Taylor Mill

campuses.]

The KHC and KEDFA new debt issues, as conduit debt issues, are applied towards the state's private activity volume cap for the tax-exemption and affect neither the Commonwealth's nor the agencies' financials.

The final new debt issue was the University of Kentucky General Receipts (Forward Delivery) Refunding Bonds, 2024 Series A, a forward refunding [settling the transaction within ninety days of the prior debt's earliest redemption date] of certain 2014 Series A debt. With the increase in interest rates, it is economically feasible to refund only \$21.720 million [of the \$155.435 million eligible to be refunded] of the prior debt. The estimated all-in true interest cost is 4.24 percent with estimated 6.23 percent net present value savings, [or \$1.353 million]. However, interest rates are volatile.

Senator McDaniel stated that tax issues between the City of Taylor Mill and Masonic Homes were ongoing and that the city specifically voted not to exempt Masonic Homes from local ad valorem taxation after the passage of legislation [House Bill 351, 2020 Regular Session].

Representative Petrie moved to vote on the Masonic Homes debt issue separately, Representative Thomas seconded the motion, and the committee approved without objection.

Representative Thomas moved to approve the KHC and UK debt issues, Senator Webb seconded the motion, and committee approved by unanimous roll call vote.

Representative Thomas moved to approve the Masonic Homes debt issue, Senator Webb seconded the motion, and the committee did not approve the debt issue with five nay votes.

The first previous debt issue was the \$85.365 million State Property and Buildings Commission Revenue Bonds, Project No. 126, Series A; general fund appropriation-supported debt to fund \$100 million of projects in various appropriations bills. The all-in true interest cost was just above three percent in the negotiated transaction with Citigroup.

The second was the \$56.875 million Turnpike Authority of Kentucky Economic Development Road Revenue Refunding Bonds (Revitalization Projects), 2022 Series A; a road fund appropriation-supported forward refunding for economic savings which priced in September. The all-in true interest cost was 1.561 percent with just over 25 percent net present value savings, or \$17.787 million. The over 25 percent savings was a record for state appropriation-supported debt [the net present value savings for the non-state appropriation-supported \$185.3 million Kentucky Public Transportation Infrastructure Authority refinancing was above 32 percent].

The final was the \$284.435 million KEDFA Hospital Revenue Refunding Bonds, Series 2022 A-1 and Series 2022 A-2 (Baptist Healthcare System Obligated Group) conduit debt issue.

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Senator Webb moved to roll the two SFCC debt issues with SFCC participation into one roll call vote, Senator McDaniel seconded the motion, and the committee approved without objection.

Mr. Barrow submitted two school district debt issues with SFCC participation to finance new projects. The Jackson Independent (Breathitt County) and Taylor County school districts, neither of which needed an additional tax levy to pay debt service, planned debt issuances totaling \$9.5 million, over 96 percent with locally supported debt service and just under four percent with SFCC debt service participation. The Taylor County Schools was a resubmission as the bids came in higher than anticipated [SFCC guidelines for resubmittal are forty percent increase in debt issuance size].

In response to Representative Freeland, Mr. Barrow stated that SFCC referenced new projects of about \$450 to \$475 per square foot, which are substantially higher, and the Taylor County project was about \$350 per square foot.

Representative Thomas moved to approve the three EDF grants, Representative Freeland seconded the motion, and the committee approved by unanimous roll call vote.

Next Meeting Date and Adjournment

Representative Freeland announced Thursday, June 23 as the next meeting date. With there being no further business the meeting adjourned at 2:45 p.m.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

March 15, 2022

Call to Order and Roll Call

The March Capital Projects and Bond Oversight Committee was held on Tuesday, March 15, 2022, at 9:00 AM, in Room 171 of the Capitol Annex. Representative Chris Freeland, Chair, called the meeting to order, and the secretary called the roll. There was no quorum at this meeting.

Present were:

Members: Representative Chris Freeland, Co-Chair; Senators Jason Howell and Robin L. Webb; Representative Walker Thomas.

Guests: Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Korey Saltee, Committee Analyst; and

Elizabeth Hardy, Committee Assistant.

Introduction of New Member

Representative Freeland welcomed Representative Keturah Herron from the 42nd District in Jefferson County to the committee.

Information Item

Ms. Halloran referenced an information item. Pursuant to KRS 45.812(1), four school districts reported upcoming debt issues through their fiscal agents. Bowling Green Independent, Jefferson County, and Rowan County; none of which needed an additional tax levy to pay debt service, reported financings for new projects. Carter County reported a current refunding.

Lease Report from the Finance and Administration Cabinet

Mr. Aubrey submitted a new lease, lease renewal with a rate increase, and lease modification over \$50,000. The Transportation Cabinet, Department of Vehicle Regulation’s new lease in Jefferson County; 7,594 square feet at \$15.00 per square foot for a \$113,910 total annual cost from January 18, 2022 through June 30, 2023, was due to the reassignment of REAL ID office space from the Circuit Clerk to the Transportation Cabinet. The Finance and Administration Cabinet, Department of Revenue’s lease renewal; 7,081 square feet at \$19.18 per square foot for a \$138,814 total annual cost through June 30, 2030, involved a rental rate increase. DRP procured bids [required by KRS 56.806(1) for rate increases. The advertisement notice was reported to the committee at its December, 2021 meeting.] DRP received one best and final proposal [from the current lessor]. Both leases included janitorial and utilities. The Transportation Cabinet, Department of Vehicle Regulation’s over \$50,000 lease modification in Boyle County was to amortize leasehold improvements for REAL ID office space. DRP received two estimates: \$79,600 from Mobley’s and \$95,520 from McAnly Commercial Properties [the current lessor]. DRP selected the lower bid, the amount of which will be amortized through the lease term ending June 30, 2029.

Mr. Aubrey reported a KRS 56.820(4)(b) General Government Cabinet, Department of Military Affairs, Bluegrass Station Division lease modification in Fayette County. The Bluegrass Station Division is modifying, at the federal agency occupant’s request, one of its built-to suit leases to construct a two-story 65,327 square foot secured storage facility adjacent to and connected to Building #344. The \$4.14 square foot rental rate will remain unchanged with extension of the lease term to November 30, 2049.

**Office of Financial Management
Kentucky Infrastructure Authority**

Ms. Williams submitted two Drinking Water State Revolving Fund (Fund F) Program loans, two Fund F loans with Cleaner Water Program grants, and one hundred three Cleaner Water Program grants.

The City of Hazard requested two Fund F loans with thirty-year loan terms at a quarter percent interest rate. The first request was \$1 million for its Buckhorn Middle Fork Water Treatment Plant to Chavies Transmission Line project and the second was \$1.95 million for its Lothair Waterline Replacement project, which will reduce excessive water loss for two hundred seventy-seven existing customers.

The City of Monticello requested a \$2,340,250 Fund F loan and a \$746,750 CWP grant for its New Powersburg Booster Pump Station, Wray Hill BPS/Storage Tank Replacement, and Miscellaneous Waterline Improvements project. The loan term is thirty years at a quarter percent interest rate. The Knox County Utility Commission requested a \$1.193 million Fund F loan and a \$1,143,832 CWP grant for its Barbourville Connection - KY 225 project, which will install about 15,000 linear feet of eight inch water main and add a booster pump station. The loan term is twenty years at a quarter percent interest rate.

Of the one hundred three CWP grants, thirty-four were for sewer and sixty-nine were for water projects. The General Assembly appropriated \$250 million for the CWP program; \$150 million based upon each county’s population, \$50,000 for unserved drinking water or consent decree sewer projects, [and \$49.9 million to supplement project grants]. All of today’s submittals, except one from the consent decree pool, were from the county allocation pool.

In response to Representative Freeland, Ms. Williams confirmed that KIA would be submitting more CWP grants.

Cabinet for Economic Development

Ms. Smith submitted a \$100,000 Economic Development Fund grant for the City of Elizabethtown on behalf of Kruger Packaging (USA), a subsidiary of Kruger Incorporated; to be applied towards its capital investment in its first U.S. corrugated box plant; which will serve future and existing customers across the midwestern and southern U.S. The grant agreement includes job and wage requirements; 147 new full-time jobs for employees subject to Kentucky individual income tax at a \$32.50 average hourly wage, including benefits, measured annually over three years beginning December 30, 2025. CED will disburse funds after annual compliance reporting, with the amount based upon the achieved performance requirements. If Kruger fails to achieve the job or wage targets, then CED will reduce the disbursement amount at each of the compliance measurement dates.

New Conduit Bond Issue

Mr. Barrow submitted the Kentucky Economic Development Finance Authority Hospital Revenue Refunding Bonds, Series 2022A-1 and Series 2022A-2 (Baptist Healthcare System Obligated Group) conduit bond issue. This conduit debt issue, refinancing the remaining Series 2009B-1 through 2009B-4 variable rate demand notes for certain healthcare facilities, affects neither the commonwealth’s nor KEDFA’s financials as the debt service is the Baptist Healthcare System’s obligation. The proposed sale and closing dates are March 31 and April 1.

**School District Debt Issues with School Facilities
Construction Commission Debt Service
Participation**

Mr. Barrow submitted three new school district debt issues with SFCC debt service participation, two for new projects and one to refinance debt. For new projects; Beechwood Independent plans a \$26 million issuance for the second phase of its school renovations and passed a tax increase in 2019. Taylor County, which did not need an additional tax levy to pay debt service, plans a \$4.9 million issuance; \$4.7 million through district debt service and \$210,000 through SFCC debt service. Jefferson County plans a \$31.8 million refunding debt issue.

Next Meeting Date

Representative Freeland announced the next meeting date, Thursday April 14 at 11:00 AM in Room 169 with Senator Rick Girdler presiding, and the April 1 agency submission due date.

With there being no further business the meeting adjourned at 9:17 AM.

**ADMINISTRATIVE REGULATION
REVIEW SUBCOMMITTEE
Minutes of the January Meeting
January 10, 2022**

Call to Order and Roll Call

The December meeting of the Administrative Regulation Review Subcommittee was held on Monday, January 10, 2022, at 1:00 PM, in Room 149 of the Capitol Annex. Representative David Hale, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen West, Co-Chair; Representative David Hale, Co-Chair; Senators Julie Raque Adams, Ralph Alvarado, and David Yates; Representatives Randy Bridges, Deanna Frazier Gordon, and Mary Lou Marzian.

Guests: Gordon A. Rowe, Rose Holbrook, Alan Hurst, Personnel Cabinet; Cassie Trueblood,

Education Professional Standards Board; Johnna Ballinger, Michael Wilson, Secretary of State; Office of Business Services; Stafford Easterling, Personnel Board; Julie Campbell, Board of Cosmetology; Brian Clark, Steven Fields, Department of Fish and Wildlife Resources; Carlos Cassady, Motor Vehicle Commission; Todd Allen, Department of Education; Chad Collins, Julian Tackett, Kentucky High School Athletics Association; Terry Manuel, Beth Milburn, Department for Libraries and Archives; Joshua Newton, Department of Alcoholic Beverage Control; Abigail Gall, Chad Thompson, Department of Insurance; Sarah Jackson, Darryl Morgan, Rick Rand, Benjamin Siegel, Jason Siwula, Department for Housing, Buildings and Construction; Sarah Cooper, Kelli Rodman, Cabinet for Health and Family Services; Kim Minter, Donna Veno, Office of Telehealth Services; Kara Daniel, Adam Mather, Office of Inspector General; Jennifer Craig, Victoria Elridge, Phyllis Sosa, Department for Aging and Independent Living.

LRC Staff: Sarah Amburgey, Stacy Auterson, Emily Caudill, Emily Harkenrider, Karen Howard, Carrie Nichols, and Christy Young.

The Administrative Regulation Review Subcommittee met on Monday, January 10, 2022, and submits this report:

The following effective administrative regulation was reviewed pursuant to KRS 13A.030(3):

PERSONNEL CABINET: Classified

101 KAR 2:095. Classified service, general requirements. Rosemary Holbrook, assistant general counsel; Alan Hurst, acting executive director; and Gordon Rowe, general counsel, represented the cabinet.

In response to questions by Senator Raque Adams, Mr. Rowe stated that the cabinet had denied the Kentucky Child Victims' Trust Fund from inclusion as part of the Kentucky Employees Charitable Campaign (KECC) because currently the fund was not clearly an organization authorized for tax deductible donations. KECC believed that the Kentucky Child Victim's Trust Fund did important work and was a worthwhile organization. KECC intended to further investigate the fund for inclusion. The cabinet did not wish to broaden the requirements in this administrative regulation to allow for funds that did not include tax deductible donations, which might include partisan organizations. The cabinet would investigate and report back whether or not there were other statutorily established funds that had been denied based on the criteria established in this administrative regulation. Senator Raque Adams stated that Kentucky had the highest levels of child abuse and neglect in the nation; therefore, state employees should be able to contribute to a statutorily established fund to protect children.

In response to questions by Senator Alvarado, Mr. Rowe stated that the cabinet reviewed the Kentucky Child Victims' Trust Fund's annual reports

and application in determining compliance with the requirements established in this administrative regulation. There was nothing in state or federal law that prohibited the fund's inclusion in the KECC. KECC was structured to benefit state employees by allowing tax deductible donations. Senator Alvarado stated that the Kentucky Child Victims' Trust Fund's Web site stated that donations were tax deductible.

In response to questions by Senator Yates, Mr. Rowe stated that the cabinet would investigate the possibility of a pass-through partnership with Prevent Child Abuse Kentucky, which was already a fund with the KECC. Senator Alvarado stated that there was already a partnership in place between the Kentucky Child Victims' Trust fund and Prevent Child Abuse Kentucky.

In response to questions by Co-Chair West, Mr. Rowe stated that the cabinet had broad statutory authority for this administrative regulation pursuant to KRS 18A.030. This administrative regulation could be amended in a way that would allow inclusion of the Kentucky Child Victims' Trust Fund. Co-Chair West requested that this administrative regulation be amended to provide for inclusion of the Kentucky Child Victims' Trust Fund, which Mr. Rowe agreed to consider.

Co-Chair Hale thanked the cabinet for considering to amend this administrative regulation and encouraged them to find a way to include the Kentucky Child Victims' Fund.

Representative Bridges stated that the cabinet could ask the Attorney General for information regarding the Kentucky Child Victims' Fund's taxation status or for information regarding KECC party structuring issues.

Administrative Regulations Reviewed by this Subcommittee:

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Education Professional Standards Board: General Administration

16 KAR 1:030. Procedures for educator certificate surrender, revocation, suspension, reinstatement, and reissuance, and for application denial. Cassie Trueblood, counsel, represented the board.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2, 3, 5, 6, and 9 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

SECRETARY OF STATE: Office of Business Services: Implementation of Revised Article 9

30 KAR 5:011E. Definitions for 030 KAR Chapter 005. Johnna Ballinger, section supervisor,

and Michael Wilson, director of business services, represented the office.

In response to a question by Co-Chair West, Mr. Wilson stated that these administrative regulations were filed as emergencies because they had inadvertently been allowed to expire.

30 KAR 5:021E. Filing methods and forms.

30 KAR 5:031E. Acceptance and refusal of records.

30 KAR 5:041E. UCC information management system.

30 KAR 5:051E. Filing, indexing, and data entry procedures.

30 KAR 5:060E. Search requests, reports, and copies.

PERSONNEL CABINET: Personnel Board

101 KAR 1:335. Employee actions. Stafford Easterling, general counsel, represented the board.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 and 3 through 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

101 KAR 1:345. Disciplinary actions.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

101 KAR 1:365. Appeal and hearing procedures.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 3, 5, and 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

101 KAR 1:367. Standards of conduct and technology governing recording board proceedings.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY,

FUNCTION, AND CONFORMITY paragraph and Sections 1 and 4 through 6 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

101 KAR 1:375. Employee grievances and complaints.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 4 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to add a Section 5 for the Grievance Form incorporated by reference. Without objection, and with agreement of the agency, the amendments were approved.

101 KAR 1:395. Restoration from military duty.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

101 KAR 1:400. Promotion.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

BOARDS AND COMMISSIONS: Board of Cosmetology

201 KAR 12:082E. Education requirements and school administration. Julie Campbell, administrator, represented the board.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2, 5, 8, 15, 18, 21, 23, and 32 through 35 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Section 33 to include compliance with state and national declarations emergency. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 12:082. Education requirements and school administration.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2, 5, 8, 15, 18, 21, 23, and 32 through 35 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Section 33 to include compliance with state and national declarations emergency. Without objection, and with agreement of the agency, the amendments were approved.

TOURISM, ARTS AND HERITAGE CABINET: Department of Fish and Wildlife Resources: Game

301 KAR 2:082. Transportation and holding of live exotic wildlife. Brian Clark, deputy commissioner, and Steven Fields, staff attorney, represented the department.

A motion was made and seconded to approve the following amendments: (1) to amend Section 10 to specify that the commissioner's decision to revoke an exemption or deny future exemptions shall be based upon the necessity to protect public health, public safety, native ecosystems, or native wildlife; and (2) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 3, 5 through 7, and 9 through 12 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Hunting and Fishing

301 KAR 3:010. Public use of Wildlife Management Areas.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 3, 5 through 6, and 9 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

301 KAR 3:026. Access to Wildlife Management Areas for mobility-impaired individuals.

In response to questions by Co-Chair Hale, Mr. Clark stated that specific Wildlife Management Areas had specially designed tracks to accommodate vehicles for hunting by disabled persons. The department would investigate and report back whether or not Clay WMA had any tracks for disabled persons.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2, 3, and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection,

and with agreement of the agency, the amendments were approved.

TRANSPORTATION CABINET: Motor Vehicle Commission

605 KAR 1:051. Dealer and salesman. Carlos Cassidy, executive director, represented the commission.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2, 5, and 7 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

605 KAR 1:071. Change of ownership.

A motion was made and seconded to approve the following amendment: to amend Section 5 to make a technical correction. Without objection, and with agreement of the agency, the amendment was approved.

605 KAR 1:091. Motor vehicle dealership names.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

605 KAR 1:131. Procedures.

A motion was made and seconded to approve the following amendments: to amend Sections 2 and 7 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

605 KAR 1:191. Motor vehicle advertising.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 3 through 6, 8, and 12 through 14 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

605 KAR 1:211. Nonprofit motor vehicle dealer requirements and licensing.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO, STATUTORY AUTHORITY, and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to comply with the drafting requirements of KRS

Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	Manuel, commissioner, and Beth Milburn, deputy commissioner, represented the department.	and with agreement of the agency, the amendments were approved.
EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Kentucky Board of Education: General Administration	In response to a question by Co-Chair West, Mr. Manuel stated that these administrative regulations did not govern agency level records retention requirements.	725 KAR 1:061. Records retention schedules; authorized schedules.
702 KAR 1:191. District Employee Quarantine Leave. Todd Allen, general counsel, Department of Education; Chad Collins, general counsel, Kentucky High School Athletic Association; and Julian Tackett, commissioner, Kentucky High School Athletic Association, represented the cabinet.	A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2 and 4 to comply with the drafting requirements of KRS Chapter 13A; and (2) to add Section 5 to establish incorporated material. Without objection, and with agreement of the agency, the amendments were approved.	A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.
In response to questions by Co-Chair West, Mr. Allen stated that this administrative regulation was not dependent upon Centers for Disease Control quarantine recommendations, and guidelines were not limited to coronavirus (COVID-19). Employees could be paid for quarantine leave up to ten (10) days for a reportable disease, if quarantine was ordered by a physician, and if the employee had already exhausted sick leave or been ineligible for sick leave.	725 KAR 1:020. Recording and reproducing public records.	Libraries
In response to questions by Representative Frazier Gordon, Mr. Allen stated that provisions in this administrative regulation did not differentiate between vaccinated and unvaccinated employees. The cabinet did have an administrative regulation that was specific to coronavirus (COVID-19), and those provisions did differentiate between vaccinated and unvaccinated employees. This administrative regulation would replace that one.	A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	725 KAR 2:015. Public library facilities construction.
A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	725 KAR 1:025. Transfer of public records.	A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 7 and 9 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Section 10 to add incorporated material. Without objection, and with agreement of the agency, the amendments were approved.
School Terms, Attendance, and Operation	725 KAR 1:030. Scheduling public records for retention and disposal; procedures.	725 KAR 2:080. Interstate Library Compact.
702 KAR 7:065. Designation of agent to manage middle and high school interscholastic athletics.	A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 2 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to establish Section 2 to clarify which parties use the incorporated material. Without objection, and with agreement of the agency, the amendments were approved.
In response to a question by Co-Chair Hale, Mr. Tackett stated that Kentucky schools had done well in navigating public and mental health concerns within the context of athletics.	725 KAR 1:040. Collection and distribution of reports and publications.	PUBLIC PROTECTION CABINET: Department of Alcoholic Beverage Control: Licensing
A motion was made and seconded to approve the following amendments: to amend Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	A motion was made and seconded to approve the following amendments: to amend Sections 1 through 4 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	804 KAR 4:221. Alternating proprietorship agreements. Joshua Newton, general counsel, represented the department.
Department for Libraries and Archives: Archives	725 KAR 1:050. Records management program.	In response to questions by Co-Chair West, Mr. Newton stated that this administrative regulation allowed previously prohibited distillery partnerships.
725 KAR 1:010. Records officers; duties. Terry	A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 6 and 8 through 10 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to add: (a) Section 7 to establish an informal appeals process; and (b) Section 11 to establish incorporated material. Without objection,	A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 2, and 4 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department of Insurance: Trade Practices and Frauds

806 KAR 12:010. Advertising of accident and sickness benefits. Abigail Gall, regulation coordinator, and Chad Thompson, general counsel, represented the department.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 1 through 21 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Insurance Contract

806 KAR 14:007. Rate and form filing for health insurers.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1, 2, 5 through 7, and 10 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department of Housing, Buildings, and Construction: Electrical

815 KAR 35:020. Electrical inspections. Darryl Morgan, director, Electrical Division; Rick Rand, commissioner; Benjamin Siegel, general counsel; and Jason Siwula, assistant state highway engineer, represented the department.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of Telehealth Services: Telehealth

900 KAR 12:005. Telehealth terminology and requirements. Kim Minter, regulation coordinator; Kelli Rodman, director, Legislative Affairs; and Donna Veno, director, represented the office.

Co-Chair Hale and Senator Alvarado thanked the office for amending this administrative regulation.

A motion was made and seconded to approve the following amendments: to amend Section 2 to: (1) make a technical correction; and (2) delete the requirement for guidelines to contact, refer, and obtain treatment for a patient who needs emergency or higher level-of-care services. Without objection, and with agreement of the agency, the amendments were approved.

Health Services and Facilities

902 KAR 20:081. Operations and services; home health agencies. Kara Daniel, deputy inspector general, and Adam Mather, inspector general, represented the cabinet.

902 KAR 20:460E. Essential visitor programs; visitation guidelines for long-term care facilities.

In response to a question by Co-Chair West, Mr. Mather stated that this administrative regulation authorized specific individuals to be essential care visitors who could access patients during events such as pandemics. Prior caregivers could, for example, become essential care visitors because this was not exclusive to family members.

Senator Alvarado clarified that this allowed one (1) essential care visitor.

Co-Chair Hale thanked the office for this important administrative regulation

Office of Inspector General: Division of Health Care

906 KAR 1:180. Operation and services; personal services agencies.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 3, 5, and 7 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department for Aging and Independent Living: Office of Dementia Services

910 KAR 4:010. Alzheimer's and dementia services curriculum review and approval. Jennifer Craig, office coordinator; Victoria Elridge, commissioner; and Phyllis Sosa, staff assistant, represented the office.

In response to questions by Senator Alvarado, Ms. Elridge stated that KRS 216.713(1) through (3) established that Alzheimer's and dementia training applied to individuals who worked with patients of home health agencies, personal service agencies, and assisted living facilities that employed, directly or by contract, aids or unlicensed personnel who worked with Alzheimer's or dementia patients. This would include training for staff of personal care homes if those homes worked with home health or personal service agencies.

In response to a question by Co-Chair West, Senator Alvarado stated that he did not wish to ask the department to defer consideration of this administrative regulation; however, he wanted to clarify for the record that this impacted facilities beyond just home health agencies.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

The following administrative regulations were deferred or removed from the January 10, 2022, subcommittee agenda:

DEPARTMENT OF LAW: Medical Examination of Sexual Abuse Victims

40 KAR 3:020. Protocol for operation of local multidisciplinary teams on child sexual abuse.

Kentucky Retirement Systems: General Rules

105 KAR 1:210. Disability procedures.

105 KAR 1:310. Fred Capps Memorial Act.

105 KAR 1:330. Purchase of service credit.

BOARDS AND COMMISSIONS: Board of Pharmacy

201 KAR 2:430. Emergency orders and hearings.

Board of Embalmers and Funeral Directors

201 KAR 15:030E. Fees.

201 KAR 15:030. Fees.

201 KAR 15:040. Examination.

201 KAR 15:050. Apprenticeship and supervision requirements.

201 KAR 15:110. Funeral establishment criteria.

201 KAR 15:125. Surface transportation permit.

Board of Nursing

201 KAR 20:471. Repeal of 201 KAR 020:470.

201 KAR 20:472. Initial approval for dialysis technician training programs.

201 KAR 20:474. Continuing approval and periodic evaluation of dialysis technician training programs.

201 KAR 20:476. Dialysis technician credentialing requirements for initial credentialing, renewal, and reinstatement.

201 KAR 20:478. Dialysis technician scope of practice, discipline, and miscellaneous requirements.

Board of Licensure for Massage Therapy

201 KAR 42:010. Goals for massage therapy sessions.

201 KAR 42:020. Fees.

201 KAR 42:030. Licensee's change of name, home address, or place of business.

201 KAR 42:035. Application process, exam, and curriculum requirements.

201 KAR 42:040. Renewal and reinstatement.

201 KAR 42:050. Complaint procedure and disciplinary action.

201 KAR 42:060. Code of ethics and standards of practice for massage therapists.

201 KAR 42:070. Endorsement.

201 KAR 42:110. Continuing education requirements.

TOURISM, ARTS AND HERITAGE CABINET: Department for Fish and Wildlife Resources: Wildlife

301 KAR 4:001. Selection of Fish and Wildlife Resources Commission nominees.

301 KAR 4:010. Districts.

301 KAR 4:020. Ballard Wildlife Management Area restrictions.

301 KAR 4:100. Peabody Wildlife Management Area use requirements and restrictions.

301 KAR 4:110. Administration of drugs to wildlife.

Licensing

301 KAR 5:001. Definitions for Chapter 5.

301 KAR 5:030. Purchasing licenses and permits.

301 KAR 5:100. Interstate Wildlife Violators Compact.

GENERAL GOVERNMENT CABINET: Department of Agriculture: Industrial Hemp

302 KAR 50:021. Procedures and policies for hemp growers.

302 KAR 50:031. Procedures and policies for hemp processors and handlers.

302 KAR 50:046. Department's reports to the USDA; records retention for three years.

302 KAR 50:056. Sampling and THC testing; disposal of non-compliant harvests; post-testing actions.

302 KAR 50:080. Materials incorporated by reference.

JUSTICE AND SAFETY CABINET: Department of State Police: Driver Training

502 KAR 10:010. Definitions.

502 KAR 10:020. Department facilities; facility inspection; conflict of interest.

502 KAR 10:030. Instructor's license.

502 KAR 10:035. Commercial driver's license skill testing.

502 KAR 10:040. Training school facilities.

502 KAR 10:050. Contracts and agreements.

502 KAR 10:060. School advertising.

502 KAR 10:070. Training vehicle, annual inspection.

502 KAR 10:080. License suspension, revocation, denial.

502 KAR 10:090. Procedure for denial, suspension, nonrenewal or revocation hearings.

502 KAR 10:110. Third-party CDL skills test examiner standards.

502 KAR 10:120. Hazardous materials endorsement requirements.

301 KAR Concealed Deadly Weapons

502 KAR 11:010. Application for license to carry concealed deadly weapon.

502 KAR 11:060. License denial and reconsideration process.

502 KAR 11:070. License revocation and suspension notice and reinstatement process.

Law Enforcement Officers Safety Act of 2004

502 KAR 13:010. Application for certification under the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

502 KAR 13:030. Range qualification for certification under the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

502 KAR 13:040. Issuance, expiration, and renewal of certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

502 KAR 13:050. Replacement of licenses to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

502 KAR 13:060. Change of personal information regarding certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

502 KAR 13:080. Incomplete application for certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.

Department of State Police: General Traffic

502 KAR 15:010. Traffic collision.

502 KAR 15:020. Abandoned vehicles.

Criminal History Record Information System

502 KAR 30:010. Criminal History Record Information System.

502 KAR 30:020. Arrest and disposition reporting procedure.

502 KAR 30:030. Audit of Criminal History Record Information System.

502 KAR 30:050. Security of centralized criminal history record information.

502 KAR 30:060. Dissemination of criminal history record information.	Training Center.	803 KAR 1:025. Equal pay provisions, meaning and application.
502 KAR 30:070. Inspection of criminal history record information by record subject.	Office for the Blind	803 KAR 1:060. Overtime pay requirements.
Kentucky Missing Child Information Center	782 KAR 1:010. Kentucky Business Enterprises.	803 KAR 1:063. Trading time.
502 KAR 35:010. Definitions.	782 KAR 1:070. Certified driver training program.	803 KAR 1:065. Hours worked.
502 KAR 35:020. Capabilities of the Missing Child Information Center computer system.	Kentucky Commission on Proprietary Education	803 KAR 1:066. Recordkeeping requirements.
502 KAR 35:030. Quality of information reported to the Kentucky Missing Child Information Center.	791 KAR 1:010. Applications, permits, and renewals.	803 KAR 1:070. Executive, administrative, supervisory or professional employees; salesmen.
502 KAR 35:040. Reporting of missing children by law enforcement agencies.	791 KAR 1:020. Standards for licensure.	803 KAR 1:075. Exclusions from minimum wage and overtime.
502 KAR 35:050. Statistical analysis of information related to missing children.	791 KAR 1:025. Fees.	803 KAR 1:080. Board, lodging, gratuities and other allowances.
Candidate Selection	791 KAR 1:027. School record keeping requirements.	803 KAR 1:090. Workers with disabilities and work activity centers' employee's wages.
502 KAR 45:005. Definitions.	791 KAR 1:030. Procedures for hearings.	PUBLIC PROTECTION CABINET: Department of Insurance: Health Insurance Contracts
502 KAR 45:015. Qualifications.	791 KAR 1:035. Student protection fund.	806 KAR 17:350. Life insurance and managed care.
502 KAR 45:035. Application and selection process.	791 KAR 1:040. Commercial driver license training school curriculum and refresher course.	806 KAR 17:590. Annual report on providers prescribing medication for addiction treatment.
502 KAR 45:045. Aptitude examination.	791 KAR 1:050. Application for license for commercial driver license training school.	Horse Racing Commission: Pari-Mutuel Wagering
502 KAR 45:075. Register.	791 KAR 1:060. Application for renewal of license for commercial driver license training school.	810 KAR 8:025E. Drug, medication, and substance withdrawal guidelines.
502 KAR 45:085. Medical examination.	791 KAR 1:070. Commercial driver license training school instructor and agency application and renewal procedures.	CABINET FOR HEALTH AND FAMILY SERVICES: Department for Public Health: Sanitation
502 KAR 45:105. Appointment.	791 KAR 1:080. Maintenance of student records, schedule of fees charged to students, contracts and agreements involving licensed commercial driver license training schools.	902 KAR 10:120. Kentucky public swimming and bathing facilities.
502 KAR 45:115. Appeals.		902 KAR 10:121. Plan review, annual permitting, and inspection fees for public swimming and bathing facilities, including splash pads operated by local governments.
502 KAR 45:150. Physical Fitness Test (PFT).	791 KAR 1:100. Standards for Kentucky resident commercial driver training school facilities.	902 KAR 10:190. Splash pads operated by local governments.
EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Department of Workforce Investment: Office of Vocational Rehabilitation	791 KAR 1:150. Bond requirements for agents and schools.	Department for Medicaid Services
781 KAR 1:010. Office of Vocational Rehabilitation appeal procedures.	791 KAR 1:155. School closing process.	907 KAR 1:005. Nonduplication of payments.
781 KAR 1:020. General provisions for operation of the Office of Vocational Rehabilitation.	791 KAR 1:160. Transfer of ownership, change of location, change of name, revision of existing programs.	Payments and Services
781 KAR 1:030. Order of selection and economic need test for vocational rehabilitation services.	LABOR CABINET: Department of Workplace Standards: Labor Standards; Wages and Hours	907 KAR 3:170. Telehealth service coverage and reimbursement.
781 KAR 1:040. Rehabilitation technology services.	803 KAR 1:005. Employer-employee relationship.	
781 KAR 1:050. Carl D. Perkins Vocational		

Outpatient Pharmacy Program

907 KAR 23:020. Reimbursement for outpatient drugs.

The subcommittee adjourned at 2:15 p.m. The next meeting of this subcommittee was tentatively scheduled for February 7, 2022, at 1 p.m.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE

Minutes of the February Meeting

February 7, 2022

Call to Order and Roll Call

The February meeting of the Administrative Regulation Review Subcommittee was held on Monday, February 7, 2022, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Stephen West, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen West, Co-Chair; Representative David Hale, Co-Chair; Senators Julie Raque Adams, Ralph Alvarado, and David Yates; Representatives Randy Bridges, Deanna Frazier Gordon, and Mary Lou Marzian.

Guests: Johnna Ballinger, Michael Wilson, Department of State; Stafford Easterling, Personnel Board; Carrie Bass, Wendi Pierce, Jeff Pritchett, Liza Welch, Public Pensions Authority; Kelly Jenkins, Jeffrey Prather, Board of Nursing; Brian Clark, Steven Fields, Department of Fish and Wildlife Resources; Amy Barker, Michael Murriell, Kenneth Sandusky, Matthew Johnson, Kentucky State Police; Jon Johnson, Kyle Ray, Niki Sizemore, Ricky Sizemore, Amy Utterback, Department of Highways; Sam Flynn, Robin Maples, Chuck Stribling, Labor Cabinet; Joshua Newton, Department of Alcoholic Beverage Control; Abigail Gall, Shaun Orme, Chad Thompson, Department of Insurance; Waqas Ahmed, Shan Dutta, Marc Guilfoil, Bruce Howard, Jennifer Wolsing, Kentucky Horse Racing Commission; Kelli Rodman, Cabinet for Health and Family Services; Julie Brooks, Jennifer Burt, Erica Brakefield, Jessica Davenport, Department for Public Health; Lee Guice, Veronica Judy-Cecil, Lisa Lee, Angie Parker, Jonathan Scott, Department for Medicaid Services; Laura Begin, Leigh Dixon, Department for Community Based Services.

LRC Staff: Sarah Amburgey, Stacy Auterson, Emily Caudill, Ange Darnell, Emily Harkenrider, Karen Howard, Carrie Nichols, and Christy Young.

The Administrative Regulation Review Subcommittee met on Monday, February 7, 2022, and submits this report:

Administrative Regulations Reviewed by this Subcommittee:

SECRETARY OF STATE: Office of Business Services: Implementation of Revised Article 9

30 KAR 5:011. Definitions for 030 KAR Chapter 005. Michael Wilson, director, represented the office.

A motion was made and seconded to approve the following amendments: to amend Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

30 KAR 5:021. Filing methods and forms.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 2, 3, and 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

30 KAR 5:031. Acceptance and refusal of records.

A motion was made and seconded to approve the following amendment: to amend Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendment was approved.

30 KAR 5:041. UCC information management system.

A motion was made and seconded to approve the following amendments: to amend Sections 3 and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

30 KAR 5:051. Filing, indexing, and data entry procedures.

A motion was made and seconded to approve the following amendments: to amend Section 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

30 KAR 5:060. Search requests, reports, and copies.

A motion was made and seconded to approve the following amendments: to amend Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

GENERAL GOVERNMENT CABINET: Personnel Board

101 KAR 1:325. Probationary periods. Stafford

Easterling, general counsel, represented the board.

FINANCE AND ADMINISTRATION CABINET: Kentucky Retirement Systems: General Rules

105 KAR 1:210. Disability procedures. Carrie Bass, staff attorney supervisor; Wendi Pierce, assistant director, Disability and Survivor Benefits; Jeff Pritchett, assistant director of member services; and Liza Welch, director, Disability and Survivor Benefits, represented the systems.

A motion was made and seconded to approve the following amendments: to amend Sections 1 through 10 and 13 through 15 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

105 KAR 1:310. Fred Capps Memorial Act.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 5, 7 through 10, and 12 through 16 to comply with the drafting and for-matting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

105 KAR 1:330. Purchase of service credit.

A motion was made and seconded to approve the following amendments: to amend Sections 1 through 7 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

BOARDS AND COMMISSIONS: Board of Nursing

201 KAR 20:471. Repeal of 201 KAR 020:470. Kelly Jenkins, executive director, and Jeffrey Prather, general counsel, represented the board.

In response to questions by Senator Alvarado, Mr. Prather stated that fee increases were necessary because of increased costs to the board. Time and resources were needed for the effective monitoring of licensees. The board would follow up with detailed budgetary information regarding how much funding the fees were forecast to generate. Board staff established the specific fee amount needed. Co-Chair West stated that data indicated that in April 2021, there were 712 active dialysis technicians.

Co-Chair Hale stated that this seemed like a significant fee increase.

In response to questions by Co-Chair West,

Mr. Prather stated that he would follow up with the subcommittee regarding the number of licensees. Licensee monitoring consisted of site visits and training. The \$2,000 was an initial, one (1) time, application fee.

201 KAR 20:472. Initial approval for dialysis technician training programs.

A motion was made and seconded to approve the following amendments: (1) to amend Section 4: (a) for clarity; and (b) to establish that the board may waive the master's degree requirements for a program administrator upon a showing that the administrator is otherwise qualified; (2) to amend Section 5 to clarify requirements for didactic faculty, including to allow an associate degree from an accredited school of nursing; and (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 9 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 20:474. Continuing approval and periodic evaluation of dialysis technician training programs.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 3 through 8 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 20:476. Dialysis technician credentialing requirements for initial credentialing, renewal, and reinstatement.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 3 and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 20:478. Dialysis technician scope of practice, discipline, and miscellaneous requirements.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

TOURISM, ARTS AND HERITAGE CABINET:

Department of Fish and Wildlife Resources: Fish

301 KAR 1:410. Taking of fish by nontraditional fishing methods. Brian Clark, deputy commissioner, and Steven Fields, staff attorney, represented the department.

In response to a question by Representative Bridges, Mr. Clark stated that bow fishing usually took place at night. The department had received complaints regarding noise and lights from bow fishing on small lakes with residents located near the fishing areas. Bow hunters some-times took grass carp, which were necessary to restore vegetation for optimal fishing.

Wildlife

301 KAR 4:091. Buying and selling mounted wildlife specimens.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

JUSTICE AND PUBLIC SAFETY CABINET:
General Traffic

502 KAR 15:020. Abandoned vehicles. Amy Barker, assistant general counsel; Matthew Johnson, major; Michael Murriell, sergeant; and Kenneth Sandusky, lieutenant, represented the cabinet.

In response to questions by Co-Chair Hale, Ms. Barker stated that these administrative regulations were being updated in relation to sunset provisions. Stickers were used in the process of identifying and removing abandoned vehicles that impeded the flow of traffic. Major Johnson stated that vehicles were removed after three (3) days, unless sooner removal was necessary to avoid hazardous traffic situations. The program used a rotating list of towing services that had agreed to cabinet requirements. Towing services were provided with the names and in-formation of the vehicles' registrants. After sixty (60) days and two (2) notices, an abandoned vehicle could be sold by a towing service to off-set towing and storage costs.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. With-out objection, and with agreement of the agency, the amendments were approved.

Kentucky Missing Child Information Center

502 KAR 35:010. Definitions.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

502 KAR 35:020. Capabilities of the Missing Child Information Center computer system.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

502 KAR 35:030. Quality of information reported to the Kentucky Missing Child Information Center.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 and 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

502 KAR 35:040. Reporting of missing children by law enforcement agencies.

502 KAR 35:050. Statistical analysis of information related to missing children.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 and 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Candidate Selection

502 KAR 45:005. Definitions.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

502 KAR 45:015. Qualifications.	were filed.	and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 3 and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.
502 KAR 45:035. Application and selection process.	502 KAR 45:150. Physical Fitness Test (PFT). TRANSPORTATION CABINET: Department of Highways: Traffic	806 KAR 17:575. Pharmacy benefit managers. In response to a question by Senator Alvarado, Ms. Gall stated that the sixty (60) day window was previously a requirement of this administrative regulation and was being moved within the text for better organization of the provisions.
A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 2, and 4 through 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	603 KAR 5:150. Encroachment permits. Jon Johnson, assistant general counsel, and Ricky Sizemore, branch manager, represented the department.	A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 2 through 5 and 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.
502 KAR 45:045. Aptitude examination.	In response to questions by Co-Chair West, Mr. Johnson stated that this administrative regulation updated the permitting manual. Mr. Sizemore stated that the changes were minor and clarified encroachment procedures. New restrictions were not being established.	806 KAR 17:590. Annual report on providers prescribing medication for addiction treatment.
A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2, 3, and 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	LABOR CABINET: Occupational Safety and Health	A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 1 and 3 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.
502 KAR 45:075. Register.	803 KAR 2:321E. Occupational health and environmental control. Sam Flynn, general counsel; Robin Maples, occupational safety and health standards specialist; and Chuck Stribling, occupational safety and health standards federal – state coordinator, represented the cabinet.	Group and Blanket Health Insurance
A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2 through 7 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	In response to a question by Co-Chair West, Mr. Stribling stated that these administrative regulations were filed on an emergency basis because the cabinet inadvertently failed to provide certification for related administrative regulations governing similar subject matter.	806 KAR 18:030. Group health insurance coordination of benefits.
502 KAR 45:085. Medical examination.	803 KAR 2:426E. Stairways and ladders.	A motion was made and seconded to approve the following amendments: to amend the RELATES TO and STATUTORY AUTHORITY paragraphs and Sections 2 and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.
A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	PUBLIC PROTECTION CABINET: Department of Alcoholic Beverage Control: Licensing	Horse Racing Commission: Pari-Mutuel Wagering
502 KAR 45:105. Appointment.	804 KAR 4:415. Direct shipper license. Joshua Newton, general counsel, represented the department.	810 KAR 6:001. Definitions for 810 KAR Chapter 006. Marc Guilfoil, executive director; Dr. Bruce Howard, equine medical director; and Jennifer Wolsing, general counsel, represented the commission.
A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	Department of Insurance: Health Insurance Contracts	In response to a question by Senator Yates, Ms. Wolsing stated that these administrative regulations were not being amended in response to litigation.
502 KAR 45:115. Appeals.	806 KAR 17:300. Provider agreement and risk-sharing agreement filing requirements. Abigail Gall, regulation coordinator; Shaun Orme, executive advisor; and Chad Thompson, general counsel, represented the department.	A motion was made and seconded to approve the following amendments: to amend Section 1 to comply
A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 3, and 4 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments	In response to questions by Co-Chair West, Ms. Gall stated that this administrative regulation was being amended to address provider agreements unrelated to pharmacy benefit managers. Technical changes were necessary related to this and another administrative regulation.	
	A motion was made and seconded to approve the following amendments: to amend the RELATES TO	

with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	through 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	201 KAR 14:110. School equipment; plant layout.
Medication Guidelines		201 KAR 14:115. Examinations; school and board.
810 KAR 8:025E. Drug, medication, and substance withdrawal guidelines.	Department for Community Based Services: Energy Assistance Program/Weatherization	201 KAR 14:125. Instructor requirements.
810 KAR 8:025. Drug, medication, and substance withdrawal guidelines.	921 KAR 4:122E. Assistance for low-income households with water or wastewater utility arrears. Leigh Dixon, human resources supervisor, and Laura Begin, regulation coordinator, represented the department.	201 KAR 14:150. School records.
CABINET FOR HEALTH AND FAMILY SERVICES: Department for Medicaid Services		201 KAR 14:180. Fees.
907 KAR 1:005. Nonduplication of payments. Jonathan Scott, regulatory and legislative advisor, represented the department.	In response to questions by Senator Yates, Laura Begin stated that this program was available statewide.	Board of Embalmers and Funeral Directors
Managed Care	The following administrative regulations were deferred or removed from the February 7, 2022, subcommittee agenda:	201 KAR 15:030E. Fees.
907 KAR 17:005. Definitions for 907 KAR Chapter 017.	DEPARTMENT OF LAW: Medical Examination of Sexual Abuse Victims	201 KAR 15:030. Fees.
A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	40 KAR 3:020. Protocol for operation of local multidisciplinary teams on child sexual abuse.	201 KAR 15:040. Examination.
907 KAR 17:010. Managed care organization requirements and policies relating to enrollees.	BOARDS AND COMMISSIONS: Board of Pharmacy	201 KAR 15:050. Apprenticeship and supervision requirements.
A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 4, 6, 8, 9, 11, and 12 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	201 KAR 2:106E. Licensed or permitted facility closures.	201 KAR 15:110. Funeral establishment criteria.
907 KAR 17:010. Managed care organization requirements and policies relating to enrollees.	201 KAR 2:430. Emergency orders and hearings.	201 KAR 15:125. Surface transportation permit.
A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 4, 6, 8, 9, 11, and 12 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	Board of Licensure for Long-Term Care Administrators	Board of Nursing
Medicaid Eligibility	201 KAR 6:040. Renewal, reinstatement, and reactivation of license.	201 KAR 20:220. Nursing continuing education provider approval.
907 KAR 20:001. Definitions for 907 KAR Chapter 020.	Board of Barbering	201 KAR 20:280. Standards for developmental status, initial status, and approval of prelicensure registered nurse and practical nurse programs.
A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.	201 KAR 14:015. Retaking of examination.	201 KAR 20:360. Continuing approval and periodic evaluation of prelicensure registered nursing and licensed practical nursing programs.
907 KAR 20:020. Income standards for Medicaid other than Modified Adjusted Gross Income (MAGI) standards or for former foster care individuals.	201 KAR 14:030. Five (5) year expiration of license.	Board of Examiners of Psychology
A motion was made and seconded to approve the following amendments: to amend Sections 1, 2, and 4	201 KAR 14:040. Inspection of shops and schools.	201 KAR 26:115. Definition of psychological testing.
	201 KAR 14:050. Apprentice license; qualifications.	201 KAR 26:125. Health service provider designation.
	201 KAR 14:065. Place of business requirements.	201 KAR 26:130. Grievances and administrative complaints.
	201 KAR 14:085. Sanitation requirements.	201 KAR 26:155. Licensed psychologist: application and temporary license.
	201 KAR 14:105. Barbering school enrollment and postgraduate requirements.	201 KAR 26:160. Fee schedule.
		201 KAR 26:175. Continuing education.
		201 KAR 26:185. Requirements for granting licensure as a psychologist to an applicant licensed in

another state.	201 KAR 43:050. Requirement for supervision.	JUSTICE AND PUBLIC SAFETY CABINET: Department of Corrections: Office of the Secretary
201 KAR 26:190. Requirements for supervised professional experience.	201 KAR 43:060. Complaint and disciplinary process.	501 KAR 6:290. Southeast State Correctional Complex.
201 KAR 26:215. Nonresident status.	201 KAR 43:071. Repeal of 201 KAR 043:070.	Department of State Police: Driver Training
201 KAR 26:225. Renewal and reinstatement.	201 KAR 43:080. Renewals.	502 KAR 10:010. Definitions.
201 KAR 26:230. Examinations and applications.	201 KAR 43:090. Voluntary inactive and retired status.	502 KAR 10:020. Department facilities; facility inspection; conflict of interest.
201 KAR 26:250. Employment of a psychological associate, a temporarily licensed psychological associate, or temporarily licensed psychologist.	201 KAR 43:100. Telehealth and telepractice.	502 KAR 10:030. Instructor's license.
201 KAR 26:270. Change of license status.	TOURISM, ARTS AND HERITAGE CABINET: Department of Fish and Wildlife Resources: Wildlife	502 KAR 10:035. Commercial driver's license skill testing.
201 KAR 26:310. Telehealth and telepsychology.	301 KAR 4:001. Selection of Fish and Wildlife Resources Commission nominees.	502 KAR 10:040. Training school facilities.
Board of Licensure for Massage Therapy	301 KAR 4:010. Districts.	502 KAR 10:050. Contracts and agreements.
201 KAR 42:010. Goals for massage therapy sessions.	301 KAR 4:020. Ballard Wildlife Management Area restrictions.	502 KAR 10:060. School advertising.
201 KAR 42:020. Fees.	301 KAR 4:100. Peabody Wildlife Management Area use requirements and restrictions.	502 KAR 10:070. Training vehicle, annual inspection.
201 KAR 42:030. Licensee's change of name, home address, or place of business.	301 KAR 4:110. Administration of drugs to wildlife.	502 KAR 10:080. License suspension, revocation, denial.
201 KAR 42:035. Application process, exam, and curriculum requirements.	Licensing	502 KAR 10:090. Procedure for denial, suspension, nonrenewal or revocation hearings.
201 KAR 42:040. Renewal and reinstatement.	301 KAR 5:001. Definitions for 301 KAR Chapter 5.	502 KAR 10:110. Third-party CDL skills test examiner standards.
201 KAR 42:050. Complaint procedure and disciplinary action.	301 KAR 5:030. Purchasing licenses and permits.	502 KAR 10:120. Hazardous materials endorsement requirements.
201 KAR 42:061. Code of ethics and standards of practice for massage therapists.	301 KAR 5:100. Interstate Wildlife Violators Compact.	JUSTICE AND PUBLIC SAFETY: Department of State Police: Concealed Deadly Weapons
201 KAR 42:070. Endorsement.	DEPARTMENT OF AGRICULTURE: Industrial Hemp	502 KAR 11:010. Application for license to carry concealed deadly weapon.
201 KAR 42:080. Programs of massage therapy instruction.	302 KAR 50:021. Procedures and policies for hemp growers.	502 KAR 11:060. License denial and reconsideration process.
201 KAR 42:110. Continuing education requirements.	302 KAR 50:031. Procedures and policies for hemp processors and handlers.	502 KAR 11:070. License revocation and suspension notice and reinstatement process.
Applied Behavior Analysis Licensing Board	302 KAR 50:046. Department's reports to the USDA; records retention for three years.	Law Enforcement Officers Safety Act of 2004
201 KAR 43:010. Application procedures for licensure.	302 KAR 50:056. Sampling and THC testing; disposal of non-compliant harvests; post-testing actions.	502 KAR 13:010. Application for certification under the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.
201 KAR 43:020. Application procedures for temporary licensure.	302 KAR 50:080. Materials incorporated by reference.	502 KAR 13:030. Range qualification for certification under the Law Enforcement Officers
201 KAR 43:030. Fees.		
201 KAR 43:040. Code of ethical standards and standards of practice.		

Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 1:010. Office of Vocational Rehabilitation appeal procedures.	791 KAR 1:100. Standards for Kentucky resident commercial driver training school facilities.
502 KAR 13:040. Issuance, expiration, and renewal of certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 1:020. General provisions for operation of the Office of Vocational Rehabilitation.	791 KAR 1:150. Bond requirements for agents and schools.
502 KAR 13:050. Replacement of licenses to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 1:030. Order of selection and economic need test for vocational rehabilitation services.	791 KAR 1:155. School closing process.
502 KAR 13:060. Change of personal information regarding certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 1:040. Rehabilitation technology services.	791 KAR 1:160. Transfer of ownership, change of location, change of name, revision of existing programs.
502 KAR 13:080. Incomplete application for certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 1:050. Carl D. Perkins Vocational Training Center.	LABOR CABINET: Department of Workplace Standards: Labor Standards; Wages and Hours
General Traffic	Office for the Blind	803 KAR 1:005. Employer-employee relationship.
502 KAR 15:010. Traffic collision.	782 KAR 1:010. Kentucky Business Enterprises.	803 KAR 1:025. Equal pay provisions, meaning and application.
Criminal History Record Information System	782 KAR 1:070. Certified driver training program.	803 KAR 1:060. Overtime pay requirements.
502 KAR 30:010. Criminal History Record Information System.	Apprenticeship Standards	803 KAR 1:063. Trading time.
502 KAR 30:020. Arrest and disposition reporting procedure.	787 KAR 3:020. Confidentiality of records of the Office of Employer and Apprenticeship Services.	803 KAR 1:065. Hours worked.
502 KAR 30:030. Audit of Criminal History Record Information System.	Kentucky Commission on Proprietary Education	803 KAR 1:066. Recordkeeping requirements.
502 KAR 30:050. Security of centralized criminal history record information.	791 KAR 1:010. Applications, permits, and renewals.	803 KAR 1:070. Executive, administrative, supervisory or professional employees; salesmen.
502 KAR 30:060. Dissemination of criminal history record information.	791 KAR 1:020. Standards for licensure.	803 KAR 1:075. Exclusions from minimum wage and overtime.
502 KAR 30:070. Inspection of criminal history record information by record subject.	791 KAR 1:025. Fees.	803 KAR 1:080. Board, lodging, gratuities and other allowances.
EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Department of Education: General Administration	791 KAR 1:027. School record keeping requirements.	803 KAR 1:090. Workers with disabilities and work activity centers’ employee’s wages.
702 KAR 1:192E. District employee quarantine leave.	791 KAR 1:030. Procedures for hearings.	PUBLIC PROTECTION CABINET: Department of Insurance: Health Insurance Contracts
Department of Workforce Investment: Office of Vocational Rehabilitation	791 KAR 1:035. Student protection fund.	806 KAR 17:350. Life insurance and managed care.
	791 KAR 1:040. Commercial driver license training school curriculum and refresher course.	CABINET FOR HEALTH AND FAMILY SERVICES: Department for Public Health: Sanitation
	791 KAR 1:050. Application for license for commercial driver license training school.	902 KAR 10:120. Kentucky public swimming and bathing facilities. Erica Brakefield, section supervisor; Julie Brooks, regulation coordinator; Jennifer Burt, branch manager; and Jessica Davenport, inspection program evaluator, represented the department.
	791 KAR 1:060. Application for renewal of license for commercial driver license training school.	In response to questions by Senator Yates, Ms. Brooks stated that there were lifeguard requirements for standard, rectangular pools larger than 2,000 square feet. Waterparks with irregular shapes or
	791 KAR 1:070. Commercial driver license training school instructor and agency application and renewal procedures.	
	791 KAR 1:080. Maintenance of student records, schedule of fees charged to students, contracts and agreements involving licensed commercial driver license training schools.	

nontraditional uses had different lifeguard needs based on number of bathers, type of water feature, and size and configuration (such as shallow or deep water). The minimum lifeguard requirements were established in this administrative regulation, and additional factors were established as part of the permitting process.

In response to questions by Senator Raque Adams, Ms. Brooks stated that the cabinet did receive public comments and had amended provisions in response to stakeholder concerns. Senator Raque Adams stated that pools in Louisville, including Kentucky Kingdom, and state parks had continuing concerns regarding these requirements.

Senator Alvarado stated that he was concerned about the impact lifeguard requirements could have on Kentucky state parks. For example, Lake Barkley would be required to have seven (7) lifeguards. Closing bathing areas could actually result in more drownings, and closing these areas could impact tourism.

In response to a question by Co-Chair West, Julie Brooks agreed to defer consideration of these administrative regulations to the March meeting of this subcommittee. A motion was made and seconded to defer consideration of these administrative regulations to the March meeting of this subcommittee. Without objection, and with agreement of the agency, these administrative regulations were deferred.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to define terms; and (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 14 and 16 through 22 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

902 KAR 10:121. Plan review, annual permitting, and inspection fees for public swimming and bathing facilities, including splash pads operated by local governments.

902 KAR 10:190. Splash pads operated by local governments.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to define terms; and (2) to amend the RELATES TO paragraph and Sections 1, 2, 4, 7 through 12, 15, and 16 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department for Medicaid Services: Payments and Services

907 KAR 3:170. Telehealth service coverage and reimbursement.

Outpatient Pharmacy Program

907 KAR 23:020. Reimbursement for outpatient drugs.

Department for Aging and Independent Living: Aging Services

910 KAR 1:190. Nutrition program for older persons.

The subcommittee adjourned at 2 p.m. The next meeting of this subcommittee was tentatively scheduled for March 7, 2022, at 1 p.m.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE Minutes of the March Meeting

March 7, 2022

Call to Order and Roll Call

The March meeting of the Administrative Regulation Review Subcommittee was held on Monday, March 7, 2022, at 1:00 PM, in Room 149 of the Capitol Annex. Representative David Hale, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen West, Co-Chair; Representative David Hale, Co-Chair; Senators Julie Raque Adams, Ralph Alvarado, and David Yates; Representatives Randy Bridges, and Deanna Frazier Gordon.

Guests: Michael Adams, Jenni Scutchfield, Department of State; Tamela Biggs, Teachers' Retirement System; Joe Donohue, Board of Accountancy; Christopher Harlow, Board of Pharmacy; Christopher Hunt, Mason McNulty, Board of Barbering; Brenda Futrell Nash, Kevin Winstead, Board of Examiners of Psychology; Denise Logsdon, Kevin Winstead, Board of Licensure of Massage Therapy; Elizabeth Morgan, Board of Medical Imaging and Radiation Therapy; Brian Clark, Steven Fields, Rich Storm, Department of Fish and Wildlife Resources; Clint Quarles, Department of Agriculture; Amy Barker, Brandon Lynch, Russell Williams, Department of Corrections; Bradley Arterburn, Amy Barker, Brandon Cobb, Kentucky State Police; David Frank, Kevin Sharkey, Kentucky Protection and Advocacy; Todd Allen, Veronica Sullivan, Department of Education; Sam Flynn, Robin Maples, Chuck Stribling, Labor Cabinet; Sarah Cooper, Kelli Rodman, Cabinet for Health and Family Services; Andrew Bledsoe, Kim Minter, Edith Slone, Kentucky Health Benefit Exchange; Jonathan Scott, Department

for Medicaid Services; Marnie Mountjoy, Amanda Stoess, Department for Aging and Independent Living; Laura Begin, Department for Community Based Services; Kara Daniel, Adam Mather, Office of Inspector General.

LRC Staff: Stacy Auterson, Emily Caudill, Ange Darnell, Emily Harkenrider, Karen Howard, Carrie Nichols, and Christy Young.

The subcommittee determined that the following administrative regulation was deficient pursuant to KRS 13A.030(2)(a):

EDUCATION AND WORKFORCE
DEVELOPMENT CABINET: Department of
Education: General Administration

702 KAR 001:192E. District employee quarantine leave. Todd Allen, general counsel; Matthew Courtney, division director; and Veronica Sullivan, policy advisor, represented the department.

In response to questions from Co-Chair West, Mr. Allen stated that this administrative regulation was currently in effect. It would be replaced in early May by a related ordinary regulation. The department would analyze the impact of Senate Bill 25 from the 2022 Regular Session of the General Assembly and report back to the subcommittee.

Co-Chair Hale stated that this administrative regulation appeared to be deficient.

In response to a question from Senator Yates, Co-Chair West stated that this administrative regulation was deficient because it was not included in Senate Bill 25, which rendered it null and void.

In response to a question from Senator Yates, Mr. Allen stated that paid quarantine leave would be eliminated if there was a gap between this administrative regulation and the ordinary version due to a deficiency finding.

Co-Chair Hale made a motion, seconded by Co-Chair West, to find this administrative regulation deficient. A roll call vote was conducted and, with five (5) votes to find this administrative regulation deficient and one (1) vote against deficiency, this administrative regulation was found deficient.

Senator Yates explained his no vote. He preferred deferring this administrative regulation so the General Assembly and the administration could have an opportunity to address the conflict with Senate Bill 25.

Representative Bridges explained his yes vote. Senate Bill 25 was law, and the subcommittee must comply. He regretted that the department had not raised this issue earlier to avoid the conflict.

Co-Chair West explained his yes vote. With the passage of Senate Bill 25, this administrative regulation was null and void as of January 15, 2022.

Co-Chair Hale explained his yes vote. This administrative regulation was deficient pursuant to the findings of Senate Bill 25.

The following emergency administrative regulation was reviewed pursuant to KRS 13A.190(3)(d):

CABINET FOR HEALTH AND FAMILY SERVICES: Office of Inspector General: Essential Personal Care Visitor Program

900 KAR 014:010E. Essential personal care visitor programs; visitation guidelines. Kara Daniel, deputy executive director, and Adam Mather, inspector general, represented the office.

In response to a question from Co-Chair Hale, Mr. Mather stated that the office had developed the agency amendment after discussion with legislators for compliance with Senate Bill 100 from the 2022 Regular Session of the General Assembly.

In response to a question from Co-Chair West, Mr. Mather stated that the amendment deleted a facility's ability to prohibit essential caregivers and certain specific training requirements.

A motion was made and seconded to approve the following amendments: (1) to amend Section 2 to delete provisions relating to temporary suspension of essential personal care visitation; and (2) to amend Section 3 to: (a) state that facility training on infection prevention and control is only required if it is mandated by the facility's written policies and procedures; and (b) delete the requirement to include specific types of training. Without objection, and with agreement of the agency, the amendments were approved.

Administrative Regulations Reviewed by this Subcommittee:

SECRETARY OF STATE: Certifications

030 KAR 002:010. Certification of vacancy in nominations. Michael Adams, Secretary of State, and Jenni Scutchfield, assistant Secretary of State, represented the office.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO, the STATUTORY AUTHORITY, and the NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 4 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments

were approved.

FINANCE AND ADMINISTRATION CABINET: Teachers' Retirement System: General Rules

102 KAR 01:360E. Disability benefits for members who enter on, or after January 1, 2022. Tamela Biggs, staff attorney, represented the system.

In response to questions from Co-Chair West, Ms. Biggs stated that this emergency regulation was needed on a temporary basis to ensure regulatory coverage until the system could develop a more permanent process.

In response to a question from Co-Chair Hale, Ms. Biggs stated that there was not an ordinary version of this administrative regulation yet; it would be filed once the new process was fully developed.

BOARDS AND COMMISSIONS: State Board of Accountancy

201 KAR 001:190. Examination sections, applications, and procedures. Joe Donohue, executive director, represented the board.

A motion was made and seconded to approve the following amendments: (1) to delete Section 4, which related to the testing window that is no longer applicable; (2) to amend Section 1 to delete the term "testing window"; (3) to amend Section 2 to remove provisions related to the testing window that are no longer applicable; and (4) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 3 and 5 through 12 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Pharmacy

201 KAR 002:106E. Licensed or permitted facility closures. Christopher Harlow, executive director, represented the board.

201 KAR 002:106. Licensed or permitted facility closures.

Board of Barbering

201 KAR 014:015. Retaking of examination. Christopher Hunt, board counsel, and Mason McNulty, administrator, represented the board.

201 KAR 014:030. Five (5) year expiration of license.

201 KAR 014:040. Inspection of shops and schools.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 014:050. Apprentice license; qualifications.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 3, 5, and 6 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 014:065. Place of business requirements.

201 KAR 014:085. Sanitation requirements.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 13 and 15 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 014:105. Barbering school enrollment and postgraduate requirements.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 4 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 014:110. School equipment; plant layout.

A motion was made and seconded to approve the following amendments: to amend Sections 7, 10, and 12 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 014:115. Examinations; school and board.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to clarify the application deadline; (2) to amend Section 9 to update the "Instructor's Application for Examination" to change the examination fee from \$250 to \$300, (\$100 per examination section), for consistency with 201 KAR 14:180, and update all examination applications for consistency with the deadline date revisions; and (3) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 9 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 014:125. Instructor requirements.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 014:150. School records.

A motion was made and seconded to approve the following amendments: to amend Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 014:180. Fees.

A motion was made and seconded to approve the following amendments: to amend Sections 7 and 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with

agreement of the agency, the amendments were approved.

Board of Examiners of Psychology.

201 KAR 026:115. Definition of psychological testing. Brenda Nash, chair, and Kevin Winstead, commissioner, represented the board.

A motion was made and seconded to approve the following amendments: to amend Sections 2 and 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 026:125. Health service provider designation.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 026:130. Grievances and administrative complaints.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 2, and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 026:155. Licensed psychologist: application and temporary license.

In response to a question by Senator Yates, Mr. Winstead stated that this administrative regulation was being amended to update practicum reporting procedures on the application form.

In response to a question by Senator Yates, Ms. Nash stated that the changes were not intended to remove board oversight.

A motion was made and seconded to approve the following amendment: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to make a technical correction. Without objection, and with agreement of the agency, the amendment was approved.

201 KAR 026:160. Fee schedule.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 026:175. Continuing education.

201 KAR 026:185. Requirements for granting licensure as a psychologist to an applicant licensed in another state.

201 KAR 026:190. Requirements for supervised professional experience.

A motion was made and seconded to approve the following amendments: to amend Sections 1 and 2 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 026:215. Nonresident status.

201 KAR 026:225. Renewal and reinstatement.

201 KAR 026:230. Examinations and applications.

A motion was made and seconded to approve the following amendments: to amend Sections 1 and 3 through 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 026:250. Employment of a psychological associate, a temporarily licensed psychological associate, or temporarily licensed psychologist.

201 KAR 026:270. Change of license status.

A motion was made and seconded to approve the following amendments: to amend Sections 1 through 4 to make technical corrections. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 026:310. Telehealth and telepsychology.

A motion was made and seconded to approve the following amendment: to amend Section 1 to make a technical correction. Without objection, and with agreement of the agency, the amendment was approved.

Board of Licensure for Massage Therapy

201 KAR 042:010. Goals for massage therapy sessions. Denise Logsdon, American Massage Therapy Association, Kentucky chapter, and Kevin Winstead, commissioner, represented the board.

201 KAR 042:020. Fees.

In response to questions by Representative Frazier Gordon, Ms. Logsdon stated that the fee for a certificate of good standing did not apply to licensees. The fee applied to instruction programs to cover the cost of overseeing those programs.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 042:030. Licensee’s change of name, home address, or place of business.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY paragraph and Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A, including to clarify what kinds of legal documents would authorize a name change. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 042:035. Application process, exam, and curriculum requirements.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 042:040. Renewal and reinstatement.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 1, 4, 5, 7, and 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 042:050. Complaint procedure and disciplinary action.

A motion was made and seconded to approve the following amendment: to amend Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendment was approved.

201 KAR 042:061. Code of ethics and standards of practice for massage therapists.

A motion was made and seconded to approve the following amendments: to amend Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 042:070. Endorsement.

A motion was made and seconded to approve the following amendments: (1) to amend Section 2 to delete references to “active duty”; and (2) to amend the RELATES TO paragraph and Sections 1 through 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 042:080. Programs of massage therapy instruction.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 042:110. Continuing education requirements.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 1 and 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board for Medical Imaging and Radiation Therapy

201 KAR 046:020E. Fees. Elizabeth Morgan, executive director, represented the board.

TOURISM, ARTS AND HERITAGE CABINET:
Department of Fish and Wildlife Resources: Licensing

301 KAR 005:001. Definitions for 301 KAR Chapter 5. Brian Clark, commissioner, and Rich Storm, commissioner, represented the department.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

301 KAR 005:030. Purchasing licenses and permits.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 7 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

301 KAR 005:100. Interstate Wildlife Violators Compact.

In response to a question by Co-Chair Hale, Mr. Storm stated that this administrative regulation had been amended in response to sunset provisions. The changes updated the agency's contact information.

A motion was made and seconded to approve the following amendments: to amend the TITLE; the NECESSITY, FUNCTION, AND CONFORMITY paragraph; and Sections 1 through 4 and 6 and 7 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

DEPARTMENT OF AGRICULTURE: Industrial Hemp

302 KAR 050:021. Procedures and policies for hemp growers. Clint Quarles, attorney, represented the department.

In response to a question from Co-Chair West, Mr. Quarles stated that the amendments to this administrative regulation did not change the concentration level for THC. The changes were needed for federal regulatory approval.

302 KAR 050:031. Procedures and policies for hemp processors and handlers.

302 KAR 050:046. Department's reports to the USDA; records retention for three years.

302 KAR 050:056. Sampling and THC testing; disposal of non-compliant harvests; post-testing actions.

302 KAR 050:080. Materials incorporated by reference.

JUSTICE AND PUBLIC SAFETY CABINET:
Department of Corrections: Office of the Secretary

501 KAR 006:030. Kentucky State Reformatory. Amy Barker, assistant general counsel, and Brandon Lynch, program administrator, represented the department.

A motion was made and seconded to approve the following amendments: to amend Section 1 and the material incorporated by reference to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

501 KAR 006:290. Southeast State Correctional Complex. David Frank, senior attorney, Protection and Advocacy, and Kevin Sharkey, staff attorney, Protection and Advocacy, appeared in opposition to this administrative regulation.

In response to a question from Co-Chair Hale, Mr. Sharkey stated that ending solitary confinement for mentally ill inmates was a priority for Protection and Advocacy. It caused mental illness to worsen and violated the constitutional prohibition of cruel and unusual punishment. Protection and Advocacy was requesting changes to two of the prison's policies regarding mentally ill inmates to make them less restrictive. Suicidal inmates needed more out-of-cell time or quicker transport to a more suitable facility to avoid protracted periods of solitary confinement.

Senator Yates stated that Louisville had experienced significant issues with these situations. They needed to be addressed quickly.

In response to a question from Senator Yates, Mr. Sharkey stated that severe mental illness was defined in the Diagnostic and Statistical Manual of Mental Disorders (DSM-5) and included disorders such as bipolar and schizophrenia.

In response to a question from Co-Chair Hale, Ms. Barker stated that the department had made changes in response to Protection and Advocacy's concerns. Additionally, the department had a step-down procedure for suicide watch, including regular mental health visits and a goal of transitioning the inmate back to regular status. The two policies in question addressed short-term issues. The inmate was usually transferred to another facility if the issues continued.

In response to a question from Senator Yates, Ms. Barker stated that the time period before transfer depended on the individual inmate and the mental health professional's determination. The department would provide more specific information after investigation.

In response to questions from Co-Chair West, Ms. Barker stated that the department had amended the administrative regulation after comments to replace the restrictive housing unit with the special management unit. It provided a less restrictive environment for mentally ill inmates such as less time in the cell.

In response to a question from Co-Chair Hale, Mr. Lynch stated that this institution was located in Wheelwright, Kentucky.

In response to a question from Co-Chair Hale, Mr. Sharkey stated that he was not aware of specific cases of concern in this facility because it was new but knew of outside cases with bad outcomes.

Co-Chair Hale encouraged the department and Protection and Advocacy to continue to work together to address these issues.

A motion was made and seconded to approve the following amendments: to amend Section 1 and the material incorporated by reference to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department of State Police: General Traffic

502 KAR 015:010. Traffic collision. Bradley Arterburn, commander; Amy Barker, assistant general

<p>counsel; and Brandon Cobb, program administrator, represented the department.</p> <p>In response to a question from Senator Yates, Ms. Barker stated that filling out the traffic collision report was a statutory requirement.</p>	<p>A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY paragraph and Sections 1, 2, and 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.</p>	<p>Department for Medicaid Services: Payments and Services</p> <p>907 KAR 003:170. Telehealth service coverage and reimbursement. Jonathan Scott, regulation coordinator, represented the department.</p>
<p>In response to a question from Co-Chair West, Mr. Arterburn stated that the E-CRASH system was used if a report was made.</p>	<p>PUBLIC PROTECTION CABINET: Department of Workplace Standards: Occupational Safety and Health</p>	<p>A motion was made and seconded to approve the following amendments: (1) to delete Section 5(3) regarding out-of-state providers; and (2) to amend Sections 3 and 7 through 9 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.</p>
<p>A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to add a definition for “Traffic Collision Report”; (2) to amend Section 2 to: (a) require law enforcement officers to use the E-CRASH collision reporting system to make traffic collision reports; and (b) allow a party involved in a collision that is not investigated by a law enforcement officer to submit a report using the online civilian collision reporting tool on the department website; (3) to amend Section 8 to update a form; and (4) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 3 through 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.</p>	<p>803 KAR 002:321. Occupational health and environmental control. Sam Flynn, general counsel and chief of staff; Robin Maples, occupational safety and health standards specialist; and Chuck Stribling, occupational safety and health standards federal - state coordinator, represented the department.</p>	<p>Department for Aging and Independent Living: Aging Services</p>
<p>EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Department of Education: General Administration</p>	<p>In response to a question from Co-Chair West, Mr. Stribling stated that this administrative regulation incorporated federal standards verbatim. It replaced a previous version that had expired under the sunset provisions.</p>	<p>910 KAR 001:190. Nutrition program for older persons. Victoria Elridge, commissioner, and Amanda Stoess, dietetic consultant, represented the department.</p>
<p>702 KAR 001:116. Annual in-service training of district board members. Todd Allen, general counsel; Matthew Courtney, division director; and Veronica Sullivan, policy advisor, represented the department.</p>	<p>In response to a question from Co-Chair West, Ms. Maples stated that the standards related to noise exposure, ventilation, and nonionizing radiation.</p>	<p>Department for Community Based Services: Energy Assistance Program/Weatherization</p>
<p>A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 2, and 4 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.</p>	<p>803 KAR 002:426. Stairways and ladders.</p>	<p>921 KAR 004:122. Assistance for low-income households with water or wastewater utility arrears. Laura Begin, regulation coordinator, represented the department.</p>
<p>Office of Instruction</p>	<p>CABINET FOR HEALTH AND FAMILY SERVICES: Department for Public Health: Office of Health Data and Analytics: Kentucky Health Benefit Exchange</p>	<p>Child Welfare</p>
<p>704 KAR 003:395. Extended school services. Todd Allen, general counsel, represented the office.</p>	<p>900 KAR 010:201. Repeal of 900 KAR 010:200. Kelly Rodman, director, and Edith Slone, division director, represented the office.</p>	<p>922 KAR 001:360E. Private child care placement, levels of care, and payment. Laura Begin, regulation coordinator, represented the department.</p>
	<p>In response to a question from Co-Chair West, Ms. Slone stated that implementing the Kentucky exchange was less expensive than remaining on the federal exchange. The Kentucky exchange cost \$5 million initially and then \$2 million per year. The most recent cost for the federal exchange was \$15 million per year.</p>	<p>The following administrative regulations were deferred or removed from the March 7, 2022, subcommittee agenda:</p> <p>DEPARTMENT OF LAW: Medical Examination of Sexual Abuse Victims</p>
		<p>040 KAR 003:020. Protocol for operation of local multidisciplinary teams on child sexual abuse.</p>

BOARDS AND COMMISSIONS: Board of Pharmacy	201 KAR 020:360. Continuing approval and periodic evaluation of prelicensure registered nursing and licensed practical nursing programs.	Area restrictions.
201 KAR 002:430. Emergency orders and hearings.		301 KAR 004:100. Peabody Wildlife Management Area use requirements and restrictions.
	Applied Behavior Analysis Licensing Board	
201 KAR 002:440. Legend drug repository.		301 KAR 004:110. Administration of drugs to wildlife.
Board of Licensure for Long-Term Care Administrators	201 KAR 043:010. Application procedures for licensure.	
	201 KAR 043:020. Application procedures for temporary licensure.	JUSTICE AND PUBLIC SAFETY CABINET: Department of State Police: Driver Training
201 KAR 006:040. Renewal, reinstatement, and reactivation of license.		502 KAR 010:010. Definitions.
	201 KAR 043:030. Fees.	
Board of Embalmers and Funeral Directors		502 KAR 010:020. Department facilities; facility inspection; conflict of interest.
201 KAR 015:030E. Fees.	201 KAR 043:040. Code of ethical standards and standards of practice.	
	201 KAR 043:050. Requirement for supervision.	502 KAR 010:030. Instructor's license.
201 KAR 015:030. Fees.		502 KAR 010:035. Commercial driver's license skill testing.
201 KAR 015:040. Examination.	201 KAR 043:060. Complaint and disciplinary process.	
	201 KAR 043:071. Repeal of 201 KAR 043:070.	502 KAR 010:040. Training school facilities.
201 KAR 015:050. Apprenticeship and supervision requirements.		502 KAR 010:050. Contracts and agreements.
201 KAR 015:110. Funeral establishment criteria.	201 KAR 043:080. Renewals.	
	201 KAR 043:090. Voluntary inactive and retired status.	502 KAR 010:060. School advertising.
201 KAR 015:125. Surface transportation permit.		502 KAR 010:070. Training vehicle, annual inspection. (Amended After Comments)
Board of Nursing	201 KAR 043:100. Telehealth and telepractice.	
201 KAR 020:220. Nursing continuing education provider approval.	TOURISM, ARTS AND HERITAGE CABINET: Department of Fish and Wildlife Resources: Wildlife	502 KAR 010:080. License suspension, revocation, denial.
201 KAR 020:260E. Organization and administration standards for prelicensure registered nurse or practical nurse programs of nursing.	301 KAR 004:001. Selection of Fish and Wildlife Resources Commission nominees.	502 KAR 010:090. Procedure for denial, suspension, nonrenewal or revocation hearings.
	301 KAR 004:010. Districts.	502 KAR 010:110. Third-party CDL skills test examiner standards.
201 KAR 020:280. Standards for developmental status, initial status, and approval of prelicensure registered nurse and practical nurse programs.	301 KAR 004:020. Ballard Wildlife Management	502 KAR 010:120. Hazardous materials

endorsement requirements.	certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 001:020. General provisions for operation of the Office of Vocational Rehabilitation.
Concealed Deadly Weapons		781 KAR 001:030. Order of selection and economic need test for vocational rehabilitation services.
502 KAR 011:010. Application for license to carry concealed deadly weapon.	Criminal History Record Information System	
502 KAR 011:060. License denial and reconsideration process.	502 KAR 030:010. Criminal History Record Information System.	781 KAR 001:040. Rehabilitation technology services.
502 KAR 011:070. License revocation and suspension notice and reinstatement process.	502 KAR 030:020. Arrest and disposition reporting procedure.	781 KAR 001:050. Carl D. Perkins Vocational Training Center.
Law Enforcement Officers Safety Act of 2004	502 KAR 030:030. Audit of Criminal History Record Information System	Office for the Blind
502 KAR 013:010. Application for certification under the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	502 KAR 030:050. Security of centralized criminal history record information.	782 KAR 001:010. Kentucky Business Enterprises.
502 KAR 013:030. Range qualification for certification under the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	502 KAR 030:060. Dissemination of criminal history record information.	782 KAR 001:070. Certified driver training program.
502 KAR 013:040. Issuance, expiration, and renewal of certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	502 KAR 030:070. Inspection of criminal history record information by record subject.	Apprenticeship Standards
502 KAR 013:050. Replacement of licenses to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Department of Education: Office of Learning Support Services	787 KAR 003:020. Confidentiality of records of the Office of Employer and Apprenticeship Services. Kentucky Commission on Proprietary Education
502 KAR 013:060. Change of personal information regarding certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	704 KAR 007:170. Corporal punishment.	791 KAR 001:010. Applications, permits, and renewals.
502 KAR 013:080. Incomplete application for	Alternative Education Programs	791 KAR 001:020. Standards for licensure.
	704 KAR 019:002. Alternative education programs.	791 KAR 001:025. Fees.
	Department of Workforce Investment: Office of Vocational Rehabilitation	791 KAR 001:027. School record keeping requirements.
	781 KAR 001:010. Office of Vocational Rehabilitation appeal procedures.	791 KAR 001:030. Procedures for hearings.
		791 KAR 001:035. Student protection fund.

791 KAR 001:040. Commercial driver license training school curriculum and refresher course.	803 KAR 001:060. Overtime pay requirements.	902 KAR 020:018. Operation and services; end-stage renal disease facilities.
791 KAR 001:050. Application for license for commercial driver license training school.	803 KAR 001:063. Trading time.	Department for Medicaid Services: Outpatient Pharmacy Program
791 KAR 001:060. Application for renewal of license for commercial driver license training school.	803 KAR 001:065. Hours worked.	907 KAR 023:020. Reimbursement for outpatient drugs.
791 KAR 001:070. Commercial driver license training school instructor and agency application and renewal procedures.	803 KAR 001:066. Recordkeeping requirements.	Department for Community Based Services: Child Welfare
791 KAR 001:070. Commercial driver license training school instructor and agency application and renewal procedures.	803 KAR 001:070. Executive, administrative, supervisory or professional employees; salesmen.	
791 KAR 001:080. Maintenance of student records, schedule of fees charged to students, contracts and agreements involving licensed commercial driver license training schools.	803 KAR 001:075. Exclusions from minimum wage and overtime.	922 KAR 001:470. Central registry.
791 KAR 001:100. Standards for Kentucky resident commercial driver training school facilities.	803 KAR 001:080. Board, lodging, gratuities and other allowances.	The subcommittee adjourned at 2:37 p.m. The next meeting of this subcommittee was tentatively scheduled for April 11, 2022, at 1 p.m.
791 KAR 001:150. Bond requirements for agents and schools.	803 KAR 001:090. Workers with disabilities and work activity centers' employee's wages.	ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE Minutes of the April Meeting April 13, 2022 Call to Order and Roll Call
791 KAR 001:155. School closing process.	PUBLIC PROTECTION CABINET: Department of Insurance: Health Insurance Contracts	The April meeting of the Administrative Regulation Review Subcommittee was held on Wednesday, April 13, 2022, at 8:00 AM, in Room 154 of the Capitol Annex. Senator Stephen West, Chair, called the meeting to order, and the secretary called the roll.
791 KAR 001:160. Transfer of ownership, change of location, change of name, revision of existing programs.	806 KAR 017:350. Life insurance and managed care.	Present were:
PUBLIC PROTECTION CABINET: General	CABINET FOR HEALTH AND FAMILY SERVICES: Department for Public Health: Sanitation	<u>Members:</u> Senator Stephen West, Co-Chair; Representative David Hale, Co-Chair; Senators Julie Raque Adams; Representatives Randy Bridges and Mary Lou Marzian.
800 KAR 001:020E. Team Western Kentucky Tornado Relief Fund.	902 KAR 010:120. Kentucky public swimming and bathing facilities.	<u>Guests:</u> Daniel Leffel, Executive Advisor, Kenneth Urlage, Chair, and Kevin Winstead, Commissioner, Board of Licensure for Long-Term Care Administrators; Kelly Jenkins, Executive Director and Jeffrey Prather, General Counsel, Board of Nursing; Stephen Curley, Executive Director and Keith Poynter, General Counsel, Board of Physical Therapy; Melissa Duff, Environmental Scientist Consultant and Michael Kennedy, Director, Energy and Environment Cabinet; Michelle DeJohn, Executive Director and Oran Scotty McFarlan, Staff Attorney, Education and Workforce Development Cabinet; DJ Wasson, Chief of Staff, Public Protection Cabinet; Shan Dutta, Deputy General Counsel, Jamie Eads, Deputy Executive Director, Marc Guilfoil, Executive Director, and Jennifer Wolsing, General Counsel, Horse Racing Commission; Sarah Cooper, Assistant Director, Krista Quarles, Policy Specialist,
LABOR CABINET: Department of Workplace Standards: Labor Standards; Wages and Hours	902 KAR 010:121. Plan review, annual permitting, and inspection fees for public swimming and bathing facilities, including splash pads operated by local governments.	
803 KAR 001:005. Employer-employee relationship.	902 KAR 010:190. Splash pads operated by local governments.	
803 KAR 001:025. Equal pay provisions, meaning and application.	Office of Inspector General: Health Services and Facilities	

and Kelli Rodman, Executive Director, Cabinet for Health and Family Services; Kim Minter, Staff Assistant, Melea Rivera, Assistant Director, and Edith Slone, Division Director, Office of Health Data and Analytics; Erica Brakefield, Section Supervisor, Julie Brooks, Regulation Coordinator, Jennifer Burt, Branch Manager, and Jessica Davenport, Inspection Program Evaluator; Department for Public Health; Scott Brinkman, Manager, Connecting the Dots Policy Solutions, LLC; and Craig Ross, President, Kentucky Kingdom, Herschend Entertainment Company, LLC.

LRC Staff: Sarah Amburgey, Stacy Auterson, Emily Caudill, Ange Darnell, Emily Harkenrider, Karen Howard, Carrie Nichols, and Christy Young.

The Administrative Regulation Review Subcommittee met on Wednesday, April 13, 2022, and submits this report:

Administrative Regulations Reviewed by this Subcommittee:

BOARDS AND COMMISSIONS: Board of Licensure for Long-Term Care Administrators

201 KAR 006:040. Renewal, reinstatement, and reactivation of license. Daniel Leffel, executive advisor, and Kevin Winstead, commissioner, represented the board.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 3 and 5 through 7 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Nursing

201 KAR 020:220. Nursing continuing education provider approval. Kelly Jenkins, executive director and Jeffrey Prather, general counsel, represented the board.

A motion was made and seconded to approve the following amendments: to amend Sections 2, 4, and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 020:280. Standards for developmental status, initial status, and approval of pre-licensure registered nurse and practical nurse programs.

A motion was made and seconded to approve the following amendments: to amend to: (1) list the national organizations from which accreditation shall be obtained; and (2) comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 020:360. Continuing approval and periodic evaluation of prelicensure registered nursing and licensed practical nursing programs.

A motion was made and seconded to approve the following amendments: (1) to amend Section 1 to list the national organizations from which accreditation shall be obtained; and (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2 and 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Physical Therapy

201 KAR 022:001. Definitions for 201 KAR Chapter 022. Stephen Curley, executive director, and Keith Poynter, general counsel, represented the board.

A motion was made and seconded to approve the following amendment: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendment was approved.

201 KAR 022:053. Code of ethical standards and standards of practice for physical therapists and physical therapist assistants.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 2, 4, and 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Medical Imaging and Radiation Therapy

201 KAR 046:020. Fees. Elizabeth Morgan, executive director, represented the board.

ENERGY AND ENVIRONMENT CABINET: Department for Environmental Protection: Attainment and Maintenance of the National Ambient Air Quality Standards

401 KAR 051:010. Attainment status designations. Melissa Duff, environmental scientist consultant, Michael Kennedy, division director, represented the division.

In response to a question by Co-Chair West, Ms. Duff stated that the previous version of this administrative regulation did not include boundaries for sulfur dioxide (SO). Boundaries for SO were

established to include Henderson and Webster Counties.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Apprenticeship Standards

787 KAR 003:020. Confidentiality of records of the Office of Employer and Apprentice-ship Services. Michelle Dejon, executive director and Oran McFarlan, staff attorney, represented the cabinet.

A motion was made and seconded to approve the following amendments: (1) to add a definition section; (2) to add a new Section 3 to establish provisions for publicly available information; and (3) to amend Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

PUBLIC PROTECTION CABINET: General

800 KAR 001:020E. Team Western Kentucky Tornado Relief Fund. DJ Wasson, chief of staff, represented the cabinet.

In response to questions by Co-Chair West, Ms. Wasson stated that this fund distributed private and corporate donations directly to affected individuals. Transparency was ensured through the press, the fact that the fund was subject to audit, and through the oversight of local governments and local government leaders. Initially, distributions were made, in addition to FEMA distributions, to cover funeral expenses and for immediate repairs and sheltering needs. The fund was now beginning to focus on rebuilding efforts. The fund currently had received approximately \$51 million in donations and had distributed approximately \$10 million.

In response to questions by Co-Chair Hale, Ms. Wasson stated that the cabinet would follow up with information for this subcommittee regarding FEMA resources and their distribution. This fund first distributed monies for immediate needs based on a national model. Then, the fund would work with local governments and local leaders to address reconstruction efforts. Co-Chair Hale stated that it often took many years to rebuild after these types of events.

PUBLIC PROTECTION CABINET: Horse Racing Commission: Incentive and Development Funds

810 KAR 007:050. Kentucky Horse Breeders' Incentive Fund. Shan Dutta, deputy general counsel; Jamie Eads, deputy executive director; and Jennifer Wolsing, general counsel, represented the commission.

A motion was made and seconded to approve the following amendments: to amend Sections 1 through 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of Health Data Analytics: Guaranteed Acceptance Program (GAP)

900 KAR 013:010. Guaranteed Acceptance Program (GAP) reporting requirements. Kim Minter, staff assistant; Melea Rivera, assistant director; and Edith Sloan, division director, represented the office.

Department for Public Health: Sanitation

902 KAR 010:120. Kentucky public swimming and bathing facilities. Erica Brakefield, section supervisor; Julie Brooks, regulation coordinator; Jennifer Burt, branch manager; and Jessica Davenport, Inspection Program evaluator, represented the department. Scott Brinkman, manager, Connecting the Dots Policy Solutions, LLC, and Craig Ross, president, Kentucky Kingdom appeared in conditional support of this administrative regulation.

In response to questions by Co-Chair West, Ms. Brooks stated that the department had met with stakeholders to develop the proposed agency amendments. Newer legislation required a separate administrative regulation, 902 KAR 010:190, to address splash pads that were operated by local governments.

Mr. Brinkman stated that, with the proposed agency amendments, this administrative regulation met the needs of stakeholders. There were residual concerns that involved safety equipment with which the department agreed to assist stakeholders in the short term.

Mr. Ross stated that Kentucky Kingdom prioritized safety above all else and followed worldwide safety standards.

At the February 7, 2022, meeting of this subcommittee, a motion was made and seconded to approve the following amendments: (1) to amend Section 1 to define terms; and (2) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 14 and 16 through

22 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved at that subcommittee meeting.

A motion was made and seconded to approve the following amendments: (1) to amend Section 12 to delete beach lifeguard requirements and insert provisions that: (a) allow a facility to submit an alternative lifeguard staffing plan if it meets certain requirements; (b) require lifeguards at all bathing beaches that allow bathers 17 years of age or younger without a responsible adult; (c) require that there be one lifeguard per 100 linear feet of beachfront or a fraction thereof; (d) require bathing beaches to post warning signs if lifeguards are not provided; and (e) require one lifeguard per inflatable water attraction, with additional lifeguards to ensure all areas surrounding the attraction are clearly visible at all times; and (2) to amend Section 13 to require that: (a) lifesaving equipment be centrally located in a conspicuous place that is readily accessible, instead of requiring it to be located at each life-guard chair; and (b) the lifeboat be located in the most central location, instead of being required at the most centrally stationed lifeguard chair. Without objection, and with agreement of the agency, the amendments were approved.

902 KAR 010:121. Plan review, annual permitting, and inspection fees for public swimming and bathing facilities, including splash pads operated by local governments.

A motion was made and seconded to approve the following amendments: to amend Section 1 to require that the annual inspection fee be assessed based upon linear footage of beach-front, instead of linear square footage of beachfront. Without objection, and with agreement of the agency, the amendments were approved.

902 KAR 010:190. Splash pads operated by local governments. At the February 7, 2022, meeting of this subcommittee, a motion was made and seconded to approve the following amendments: (1) to amend Section 1 to define terms; and (2) to amend the RELATES TO paragraph and Sections 1, 2, 4, 7 through 12, 15, and 16 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved at that subcommittee meeting.

The following administrative regulations were deferred or removed from the April 13, 2022, subcommittee agenda:

DEPARTMENT OF LAW: Medical Examination of Sexual Abuse Victims

040 KAR 003:020. Protocol for operation of local multidisciplinary teams on child sexual abuse.

BOARDS AND COMMISSIONS: Board of Pharmacy

201 KAR 002:430. Emergency orders and hearings.

201 KAR 002:440. Legend drug repository.

Board of Nursing

201 KAR 020:260E. Organization and administration standards for prelicensure registered nurse or practical nurse programs of nursing.

201 KAR 020:480E. Licensure of graduates of foreign nursing schools.

Board of Alcohol and Drug Counselors

201 KAR 035:070. Supervision experience.

Applied Behavior Analysis Licensing Board

201 KAR 043:010. Application procedures for licensure.

201 KAR 043:020. Application procedures for temporary licensure.

201 KAR 043:030. Fees.

201 KAR 043:040. Code of ethical standards and standards of practice.

201 KAR 043:050. Requirement for supervision.

201 KAR 043:060. Complaint and disciplinary process.

201 KAR 043:071. Repeal of 201 KAR 043:070.

201 KAR 043:080. Renewals.

201 KAR 043:090. Voluntary inactive and retired status.

201 KAR 043:100. Telehealth and telepractice.

TOURISM, ARTS AND HERITAGE CABINET: Department of Fish and Wildlife Resources: Wildlife

301 KAR 004:001. Selection of Fish and Wildlife Resources Commission nominees.

301 KAR 004:010. Districts.

301 KAR 004:020. Ballard Wildlife Management Area restrictions.

301 KAR 004:100. Peabody Wildlife Management Area use requirements and restrictions.	Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	Vocational Rehabilitation
301 KAR 004:110. Administration of drugs to wildlife.	502 KAR 013:040. Issuance, expiration, and renewal of certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 001:010. Office of Vocational Rehabilitation appeal procedures.
JUSTICE AND PUBLIC SAFETY CABINET: Department of State Police: Driver Training		781 KAR 001:020. General provisions for operation of the Office of Vocational Rehabilitation.
502 KAR 010:010. Definitions.	502 KAR 013:050. Replacement of licenses to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 001:030. Order of selection and economic need test for vocational rehabilitation services.
502 KAR 010:020. Department facilities; facility inspection; conflict of interest.		781 KAR 001:040. Rehabilitation technology services.
502 KAR 010:030. Instructor’s license.	502 KAR 013:060. Change of personal information regarding certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 001:050. Carl D. Perkins Vocational Training Center.
502 KAR 010:035. Commercial driver’s license skill testing.		Office for the Blind
502 KAR 010:040. Training school facilities.	502 KAR 013:080. Incomplete application for certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	782 KAR 001:010. Kentucky Business Enterprises.
502 KAR 010:050. Contracts and agreements.		782 KAR 001:070. Certified driver training program.
502 KAR 010:060. School advertising.		Kentucky Commission on Proprietary Education
502 KAR 010:070. Training vehicle, annual inspection.	Criminal History Record Information System	791 KAR 001:010. Applications, permits, and renewals.
502 KAR 010:080. License suspension, revocation, denial.	502 KAR 030:010. Criminal History Record Information System.	791 KAR 001:020. Standards for licensure.
502 KAR 010:090. Procedure for denial, suspension, nonrenewal or revocation hearings.	502 KAR 030:020. Arrest and disposition reporting procedure.	791 KAR 001:025. Fees.
502 KAR 010:110. Third-party CDL skills test examiner standards.	502 KAR 030:030. Audit of Criminal History Record Information System.	791 KAR 001:027. School record keeping requirements
502 KAR 010:120. Hazardous materials endorsement requirements.	502 KAR 030:050. Security of centralized criminal history record information.	791 KAR 001:030. Procedures for hearings.
Concealed Deadly Weapons	502 KAR 030:060. Dissemination of criminal history record information.	791 KAR 001:035. Student protection fund.
502 KAR 011:010. Application for license to carry concealed deadly weapon.	502 KAR 030:070. Inspection of criminal history record information by record subject.	791 KAR 001:040. Commercial driver license training school curriculum and refresher course.
502 KAR 011:060. License denial and reconsideration process.	EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Department of Education: Office of Learning Support Services	791 KAR 001:050. Application for license for commercial driver license training school.
502 KAR 011:070. License revocation and suspension notice and reinstatement process.		791 KAR 001:060. Application for renewal of license for commercial driver license training school.
Law Enforcement Officers Safety Act of 2004	704 KAR 007:170. Corporal punishment.	791 KAR 001:070. Commercial driver license training school instructor and agency application and renewal procedures.
502 KAR 013:010. Application for certification under the Law Enforcement Officers Safety Act of 2004 (“LEOSA”), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	Alternative Education Programs	791 KAR 001:080. Maintenance of student records, schedule of fees charged to students, contracts and agreements involving licensed commercial driver license training schools.
502 KAR 013:030. Range qualification for certification under the Law Enforcement Officers	704 KAR 019:002. Alternative education programs.	
	Department of Workforce Investment: Office of	

791 KAR 001:100. Standards for Kentucky resident commercial driver training school facilities.	803 KAR 001:090. Workers with disabilities and work activity centers' employee's wages.	care staff members, reporting requirements, and appeals.
791 KAR 001:150. Bond requirements for agents and schools.	803 KAR 001:091. Workers with Disabilities and Work Activities Centers' employee's wages.	Adult Services
791 KAR 001:155. School closing process.	PUBLIC PROTECTION CABINET: Department of Insurance: Health Insurance Contracts	922 KAR 005:070. Adult protective services.
791 KAR 001:160. Transfer of ownership, change of location, change of name, revision of existing programs.	806 KAR 017:350. Life insurance and managed care.	The subcommittee adjourned at 8:35 a.m. The next meeting of this subcommittee was tentatively scheduled for May 10, 2022, at 1 p.m.
LABOR CABINET: Department of Workplace Standards: Labor Standards; Wages and Hours	CABINET FOR HEALTH AND FAMILY SERVICES: Office of Inspector General: State Health Plan	ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE Minutes of the May Meeting May 10, 2022
803 KAR 001:005. Employer-employee relationship.	900 KAR 005:020E. State Health Plan for facilities and services.	Call to Order and Roll Call
803 KAR 001:006. Employer-employee relationship.	Certificate of Need	The May meeting of the Administrative Regulation Review Subcommittee was held on Tuesday, May 10, 2022, at 1:00 PM, in Room 149 of the Capitol Annex. Representative David Hale, Chair, called the meeting to order, and the secretary called the roll.
803 KAR 001:025. Equal pay provisions, meaning and application.	900 KAR 006:075E. Certificate of need nonsubstantive review.	Present were:
803 KAR 001:026. Equal pay provisions, meaning and application.	Health Services and Facilities	<u>Members:</u> Senator Stephen West, Co-Chair; Representative David Hale, Co-Chair; Senators Julie Raque Adams, Ralph Alvarado, and David Yates; Representatives Randy Bridges, Deanna Frazier Gordon, and Mary Lou Marzian.
803 KAR 001:060. Overtime pay requirements.	902 KAR 020:016. Hospitals; operations and services.	<u>Guests:</u> Steven Pulliam, General Counsel, Executive Branch Ethics Commission; Christopher Harlow, Executive Director, Kentucky Board of Pharmacy; Kevin Winstead, Commissioner, Department of Professional Licensing; Kelly Jenkins, Executive Director and Jeffrey Prather, General Counsel, Kentucky Board of Nursing; Stephen Curley, Executive Director, Kentucky Board of Physical Therapy; Lora Arnold Parks, Chair, August Pozgay, Board Counsel, Kentucky Board of Licensure and Certification for Dietitians and Nutritionists; Tim Cesario, Chairman, Kentucky Board of Alcohol and Drug Counselors; Elizabeth Morgan, Executive Director, Board of Medical Imaging and Radiation Therapy; Steven Fields, Staff Attorney, Rich Storm, Commissioner, and Jenny Gilbert, Executive Assistant, Kentucky Department of Fish and Wildlife Resources; Todd Allen, General Counsel and Matthew Courtney, Policy Advisor, Kentucky Department of Education; Duane Hammons, Assistant Director and John Ghaelian, General Counsel, Kentucky Labor Cabinet; Kevin Sharkey, Staff Attorney and Frankie Huffman, Board Member, Kentucky Protection and Advocacy for Individuals with Developmental Disabilities Board; Tom Underwood, State Director, National Federation of Independent Business; Rachael Ratliff, Regulations Coordinator, Department for Behavioral Health, Development and Intellectual Disabilities; Laura Begin, Staff Assistant, Misty Sammons, Division Director, and Andrea Day, Assistant Director, Department for Community Based
803 KAR 001:061. Overtime pay requirements.	902 KAR 020:018. Operation and services; end-stage renal disease facilities.	
803 KAR 001:063. Trading time.	902 KAR 020:106. Operation and services; ambulatory surgical center.	
803 KAR 001:064. Trading time.	Office of Inspector General	
803 KAR 001:065. Hours worked.	906 KAR 001:110. Critical access hospital services.	
803 KAR 001:066. Recordkeeping requirements.	Department for Medicaid Services: Outpatient Pharmacy Program	
803 KAR 001:067. Hours worked.	907 KAR 023:020. Reimbursement for outpatient drugs.	
803 KAR 001:068. Recordkeeping requirements.	Department for Community Based Services: Child Welfare	
803 KAR 001:070. Executive, administrative, supervisory or professional employees; salesmen.	922 KAR 001:360. Private Child care placement, levels of care, and payment.	
803 KAR 001:071. Executive, administrative, supervisory or professional employees; salesmen.	922 KAR 001:470. Central registry.	
803 KAR 001:075. Exclusions from minimum wage and overtime.	922 KAR 001:530. Post-adoption placement stabilization services.	
803 KAR 001:076. Exclusions from minimum wage and overtime.	Day Care	
803 KAR 001:080. Board, lodging, gratuities and other allowances.	922 KAR 002:280. Background checks for child	
803 KAR 001:081. Board, lodging, gratuities and other allowances.		

Services.

LRC Staff: Sarah Amburgey, Stacy Auterson, Emily Caudill, Emily Harkenrider, Karen Howard, Carrie Nichols, and Christy Young.

The Administrative Regulation Review Subcommittee met on Tuesday, May 10, 2022, and submits this report:

The subcommittee determined that the following administrative regulation was deficient pursuant to KRS 13A.030(2)(a):

LABOR CABINET: Department of Workplace Standards: Labor Standards; Wages and Hours

803 KAR 001:006. Employer-employee relationship. John Ghaelian, general counsel, and Duane Hammons, assistant director, represented the department. Tom Underwood, state director, National Federation of Independent Businesses, appeared in opposition to this administrative regulation.

In response to questions by Co-Chair West, Mr. Hammons stated that the existing framework to determine an employer – employee relationship, consisted of a series of questions to be considered through a holistic approach. This version updated the questions to add consideration of permanency of the working relationship. These questions were commensurate with the federal standards; however, Kentucky did not necessarily have to comply with these federal standards. The issue of determining an employer – employee relationship, without the permanency component, had led to numerous misclassifications. Anyone classified as an independent contractor was not subject to the provisions of KRS Chapter 337.

In response to questions by Representative Bridges, Mr. Hammons stated that this administrative regulation was intended to protect employees from nonpayment of wages and other violations of KRS Chapter 337. Clarity was needed to aid in the determination of employer – employee relationships. Representative Bridges stated that this could force those who had chosen to be independent contractors into being classified as employees. Mr. Ghaelian stated that no one factor was weighted more strongly than the others in making this holistic determination. The wishes of a person who chose to be classified as an independent contractor were part of the consideration process. Representative Bridges stated that this was subjective, vague, and gave more power to the Labor Cabinet, rather than to the individual, regarding classification. Additionally, this seemed like a statutory, not a regulatory issue because the legislature had considered this issue in the past and had not passed this type of legislation.

Senator Yates stated that it was important to have clear standards for determining the employer – employee relationship. This administrative regulation was commensurate with federal standards and standards used by the court system. In response to a question by Senator Yates, Mr. Hammons stated that

this version was for clarification based on the federal standards and legal precedents.

In response to questions by Senator Raque Adams, Mr. Hammons stated that the problem of misclassification had become more prevalent for the department for at least the past four years. Mr. Ghaelian stated that this administrative regulation received public comments from two commenters. The need for clarity precipitated this change in conjunction with this administrative regulation needing an amendment due to sunset provisions.

In response to a question by Co-Chair West, Mr. Ghaelian stated that the intent of this administrative regulation was to clarify the employer – employee relationship.

In response to a question by Co-Chair Hale, Mr. Underwood stated that this version of this administrative regulation would make the process of determining the employer – employee relationship more ambiguous, not less. Small businesses could be negatively impacted, and this version might create a chilling effect regarding hiring small businesses.

In response to a question by Co-Chair West, Mr. Underwood stated that most small businesses, especially sole proprietors, were independent contractors. Small businesses were concerned that they might become classified as employees. Most small businesses did not have compliance officers available to ensure compliance with KRS Chapter 337.

Senator Yates stated that, if permanency was already a standard used in adjudicating employment matters, it would seem not to change provisions if it were added to this administrative regulation. The department would consider the totality of the relationship, including things like future contract expectations. In response, Mr. Underwood stated that there was a major labor shortage state wide, and this administrative regulation could cause unintended harm.

In response to a question by Co-Chair Hale, Mr. Underwood requested that this administrative regulation be deferred.

In response to a question by Co-Chair West, Mr. Ghaelian stated that this administrative regulation was codifying requirements already used by the court system.

In response to questions by Co-Chair West, Senator Yates stated that “totality of the circumstances” was the phrased used in case law. Mr. Ghaelian stated that this administrative regulation was to comply with certification requirements and to clarify requirements. The department preferred not to defer.

In response to questions by Senator Yates, Mr. Ghaelian stated that the department would prefer not to defer consideration of this administrative regulation. Deferral might pose a problem because the corresponding administrative regulation will expire in September.

Senator Alvarado stated that this issue had been

proposed by the General Assembly in the past without legislation being passed, which implied that this administrative regulation was inappropriate.

In response to questions by Senator Raque Adams, Mr. Ghaelian stated that the department did not amend this administrative regulation in response to the public comments, which were considered by the agency. The department preferred not to defer.

Representative Bridges stated that this matter should be established through statute, not administrative regulation. The cabinet was stepping beyond its authority. The department should consider deferral. It was the cabinet’s responsibility to enforce decisions made by the legislature, and more stakeholders needed to be involved in the development of these policies. This would do a disservice to independent contractors and employers.

In response to a question by Co-Chair Hale, Mr. Ghaelian stated that the agency respectfully did not agree to defer.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 2 through 5 to comply with the drafting requirements of KRS Chapter 13A.

Senator Alvarado made a motion, seconded by Co-Chair West, to find this administrative regulation deficient. A roll call vote was conducted and, with six (6) votes to find this administrative regulation deficient and two (2) votes against deficiency, this administrative regulation was found deficient.

Representative Bridges explained his yes vote. He would have preferred that this administrative regulation had been deferred. This was an attempt to make, rather than enforce, the law.

Senator Yates explained his no vote. There seemed to be authority for this administrative regulation, but he stated that he was disappointed that the agency would not defer.

Co-Chair West explained his yes vote. This finding of deficiency meant that this administrative regulation was on a fast track to be found null, void, and unenforceable by the General Assembly.

Co-Chair Hale explained his yes vote. This subcommittee did not like to find administrative regulations deficient and did so only rarely. There had been sufficient opportunity for deferral; therefore, deficiency was the only option left to this subcommittee.

Compiler’s Note: Pursuant to KRS 13A.335(3) (a), a new Section 7 was added to this administrative regulation to reflect the finding of deficiency.

Administrative Regulations Reviewed by this Subcommittee:

FINANCE AND ADMINISTRATION CABINET:
Executive Branch Ethics Commission

009 KAR 001:070. Standards of ethical conduct for transition team members and disclosure form.

Steven Pulliam, general counsel, represented the commission.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 7 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to delete the Transition Team Lead Designation form, which did not seem to be statutorily required. Without objection, and with agreement of the agency, the amendments were approved.

BOARDS AND COMMISSIONS: Board of Pharmacy
201 KAR 002:440. Legend drug repository. Chris Harlow, executive director, represented the board.

In response to questions by Representative Marzian, Mr. Harlow stated that this program authorized the donation of high-cost prescription medications by pharmacies and patients for distribution to indigent patients.

In response to questions by Senator Yates, Mr. Harlow stated that donated prescription medications must be unexpired and in the original packaging. Donated prescription medications included treatments for a range of conditions and were not limited to specific conditions.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 7 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Speech-Language Pathology and Audiology
201 KAR 017:110. Telehealth and telepractice. Kevin Winstead, commissioner, represented the board.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1, 2, and 4 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Nursing

201 KAR 020:260E. Organization and administration standards for prelicensure registered nurse or practical nurse programs of nursing. Jeff Prather, general counsel, represented the board.

A motion was made and seconded to approve the following amendments: to amend: (1) the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 2 and 3 to conform to Senate Bill 10 from the 2022 Regular Session of the General Assembly; and (2) Section 3(3)(a) and (b) for consistency with

Executive Order 2021-913. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 020:480E. Licensure of graduates of foreign nursing schools.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 2 to comply with: (1) Senate Bill 10 from the 2022 Regular Session of the General Assembly; and (2) the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 020:480. Licensure of graduates of foreign nursing schools.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 2 to comply with: (1) Senate Bill 10 from the 2022 Regular Session of the General Assembly; and (2) the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Physical Therapy

201 KAR 022:020. Eligibility and credentialing procedure. Stephen Curley, executive director, represented the board.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 2 and 11 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 022:070. Requirements for foreign-educated physical therapists and physical therapist assistants.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 1 through 4 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 022:170. Physical Therapy Compact Commission.

Board of Licensure and Certification for Dietitians and Nutritionists

201 KAR 033:015. Application; approved programs. Lora Parks, chair, and August Pozgay, counsel, represented the board.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Board of Alcohol and Drug Counselors

201 KAR 035:070. Supervision experience. Tim Cesario, chair, and Kevin Winstead, commissioner, represented the board.

In response to questions by Senator Yates, Mr. Cesario stated that there were two (2) categories of supervisors of entry-level counselors, CADC or LADC. Uncredentialed counselors received at least two (2) hours of supervision, consisting of case review, twice per month and direct supervision every six (6) months. Clinical supervisors were responsible for the supervisee's practice.

In response to questions by Co-Chair West, Mr. Cesario stated that, previously, an entry-level clinician was required to have at least a baccalaureate degree, in any degree subject. Senate Bill 191 from the 2020 Regular Session of the General Assembly authorized certain credentialing for those with at least a high school degree and under supervision; therefore, these supervisory provisions had added importance.

A motion was made and seconded to approve the following amendments: to amend: (1) the RELATES TO paragraph and Sections 1, 4, 11, and 13 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) Section 14 to update incorporated material. Without objection, and with agreement of the agency, the amendments were approved.

Board of Medical Imaging and Radiation Therapy

201 KAR 046:060. Continuing education requirements. Elizabeth Morgan, executive director, represented the board.

In response to a question by Co-Chair West, Ms. Morgan stated that this administrative regulation clarified that the process of developing continuing education materials shall not constitute continuing education itself.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, and CONFORMITY paragraph and Sections 2, 3, and 7 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

TOURISM, ARTS AND HERITAGE CABINET: Department of Fish and Wildlife Resources: Wildlife
301 KAR 004:010. Districts. Jenny Gilbert, Office of the Commissioner; Steven Fields, staff attorney; and Rich Storm, commissioner, represented the department.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

301 KAR 004:020. Ballard Wildlife Management Area restrictions.

A motion was made and seconded to approve

the following amendments: (1) to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 and 2 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to delete restrictions on firearms and dogs. Without objection, and with agreement of the agency, the amendments were approved.

301 KAR 004:100. Peabody Wildlife Management Area use requirements and restrictions.

A motion was made and seconded to approve the following amendments: to amend Sections 2 through 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

301 KAR 004:110. Administration of drugs to wildlife.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 4 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Board of Education: School Administration and Finance

702 KAR 003:090. Depository of board, collateral. Todd Allen, general counsel, and Matthew Courtney, policy advisor, represented the board.

A motion was made and seconded to approve the following amendments: to amend Sections 1 and 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department of Education: Office of Learning Support Services

704 KAR 007:170. Corporal punishment.

In response to questions by Co-Chair West, Mr. Courtney stated that the 2019 School Safety and Resiliency Act required school districts to create provisions for trauma-informed disciplinary strategies. Corporal punishment was statutorily authorized, and this administrative regulation established safety guidelines for its use, including a standard definition for “corporal punishment” and exemptions from corporal punishment for certain students, including students in foster care, homeless students, and students with an Individualized Education Program (IEP). Children in foster care were already excluded from corporal punishment in other settings, and this administrative regulation carried that forward into educational settings for consistency. Parental notification and involvement were required for use of corporal punishment. Within the first five days of enrollment, parents must opt-in, rather than opting-out, for corporal punishment even

to be considered for a student. Parental consent must also be specifically authorized verbally on the day that corporal punishment is administered. A trauma-informed disciplinary technique must be attempted first, with corporal punishment being an alternative technique. The 2019 School Safety and Resiliency Act was silent regarding corporal punishment. Numerous studies demonstrated that corporal punishment was ineffective long term and could create trauma. This administrative regulation increased parental involvement in disciplinary strategies. Most districts in Kentucky disallowed corporal punishment. Fifteen districts explicitly allowed corporal punishment or were silent on the issue. Of the 15 districts, only 4 explicitly authorized corporal punishment. The other 11 were silent on the matter. Corporal punishment alternatives were determined based on the trauma-informed tool kit available on the agency’s Web site and included various disciplinary resolution practices.

In response to questions by Senator Yates, Mr. Courtney stated that districts that allowed corporal punishment were required to establish policies that established limits on corporal punishment and established the instrument to be used to administer the punishment. The policy development required community input. This established community transparency and parental permission in order to mitigate liability. This administrative regulation also required data collection.

In response to a question by Representative Marzian, Mr. Courtney stated that parents, within the first five days of enrollment, must opt-in and be notified for permission the day that corporal punishment is administered. A parent could withdraw permission for corporal punishment at any time.

In response to a question by Co-Chair Hale, Mr. Courtney stated that corporal punishment must be administered by a principal or vice principal only. The corporal punishment must be in the presence of a witness; however, a specific witness cannot be compelled to be a witness in order to prevent vicarious trauma.

A motion was made and seconded to approve the following amendments: to amend Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Alternative Education Programs

704 KAR 019:002. Alternative education programs.

A motion was made and seconded to approve the following amendments: to amend Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Personnel System for Certified and Equivalent Employees

780 KAR 003:020. Compensation plan.

LABOR CABINET: Department of Workplace Standards: Labor Standards; Wages and Hours

803 KAR 001:026. Equal pay provisions, meaning and application. John Ghaelian, general counsel, and Duane Hammons, assistant director, represented the department. Frankie Huffman, board member, Persons with Developmental Disabilities (PADD) Board, and Kevin Sharkey, staff attorney, Kentucky Protection and Advocacy, appeared in opposition to 803 KAR 1:091.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 7 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 001:061. Overtime pay requirements.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1, 2, 5, and 8 through 13 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 001:064. Trading time.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 and 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 001:067. Hours worked.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 2 and 4 through 8 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 001:068. Recordkeeping requirements.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 2 through 4 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 001:071. Executive, administrative, supervisory or professional employees; salesmen.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1, 2, and 4 through 15 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 001:076. Exclusions from minimum wage and overtime.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 4 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 001:081. Board, lodging, gratuities and other allowances.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 001:091. Workers with Disabilities and Work Activities Centers' employee's wages.

In response to a question by Co-Chair Hale, Mr. Ghaelian stated that KRS 337.010 established an exemption from minimum wage requirements for sheltered workshops.

In response to a question by Co-Chair Hale, Mr. Sharkey stated that the PADD Board and Kentucky Protection and Advocacy requested that the cabinet repeal the existing administrative regulation regarding sheltered workshops and withdraw this newly filed version in order to phase out this program, as was done in Alaska. Sheltered workshops and subminimum wages were in conflict with the Americans with Disabilities Act. The federal government and several states were phasing out these programs, which included 14C certificates. Kentucky has also established supported Competitive Integrated Employment in communities, which should be the primary objective for disabled persons seeking employment. In the agency's Statement of Consideration for this administrative regulation, the cabinet stated that the agency was required to promulgate this administrative regulation; however, the authorizing statute established discretion to do so, not a mandate.

In response to a question by Co-Chair Hale, Mr. Huffman stated that he had a negative experience working in a sheltered workshop. He was supposed to receive \$10 per week; however, his pay was docked each time he dropped something. As a result, he once received only \$2 as pay. The sheltered workshop program initially began after World War II as a way for veterans to regain strength and return to community employment. That program morphed into today's subminimum wage workplace for disabled persons. Some workers had been in the program for 20 years.

In response to a question by Co-Chair Hale, Mr. Sharkey stated that Kentucky Protection and Advocacy requested that the agency repeal the existing administrative regulation and withdraw this administrative regulation, in order that the

subminimum wage program for sheltered workshops be phased out. Senator Alvarado stated that he sponsored bills over the years to phase out the subminimum wage program for sheltered workshops. Some 14C certificate holders had taken advantage of disabled employees. Those who liked working in sheltered workshops would not be forced out because existing sheltered workshops could be grandfathered in. The goal was to mainstream sheltered workshop employees into community employment. There were concerns about adequate employment availability without the sheltered workshops. Mr. Sharkey stated that the authorizing statute was permissive, not mandatory. He requested that this administrative regulation be deferred.

In response to a question by Representative Bridges, Mr. Sharkey stated that he did not have specific employment data regarding states that had ended these programs; however, there was no indication of a detriment to employment in those states. Senator Yates stated that sheltered workshops could provide an opportunity for disabled people to gain employment skills. Sometimes the cost to these employers was higher than their revenue. There were also concerns about issues such as what had happened in Mr. Huffman's case. It might be beneficial to investigate federal funding and rebates that might improve this situation. There needed to be a balance between the compassionate, dignity of work and incentives for businesses.

In response to a question by Co-Chair West, Mr. Sharkey stated that this administrative regulation would allow new 14C certificates to be issued. Kentucky Protection and Advocacy believed that the agency had the authority to phase out this program by not having this administrative regulation.

In response to a question by Co-Chair Hale, Mr. Ghaelian stated that, after reviewing multiple statutes, the agency determined that it was required to promulgate this administrative regulation.

In response to a question by Co-Chair West and Representative Frazier-Gordon, Mr. Ghaelian stated that this administrative regulation would authorize new 14C certificates to be issued. Senator Alvarado stated that the goal was to mainstream sheltered workshop employees and grandfather in those who wished to remain working for sheltered workshops. He stated that it was his intention to keep sponsoring legislation to this end, but deferral of this administrative regulation did not seem to be an action that would assist the end goal. Co-Chair Hale stated that this subcommittee was limited, and there did not seem to be a consensus regarding deferral.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 and 2 to comply with the drafting requirements of KRS Chapter 13A; and (2) to add Section 3 to incorporate material by reference. Without objection, and with agreement

of the agency, the amendments were approved.

CABINET FOR HEALTH AND FAMILY SERVICES: Department for Behavioral Health, Developmental and Intellectual Disabilities: Division of Program Integrity: Institutional Care

908 KAR 003:010E. Patient's rights. Rachael Ratliff, regulation coordinator, represented the division.

Department for Community Based Services: Child Welfare

922 KAR 001:470. Central registry. Laura Begin, regulation coordinator, and Andrea Day, assistant division director, represented the department.

A motion was made and seconded to approve the following amendment: to amend Section 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendment was approved.

Day Care

922 KAR 002:280. Background checks for child care staff members, reporting requirements, and appeals.

A motion was made and seconded to approve the following amendments: to amend Sections 5, 6, and 9 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

The following administrative regulations were deferred or removed from the May 10, 2022, subcommittee agenda:

BOARDS AND COMMISSIONS: Board of Pharmacy

201 KAR 002:430. Emergency orders and hearings.

Board of Dentistry

201 KAR 008:600. Mobile dental facilities and portable dental units.

Applied Behavior Analysis Licensing Board

201 KAR 043:010. Application procedures for licensure.

201 KAR 043:020. Application procedures for temporary licensure.

201 KAR 043:030. Fees.

201 KAR 043:040. Code of ethical standards and standards of practice.

201 KAR 043:050. Requirement for supervision.

201 KAR 043:060. Complaint and disciplinary process.	502 KAR 011:070. License revocation and suspension notice and reinstatement process.	EDUCATION AND WORKFORCE DEVELOPMENT CABINET: Department of Workforce Investment: Office of Vocational Rehabilitation
201 KAR 043:071. Repeal of 201 KAR 043:070.	Law Enforcement Officers Safety Act of 2004	
201 KAR 043:080. Renewals.	502 KAR 013:010. Application for certification under the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 001:010. Office of Vocational Rehabilitation appeal procedures.
201 KAR 043:090. Voluntary inactive and retired status.		781 KAR 001:020. General provisions for operation of the Office of Vocational Rehabilitation.
201 KAR 043:100. Telehealth and telepractice.	502 KAR 013:030. Range qualification for certification under the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 001:030. Order of selection and economic need test for vocational rehabilitation services.
TOURISM, ARTS AND HERITAGE CABINET: Department of Fish and Wildlife Resources: Wildlife		
301 KAR 004:001. Selection of Fish and Wildlife Resources Commission nominees.	502 KAR 013:040. Issuance, expiration, and renewal of certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	781 KAR 001:040. Rehabilitation technology services.
JUSTICE AND PUBLIC SAFETY CABINET: Department of State Police: Driver Training		781 KAR 001:050. Carl D. Perkins Vocational Training Center.
502 KAR 010:010. Definitions.	502 KAR 013:050. Replacement of licenses to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	Office for the Blind
502 KAR 010:020. Department facilities; facility inspection; conflict of interest.		782 KAR 001:010. Kentucky Business Enterprises.
502 KAR 010:030. Instructor's license.		782 KAR 001:070. Certified driver training program.
502 KAR 010:035. Commercial driver's license skill testing.	502 KAR 013:060. Change of personal information regarding certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	Kentucky Commission on Proprietary Education
502 KAR 010:040. Training school facilities.		791 KAR 001:010. Applications, permits, and renewals.
502 KAR 010:050. Contracts and agreements.		
502 KAR 010:060. School advertising.	502 KAR 013:080. Incomplete application for certification to carry a concealed deadly weapon pursuant to the Law Enforcement Officers Safety Act of 2004 ("LEOSA"), 18 U.S.C. 926C, for honorably retired elected or appointed peace officers.	791 KAR 001:020. Standards for licensure.
502 KAR 010:070. Training vehicle, annual inspection.		791 KAR 001:025. Fees.
502 KAR 010:080. License suspension, revocation, denial.	Criminal History Record Information System	791 KAR 001:027. School record keeping requirements.
502 KAR 010:090. Procedure for denial, suspension, nonrenewal or revocation hearings.	502 KAR 030:010. Criminal History Record Information System.	791 KAR 001:030. Procedures for hearings.
502 KAR 010:110. Third-party CDL skills test examiner standards.	502 KAR 030:020. Arrest and disposition reporting procedure.	791 KAR 001:035. Student protection fund.
502 KAR 010:120. Hazardous materials endorsement requirements.	502 KAR 030:030. Audit of Criminal History Record Information System.	791 KAR 001:040. Commercial driver license training school curriculum and refresher course.
Concealed Deadly Weapons	502 KAR 030:050. Security of centralized criminal history record information.	791 KAR 001:050. Application for license for commercial driver license training school.
502 KAR 011:010. Application for license to carry concealed deadly weapon.	502 KAR 030:060. Dissemination of criminal history record information.	791 KAR 001:060. Application for renewal of license for commercial driver license training school.
502 KAR 011:060. License denial and reconsideration process.	502 KAR 030:070. Inspection of criminal history record information by record subject.	791 KAR 001:070. Commercial driver license training school instructor and agency application and renewal procedures.
		791 KAR 001:080. Maintenance of student

records, schedule of fees charged to students, contracts and agreements involving licensed commercial driver license training schools.	806 KAR 017:350. Life insurance and managed care.	922 KAR 005:070. Adult protective services.
791 KAR 001:100. Standards for Kentucky resident commercial driver training school facilities.	CABINET FOR HEALTH AND FAMILY SERVICES: Office of Inspector General: State Health Plan	The subcommittee adjourned at 3 p.m. The next meeting of this subcommittee was tentatively scheduled for June 14, 2022, at 1 p.m.
791 KAR 001:150. Bond requirements for agents and schools.	900 KAR 005:020E. State Health Plan for facilities and services.	GOVERNMENT CONTRACT REVIEW COMMITTEE Committee Minutes December 15, 2021
791 KAR 001:155. School closing process.	900 KAR 005:020. State Health Plan for facilities and services.	Call to Order and Roll Call
791 KAR 001:160. Transfer of ownership, change of location, change of name, revision of existing programs.	Certificate of Need	The Government Contract Review Committee met on Wednesday, December 15, 2021, at 9:00 AM, in Room 131 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.
LABOR CABINET: Department of Workplace Standards: Labor Standards; Wages and Hours	900 KAR 006:075E. Certificate of need nonsubstantive review.	Present were:
803 KAR 001:005. Employer-employee relationship.	900 KAR 006:075. Certificate of Need nonsubstantive review.	<u>Members:</u> Senator Stephen Meredith, Co-Chair; Representative Matthew Koch, Co-Chair; Senators Adrienne Southworth, and David Yates; Representatives Adam Bowling, Mark Hart, and Patti Minter.
803 KAR 001:025. Equal pay provisions, meaning and application.	Essential Personal Care Visitor Program	<u>Guests:</u> Kerry Harvey, Angela Curry, Mark Maier, Stefanie Ebbens Kingsley, Lesa Dennis, Dr. Sarah Vanover, Michael Hancock, Laura Hagan, Bart Hardin, Barry Swanson, David Wickersham, Ethan Witt, Mark Howard, Dr. Thomas Woods Tucker, and Robin Kinney.
803 KAR 001:060. Overtime pay requirements.	900 KAR 014:010E. Essential personal care visitor programs; visitation guidelines.	<u>LRC Staff:</u> Kim Eisner, Jarrod Schmidt, and Kim Smith.
803 KAR 001:063. Trading time.	Department for Community Based Services: Health Services and Facilities	A motion was made by Representative Koch to approve the minutes of the November 2021, meeting of the committee. Representative Minter seconded the motion, which passed without objection.
803 KAR 001:065. Hours worked.	902 KAR 020:016. Hospitals; operations and services.	<u>JULY DEFERRED ITEM:</u>
803 KAR 001:066. Recordkeeping requirements.	902 KAR 020:018. Operation and services; end-stage renal disease facilities.	<u>JUSTICE - OFFICE OF THE SECRETARY</u>
803 KAR 001:070. Executive, administrative, supervisory or professional employees; salesmen.	902 KAR 020:106. Operation and services; ambulatory surgical center.	National Medical Services, Inc. (NMS Labs), 2100002935. Kerry Harvey discussed the contract with the committee. A motion was made by Representative Koch to defer the contract to the January 2022 meeting of the committee. Representative Hart seconded the motion, which passed.
803 KAR 001:075. Exclusions from minimum wage and overtime.	Office of Inspector General	<u>NOVEMBER DEFERRED ITEMS:</u>
803 KAR 001:080. Board, lodging, gratuities and other allowances.	906 KAR 001:110. Critical access hospital services.	<u>UNIVERSITY OF LOUISVILLE</u>
803 KAR 001:090. Workers with disabilities and work activity centers' employee's wages.	Department for Medicaid Services: Outpatient Pharmacy Program	Dinsmore & Shohl, LLP, 22-020. Angela Curry discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Senator Yates seconded the motion, which passed.
Occupational Safety and Health	907 KAR 023:020. Reimbursement for outpatient drugs.	
803 KAR 002:402. General safety and health provisions.	Child Welfare	
803 KAR 002:411. Scaffolds.	922 KAR 001:360. Private child care placement, levels of care, and payment.	
803 KAR 002:419. Demolition.	922 KAR 001:530. Post-adoption placement stabilization services.	
803 KAR 002:445. Confined spaces in construction.	Adult Services	
PUBLIC PROTECTION CABINET: Department of Insurance: Health Insurance Contracts		

UNIVERSITY OF LOUISVILLE

Grand River Solutions, 21-068. Contract withdrawn per the University on December 10, 2021.

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Embry Merritt Shaffar Womack, PLLC, 21-069. Angela Curry discussed the contract with the committee. A motion was made by Senator Southworth to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

A motion was made by Representative Hart to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Koch seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Representative Koch seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Koch seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Representative Koch seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Correction List. Representative Koch seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

BOARD OF PHYSICAL THERAPIST

Scanlan Associates, LLC, 2200001247.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING

Allyson Honaker, 2200001167.

DEPARTMENT OF HIGHWAYS

HMB Engineers, Inc., 2200001014; Stantec Consulting Services, Inc., 2200001015; Strand Associates, Inc., 2200001225; Palmer Engineering County, 2200001262; HMB Engineers, Inc., 2200001263; Palmer Engineering Company, 2200001264; Stantec Consulting Services, Inc., 2200001284; Garver, LLC, 2200001285.

EASTERN KENTUCKY UNIVERSITY

Embarcadero Group, Inc., 1085-2022; Omni Architects, 1135-2022.

FACILITIES & SUPPORT SERVICES

Patrick D. Murphy Company, Inc., 2200001132; The Osborn Engineering Company, 2200001206; Omni Architects, 2200001209; Facility Commissioning Group, Inc., 2200001216.

KENTUCKY EDUCATIONAL TELEVISION

Walter D. Crowe, 2200001187.

KENTUCKY EMPLOYERS MUTUAL INSURANCE

Gallagher Benefit Services, 22-GBS-002; Ward Financial Group, 22-WFG-001.

KENTUCKY FISH AND WILDLIFE RESOURCES

Wood Environment & Infrastructure Solutions, Inc., 2200000992.

KENTUCKY STATE POLICE

Starlin Timon Hacker, 2200001169; Robert Jason Browning, 2200001218; Matthew Brian Travis, 2200001219; Joseph M. Holbrook, 2200001221; Raymond D. Foley, 2200001222.

MURRAY STATE UNIVERSITY

Bolinger Appraisal, 023-22.

NORTHERN KENTUCKY UNIVERSITY

Lisa Helmin Foss, 2022-151; AGB Search, 2022-152.

UNIVERSITY OF KENTUCKY

KFI Engineers PSC, A221090; Witt/Kieffer, K22-189; Advanced Fiber Technologies, Inc., K22-192; Bureau Veritas Certification North America, Inc., K22-193; Sparc Design, Inc., K22-194.

UNIVERSITY OF LOUISVILLE

Gartner, Inc., 22-026.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Steve Sparks, PhD., 2000003815.

DEPARTMENT FOR INCOME SUPPORT

Christine Booth, 2100000139.

DEPARTMENT OF AGRICULTURE

RDP Consulting, LLC, 2100001622.

DEPARTMENT OF HIGHWAYS

Stantec Consulting Services, Inc., 1300001683; QK4, 1500001028; URS Corporation, 1600000934; HDR Engineering, Inc., 1600000936; American Engineers, Inc., 1600003407; QK4, Inc., 1800000418; Gresham, Smith and Partners, 1800001340; Garver, LLC, 2000000841; Aecom Technical Services, Inc., 2000001988.

DEPARTMENT OF JUVENILE JUSTICE

Ronald Boyd, 2000003362.

EASTERN KENTUCKY UNIVERSITY

Central Kentucky Interpreter Referral, Inc., 840-2021.

ECON DEV - OFFICE OF THE SECRETARY

CentralRegionInnovationandCommercialization Center, Inc., 2100002536.

FACILITIES & SUPPORT SERVICES

S&Me, Inc., 1900002340; Sustainable Streams, LLC, 2000000076; Ross Tarrant Architects, Inc., 2000002652; Brandstetter Carroll, Inc., 2200000259.

KY COMMUNITY TECHNICAL COLLEGE SYSTEM

Northern Kentucky Services for the Deaf Inc., 834.

TRANSPORTATION - OFFICE OF THE SECRETARY

Workwell, 2000003199-1; Blue & Company, LLC, 2100001177.

UNIVERSITY OF KENTUCKY

JRA Architects, A211200.

UNIVERSITY OF LOUISVILLE

Jackson Lewis PSC, 21-018.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS

University of Louisville Research Foundation, 2200001007.

COUNCIL ON POSTSECONDARY EDUCATION

University of Louisville Research Foundation, 2200001147.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Volunteers of America Mid-States, Inc., 2200000743; Paris Independent School District, 2200000964; Perry County Board of Education, 2200000965; Russellville Independent School District, 2200000982; mRelief, Inc., 2200001051; Clark County Board of Education, 2200001232.

DEPARTMENT FOR LOCAL GOVERNMENT

City of Georgetown, 2200000380; City of Stanford, 2200000392; City of Liberty, 2200000407; City of Albany, 2200000837; City of Russell Springs, 2200000851; Wayne County, 2200000888; City of Prestonsburg, 2200000901; City of Booneville, 2200000941; City of Mayfield, 2200001028; McCracken County Fiscal Court, 2200001040; Lewis County Fiscal Court, 2200001041; Knox County Fiscal Court, 2200001168; Wolfe County Fiscal Court, 2200001174; Allen County-Scottsville Industrial Development Authority, 2200001179; City of Ludlow, 2200001181; Webster County Fiscal Court, 2200001186; Monticello-Wayne County Industrial Development Authority, 2200001190; Nicholas County Fiscal Court, 2200001195; Graves County Fiscal Court, 2200001200; Monroe County Industrial Development Authority, 2200001204; Hickman County Industrial Development Authority, 2200001205; Paradise Regional Industrial Development Authority, 2200001212; Eddyville Riverport IDA, 2200001223; Shelby County Fiscal Court, 2200001242; Salyersville Water Works, 2200001301; Lawrence County Fiscal Court, 2200001306.

DEPARTMENT FOR NATURAL RESOURCES

Multi, 2100002680; Multi, 2100002686.

DEPARTMENT OF EDUCATION

Walton-Verona Independent School District, 2200000756; Ashland Board of Education, 2200000841; Jefferson County Board of Education, 2200000886; Jefferson County Board of Education, 2200001008; Asbury University, 2200001098; Bullitt County Board of Education, 2200001112; Covington Independent School District, 2200001113; Dayton Independent School District, 2200001114; Eminence Independent Board of Education, 2200001115; Fayette County Board of Education, 2200001116; Harlan County Board of Education, 2200001117; Jefferson County Board of Education, 2200001118; Jessamine County Board of Education, 2200001119; Letcher County Board of Education, 2200001120; Newport Independent School District, 2200001121; Pike County Board of Education, 2200001122; Whitley County Board of Education, 2200001123; University of Kentucky Research Foundation, 2200001133.

DEPARTMENT OF MILITARY AFFAIRS

Oldham County Fiscal Court, 2100003396.

DEPARTMENT OF TRAVEL

Multi, 2200001070; Multi, 2200001074; Multi, 2200001077; Multi, 2200001080; Multi, 2200001081; Multi, 2200001082; Multi, 2200001083; Multi, 2200001084; Multi, 2200001085.

DEPARTMENT OF WORKPLACE STANDARDS

University of Kentucky, 2200000999.

KENTUCKY FISH AND WILDLIFE RESOURCES

Office of Kentucky Nature Preserves, 2200000437.

TOURISM - OFFICE OF THE SECRETARY

Kenton County Fiscal Court, 2200001050; Kentucky Department of Parks, 2200001054.

TRANSPORTATION - OFFICE OF THE SECRETARY

Kentucky Community and Technical College System, 2200001202.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

University of Kentucky Research Foundation, 2100000884; Intentional Beginnings, Inc., 2100000990; Unlawful Narcotics Investigations Treatment and Education, 2100001793; Western Kentucky Regional Mental Health & Retardation Advisory Board, 2100002178; Communicare, Inc., 2100002222; Seven Counties Services, Inc., 2100002226; Comprehend, Inc., 2100002231; Mountain Comprehensive Care Center, 2100002242; Kentucky River Community Care, Inc., 2100002243; Cumberland River Behavioral Health, Inc., 2100002244; New Vista of the Bluegrass, Inc., 2100002246.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 2000002888; Multi, 2000003442.

COUNCIL ON POSTSECONDARY EDUCATION

Kentucky Department of Education, 2100001061.
DEPARTMENT FOR COMMUNITY BASED SERVICES

University of Kentucky Research Foundation, 2000001765.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 2000001724.

DEPARTMENT FOR LOCAL GOVERNMENT

Menifee County Fiscal Court, 1900003704; Mason County Fiscal Court, 2000000489; City of Lewisburg City Treasurer, 2000002311; City of Muldraugh, 2100001125.

DEPARTMENT FOR PUBLIC HEALTH

University of Kentucky, 2000004104; Multi, 2100001818.

KENTUCKY FISH AND WILDLIFE RESOURCES

Murray State University, 2100002615.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR COMMUNITY BASED SERVICES

Public Consulting Group, LLC, 2200001193. Lesa Dennis and Dr. Sarah Vanover discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Representative Minter seconded the motion, which passed.

DEPARTMENT FOR WORKFORCE INVESTMENT

Deloitte Consulting, LLP, 2200001067. Mark Maier and Stefanie Ebbens Kingsley discussed the contract with the committee. A motion was made by Senator Yates to consider the contract as reviewed. The motion failed due to the lack of a second. A motion was made by Representative Bowling to disapprove the contract. Representative Koch seconded the motion, which passed with Senator Yates and Representative

Minter voting no.

TRANSPORTATION - OFFICE OF THE SECRETARY

Krause Bell Group, 2200001215. Michael Hancock and Laura Hagan discussed the contract with the committee. A motion was made by Senator Yates to consider the contract as reviewed. Representative Koch seconded the motion, which passed with Representative Hart and Senator Meredith voting no.

UNIVERSITY OF KENTUCKY

Deloitte Consulting, LLP, K22-190. Bart Hardin and Barry Swanson discussed the contract with the committee. A motion was made by Representative Bowling to consider the contract as reviewed. Representative Hart seconded the motion, which passed with Senator Southworth voting no.

UNIVERSITY OF KENTUCKY

Born, LLC, K22-191. Bart Hardin and Barry Swanson discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Bowling seconded the motion, which passed.

UNIVERSITY OF LOUISVILLE

K&L Gates, LLP, 22-025. Angela Curry discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Representative Koch seconded the motion, which passed.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

EASTERN KENTUCKY UNIVERSITY

Lexar Laboratories & Analysis, LLC, 819-2021. Ethan Witt and Mark Howard discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Koch seconded the motion, which passed with Senator Southworth voting no.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT OF EDUCATION

University of Kentucky Research Foundation, 2200001004. David Wickersham discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Koch seconded the motion, which passed.

DEPARTMENT OF EDUCATION

Central Kentucky Educational Cooperative, 2200001090; Green River Regional Educational, 2200001150; Kentucky Educational Development Corporation, 2200001152; Northern Kentucky Cooperative for Educational Services, Inc., 2200001154. Dr. Thomas Woods Tucker and Robin Kinney discussed the contracts with the committee. A motion was made by Senator Yates to consider the contracts as reviewed. Representative Minter seconded the motion, which passed with Senator Southworth, Representative Hart, and Senator Meredith voting no.

EXEMPTION REQUESTS:

KENTUCKY DEPARTMENT OF AGRICULTURE:

The Kentucky Department of Agriculture requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the current biennium for agreements with seven (7) grant recipients for the purpose of researching and promoting specialty crop farming techniques in Kentucky. A motion was made by Representative Hart to grant the request to September 29, 2025. Representative Koch seconded the motion, which passed without objection.

KENTUCKY DEPARTMENT OF AGRICULTURE:

The Kentucky Department of Agriculture requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the current biennium for the purpose of paying Feeding Kentucky for services in the Farms to Food Bank Program. A motion was made by Representative Hart to grant the request to November 2, 2022. Representative Koch seconded the motion, which passed without objection.

KENTUCKY BOARD OF VETERINARY EXAMINERS:

The Kentucky Board of Veterinary Examiners requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the current

biennium for the purpose of educating veterinarian and veterinary technician licensees of the Board. A motion was made by Representative Hart to grant the request to June 30, 2023. Representative Koch seconded the motion, which passed without objection.

ENERGY AND ENVIRONMENT CABINET:

The Energy and Environment Cabinet requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the current biennium for the Upland Oak Sustainability Phase II Grant. A motion was made by Representative Hart to grant the request to September 30, 2024. Representative Koch seconded the motion, which passed without objection.

ENERGY AND ENVIRONMENT CABINET:

The Division of Forestry requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the current biennium for the Climate Change and Resiliency Grant. A motion was made by Representative Hart to grant the request to September 30, 2024. Representative Koch seconded the motion, which passed without objection.

ENERGY AND ENVIRONMENT CABINET:

The Division of Forestry requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the current biennium for the Forest Stewardship, Publicity and Training Grant. A motion was made by Representative Hart to grant the request to September 30, 2024. Representative Koch seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 10:57 A.M.

**GOVERNMENT CONTRACT
REVIEW COMMITTEE**
Committee Minutes
January 11, 2022

Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, January 11, 2022, at 3:20 PM, in Room 131 of the Capitol Annex. Representative Matthew Koch, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Matthew Koch, Co-Chair; Senators Donald Douglas, Adrienne Southworth, and David Yates; Representatives Adam Bowling, Mark Hart, and Patti Minter.

Guests: Kerry Harvey, Blake Christopher, Amy

Burke, Stacy Woodrum, Pam Smith, Leslie Hoffman, Jennifer Linton, Adam Mather, Sarah Vanover, Karen Wirth, Thomas Woods – Tucker, David Couch, Tim Bischoff, Brian Thomas, Wendy Smith, Benjamin Long, Bob James, Mike Tuggle, Andrew Yunt, and Andrew Waters.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

A motion was made by Representative Bowling to approve Minutes of the December 2021, meeting of the committee. Representative Minter seconded the motion, which passed without objection.

DEFERRED ITEMS:

DEPARTMENT FOR INCOME SUPPORT

The Booth Review, LLC, 2100000139-1. A motion was made by Representative Hart to defer the contract to the February 2022 meeting of the committee. Representative Bowling seconded the motion, which passed.

UNIVERSITY OF LOUISVILLE

Global Watchmen Associates, LLC, 22-028. A motion was made by Representative Hart to defer the contract to the February 2022 meeting of the committee. Representative Bowling seconded the motion, which passed.

JULY DEFERRED ITEM:

JUSTICE - OFFICE OF THE SECRETARY

National Medical Services, Inc. (NMS Labs), 2100002935. Kerry Harvey discussed the contract with the committee. A motion was made by Senator Yates to defer the contract to the February 2022 meeting of the committee. Senator Southworth seconded the motion, which passed.

A motion was made by Senator Meredith to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Correction List. Representative Minter seconded the motion, which passed without objection.

**THE FOLLOWING PERSONAL SERVICE
CONTRACTS WERE REVIEWED WITHOUT
OBJECTION:**

COUNCIL ON POSTSECONDARY EDUCATION

National Student Clearinghouse, 2200000753.

DEPARTMENT FOR INCOME SUPPORT

The Booth Review, LLC, 2100000139-1.

DEPARTMENT OF HIGHWAYS

HMB Engineers, Inc., 2200001340; Baumgardner and Associates, PSC, 2200001375; Bluegrass Valuation Group, LLC, 2200001377; Matthew L. Chapman, 2200001378; Appco Appraisal Service, Inc., 2200001379; Tammy L. Barnes, 2200001380; G. Herbert Pritchett & Associates, Inc., 2200001381; J. Michael Jones, 2200001382; Thoroughbred Real Estate Services, LLC, 2200001383; John Daniel Lyons, 2200001384; Bold Pursuits, LLC, 2200001385; The Raleigh Company, 2200001386; Kentucky Field Service Realty, 2200001387; Mary McClinton Clay, 2200001388; Darin Sizemore, 2200001389; Leslie M. Haney & Albert W. Gross Partners, 2200001395; Bacon Farmer Workman Engineering & Testing, Inc., 2200001401; Burgess and Niple, Inc., 2200001433; Michael Baker International, Inc., 2200001449; Aecom Technical Services, Inc., 2200001451; J.M. Crawford & Associates, Inc., 2200001492.

EASTERN KENTUCKY UNIVERSITY

Tree Source, LLC, 1092-2022.

KENTUCKY EMPLOYERS' MUTUAL
INSURANCE

Gold Standard Consulting, LLC, 22-GSC-001; Ward Financial Group, Inc., 22-WFG-002.

KENTUCKY LOTTERY CORPORATION

Barker & Herbert Analytical Laboratories, Inc.,

22-20-015.	DEPARTMENT OF CORRECTIONS McBrayer, PLLC, 2000002912.	Baptist Health Medical Group, Inc., 2000003182-1; St. Elizabeth Medical Center, 2000003426.
<u>KY COMMUNITY TECHNICAL COLLEGE SYSTEM</u> BKD, LLP, 842.	<u>DEPARTMENT OF HIGHWAYS</u> QK4, 1400001041; Integrated Engineering, 1600000938; Palmer Engineering Company, 1700002768; Bacon Farmer Workman Engineering & Testing, Inc., 1800000283; DLZ Kentucky, Inc., 1800000391; HDR Engineering, Inc., 1800000419; Burgess and Niple, Inc., 1800002263; Palmer Engineering Company, 1900002137; G. Herbert Pritchett & Associates, Inc., 1900003382; Baumgardner and Associates PSC, 1900003383; Tammy L. Barnes, 1900003390; Michael Baker International, Inc., 1900003824; WSP USA, Inc., 1900004135; Michael Baker International, Inc., 1900004308; GRW Engineers, Inc., 2000000466; Strand Associates, Inc., 2000000850; Palmer Engineering County, 2000002928; Michael Baker International, Inc., 2000003339; QK4, Inc., C-04536741; Quest Engineers, Inc., C-06190563; Gresham Smith, C-99005237.	<u>UNIVERSITY OF KENTUCKY</u> Sasaki Associates, Inc., A131070; Staggs & Fisher Consulting Engineers, A191140; Ekhoﬀ, Ochenkoski, Polk Architects, A221100.
<u>MURRAY STATE UNIVERSITY</u> Dinsmore & Shohl, 024-22; Robert W. Baird & Company, Inc., 025-22.		<u>UNIVERSITY OF LOUISVILLE</u> Husch Blackwell, LLP, 21-111; Ms. Deborah Skaggs, 22-002.
<u>NORTHERN KENTUCKY UNIVERSITY</u> Manley Burke, LPA, 2022-153.		<u>THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:</u>
<u>OFFICE OF ADMINISTRATIVE SERVICES</u> Engleman Fallon, PLLC, 2200001336-1.		<u>BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES</u> Mental Health Association of Kentucky, Inc., 2200001021.
<u>OFFICE OF INSPECTOR GENERAL</u> Vohra Post-Acute Care Physicians of the East, Pa., PSC, 2200000893.	<u>DEPARTMENT OF JUVENILE JUSTICE</u> Mid America Health, Inc., 2000003541.	<u>COUNCIL ON POSTSECONDARY EDUCATION</u> Bowling Green Independent School District, 2200001438.
<u>OFFICE OF THE CONTROLLER</u> Mid America Health, Inc., 2200000003; Wellpath, LLC, 2200000004; Diamond Drugs, Inc., 2200000005.	<u>FACILITIES & SUPPORT SERVICES</u> URS Corporation, 1500001991; Sustainable Streams, LLC, 1600000034; S&ME, Inc., 1700001104; S&ME, Inc., 1800002121; Omni Architects, 1900002613; Sustainable Streams, LLC, 2200000471.	<u>DEPARTMENT FOR COMMUNITY BASED SERVICES</u> Early Childhood Learning Education Assessment Resource Network, Inc., 2200001201; Education & Workforce Development Cabinet, 2200001313.
<u>UNIVERSITY OF KENTUCKY</u> Cannon Design, Inc., A221110; Omni Architects, A221120; Claro Healthcare, LLC, K22-195; William O. Cleverley Associates, Inc., K22-196.	<u>KENTUCKY EMPLOYERS' MUTUAL INSURANCE</u> Overland Solutions, Inc., 22-OSI-001.	<u>DEPARTMENT FOR ENVIRONMENTAL PROTECTION</u> City of Winchester, 2200000207; University of Kentucky Research Foundation, 2200000339; Larue County Conservation District, 2200000556; University of Kentucky Research Foundation, 2200000720; Commonwealth Office of Technology, 2200001001.
<u>UNIVERSITY OF LOUISVILLE</u> Global Watchmen Associates, LLC, 22-028.	<u>KY HOUSING CORPORATION</u> KPMG, LLP, 2021-50.	<u>DEPARTMENT FOR LOCAL GOVERNMENT</u> Kenton County Fiscal Court, 2100002365; Anderson County, 2200000361; Bourbon County, 2200000363; Estill County, 2200000372; Boyle County Fiscal Court, 2200000375; City of Lawrenceburg, 2200000382; City of Paris, 2200000391; City of Versailles, 2200000394; City of Richmond, 2200000397; Lincoln County, 2200000422; Pendleton County Fiscal Court, 2200000430; City of Fleming - Neon, 2200001016;
<u>THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:</u>	<u>NORTHERN KENTUCKY UNIVERSITY</u> Underscore Branding, LLP, 2021-133; Intelli ERP Software, LLC, 2022-143.	
<u>BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES</u> Martine Turns PSYD, PLLC, 2000003262; Beth A. Johnson, 2000003812; Margaret Smedley, 2000003814; John D. Ranseen, 2000003816; Susan Brittain-Seitz, 2000003817.	<u>OCCUPATIONS AND PROFESSIONS</u> PSI Services, LLC, 2000001993.	
<u>BOARD OF MEDICAL LICENSURE</u> Multi, 2000001945.	<u>TRANSPORTATION - OFFICE OF THE SECRETARY</u>	

Kentucky Mountain Regional Recreation Authority, 2200001024; City of Elkhorn City, 2200001045; City of Flatwoods, 2200001047; City of Kuttawa, 2200001089; City of Middlesboro, 2200001111; Martin County Fiscal Court, 2200001231; Barren County Fiscal Court, 2200001278; Simpson County Fiscal Court, 2200001286; Allen County Fiscal Court, 2200001287; Warren County Fiscal Court, 2200001289; Logan County Fiscal Court, 2200001290; Hart County Fiscal Court, 2200001291; Ohio County Fiscal Court, 2200001302; City of Paintsville, 2200001309; Webster County Fiscal Court, 2200001373; Glasgow/Barren County Industrial Development Economic Authority, 2200001376; Murray-Calloway Industrial Authority, 2200001399; Oldham County Fiscal Court, 2200001442.

DEPARTMENT FOR PUBLIC HEALTH

Architects Community Health Coalition, Inc., 2200001128; Regional Health Care Affiliates, 2200001241; Pennyroyal Healthcare Services, 2200001244; Shaping Our Appalachian Region, Inc., 2200001338.

DEPARTMENT FOR WORKFORCE INVESTMENT

Hope Center, 2200001131.

DEPARTMENT OF AGRICULTURE

Kentucky State University, 2200001268; University of Kentucky Research Foundation, 2200001269; University of Kentucky Research Foundation, 2200001270; University of Kentucky Research Foundation, 2200001271; American Farmland Trust, Inc., 2200001272; Kentucky Vegetable Growers Association, Inc., 2200001273; Community Farmers Market, Inc., 2200001274; Feeding Kentucky, Inc., 2200001396.

DEPARTMENT OF EDUCATION

University of Louisville Research Foundation, 2100003457; Murray State University, 2200001101; University of Louisville Research Foundation, 2200001292; Simpson County Board of Education, 2200001369; Boone County Board of Education, 2200001390; Fayette County Board of Education, 2200001397; Marion County Board of Education, 2200001413; Graves County Board of Education, 2200001431.

DEPARTMENT OF MILITARY AFFAIRS

Multi, 2100003410.

OFFICE OF HOMELAND SECURITY

Bluegrass Area Development District, 2200001367.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Federation of Appalachian Housing Enterprises, Inc., 2000001833; Metro Louisville Harm Reduction Task Force, 2100002068; Pennyroyal Regional Mental Health Mental Retardation Board, 2100002194; Green River Regional MHMR Board, Inc., 2100002216; Lifeskills, Inc., 2100002221; Lake Cumberland Mental Health Mental Retardation Board d/b/a The Adanta Group, 2100002245.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 2100003015; Multi, 2100003024.

DEPARTMENT FOR COMMUNITY BASED SERVICES

KVC Behavioral Health Care/Croney & Clark, 2000001542; Kentucky Coalition Against Domestic Violence, Inc., 2000001802; Childrens Home of Northern Kentucky, 2000003303; Community Action Kentucky, Inc., 2100001642.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

American Association of State Service Commissions, 2000002519.

DEPARTMENT FOR LOCAL GOVERNMENT

City of Millersburg, 1800000863; City of Winchester, 1900002774; Cumberland County Fiscal Court, 1900003314; Johnson County Fiscal Court, 1900003632; City of Campton, 1900003659; City of Hindman, 1900003660; Perry County Sanitation District #1, 1900003661; City of Lacer, 1900003705; City of Brooksville, 1900003707; Estill County Fiscal Court, 1900003725; Hickman County Fiscal Court, 1900003974; Wolfe County, 1900004292; Barren County, 1900004881; City of Hazard, 2000000621; Campbell County Fiscal Court, 2000000694; City of Georgetown, 2000000716; City of Mortons Gap, 2000000818; City of Mount Vernon, 2000001324; City of Lewisport, 2000001408; Hopkins County, 2000001479; Trigg County Fiscal

Court, 2000001492; Lewis County, 2000001826; City of Jackson, 2000002364; Owen County, 2000002389; City of Hindman, 2000002437; Pulaski County Fiscal Court, 2000003225; Harlan County Fiscal Court, 2000003284; Edmonson County Fiscal Court, 2000003495; City of Wilmore, 2100000087.

DEPARTMENT FOR PUBLIC HEALTH

Norton Healthcare, 2000001498; Heartland Cares, Inc., 2000001640; University of Kentucky Research Foundation, 2000002521; University of Kentucky Research Foundation, 2000002989; Kentucky Primary Care Association, Inc., 2100000628.

DEPARTMENT OF AGRICULTURE

Multi, 2100001484.

DEPARTMENT OF CORRECTIONS

University of Louisville Research Foundation, 2100001185.

DEPARTMENT OF EDUCATION

Boone County Board of Education, 2100002040.

FINANCE - OFFICE OF THE SECRETARY

Multi, 2100001740.

PERSONNEL - OFFICE OF THE SECRETARY

Kentucky Medical Services Foundation, Inc., 2000002786.

TRANSPORTATION - OFFICE OF THE SECRETARY

Western Kentucky University, 2000002668.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

ATTORNEY GENERAL

Parabon Nanolabs, Inc., 2200001439; Bode Cellmark Forensics, Inc., 2200001441. Blake Christopher, Amy Burke, and Stacy Woodrum discussed the contracts with the committee. A motion was made by Senator Meredith to consider the contracts as reviewed. Representative Minter seconded the motion, which passed with Senator Southworth voting no.

DEPARTMENT FOR MEDICAID SERVICES

Guidehouse, Inc., 2200000790. Pam Smith and Leslie Hoffman discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

FACILITIES & SUPPORT SERVICES

Architectural Investments, 2200001208. Jennifer Linton discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Bowling seconded the motion, which passed.

OFFICE OF INSPECTOR GENERAL

Trilogy Healthcare Holdings, Inc. / Synchrony Lab Services, LLC, 2100002175-1. Adam Mather discussed the contract with the committee. A motion was made by Senator Yates to consider the contract as reviewed. Senator Meredith seconded the motion, which passed with Senator Southworth and Senator Meredith voting no.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

FACILITIES & SUPPORT SERVICES

THP Limited, Inc., 2100002719. Jennifer Linton discussed the contract with the committee. A motion was made by Senator Southworth to consider the contract as reviewed. Senator Yates seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR COMMUNITY BASED SERVICES

Kentucky Higher Education Assistance Authority, 2200001317. Sarah Vanover discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Representative Bowling seconded the motion, which passed.

DEPARTMENT OF EDUCATION

Kentucky Valley Education, 2200001153; Ohio Valley Educational Cooperative, 2200001155; Southeast/Southcentral Educational Cooperative,

2200001156; West Kentucky Educational Cooperative, 2200001157. Karen Wirth and Thomas Woods - Tucker discussed the contracts with the committee. A motion was made by Senator Yates to consider the contracts as reviewed. Representative Minter seconded the motion, which passed with Senator Douglas, Senator Southworth, and Representative Hart voting no.

DEPARTMENT OF EDUCATION

Kentucky Authority for Educational Television, 2200001240. Karen Wirth, David Couch, and Tim Bischoff discussed the contract with the committee. A motion was made by Representative Minter to consider the contract as reviewed. Senator Southworth seconded the motion, which passed.

FINANCE - OFFICE OF THE SECRETARY

Multi, 2200001444. Brian Thomas, Wendy Smith, and Benjamin Long discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Representative Minter seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR PUBLIC HEALTH

Multi, 2100001876. Bob James, Mike Tuggle, Andrew Yunt, and Andrew Waters discussed the contract with the committee. A motion was made by Senator Southworth to disapprove the contract. Senator Douglas seconded the motion, which passed with Senator Yates and Representative Minter voting no.

DEPARTMENT FOR PUBLIC HEALTH

Multi, 2100001887. Bob James, Mike Tuggle, Andrew Yunt, and Andrew Waters discussed the contract with the committee. A motion was made by Yates to approve the contract as reviewed. Senator Representative Minter seconded the motion, which passed with Senator Southworth, Representative Hart, and Chairman Meredith voting no and Senator Douglas electing to pass.

EXEMPTION REQUESTS:

KENTUCKY DEPARTMENT OF AGRICULTURE:

The Kentucky Department of Agriculture

requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the current biennium for agreements with seven (7) grant recipients for the purpose of dispersing funds for county fairground infrastructure construction and renovation projects. A motion was made by Senator Meredith to grant the request to June 30, 2023. Representative Hart seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 5:16 PM.

GOVERNMENT CONTRACT REVIEW COMMITTEE
Committee Minutes
February 9, 2022

Call to Order and Roll Call

The Government Contract Review Committee met on Wednesday, February 9, 2022, at 3:35 PM, in Room 131 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Matthew Koch, Co-Chair; Senators Donald Douglas, Adrienne Southworth, and David Yates; Representatives Adam Bowling, Mark Hart, and Patti Minter.

Guests: Kerry Harvey, Eric Pelfrey, Jason Sabula, Katie Smith, Anthony Ellis, Craig Potts, Brittany May, Melissa Brewer, Donna Schneider, David Schuemer, Michael Johnson, Tonya Peters, Carmen Hickerson, Bart Hardin, Barry Swanson, Sally Molsberger, Brittney Allen, Patti Clark, Phyllis Millsbaugh, Dr. Steven Stack, and Veronica Judy Cecil.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

A motion was made by Representative Hart to approve Minutes of the January 2022, meeting of the committee. Representative Minter seconded the motion, which passed without objection.

JULY DEFERRED ITEM:

JUSTICE - OFFICE OF THE SECRETARY

National Medical Services, Inc. (NMS Labs), 2100002935. Kerry Harvey discussed the contract with the committee. A motion was made by Senator Yates to defer the contract to the March 2022 meeting of the committee. Representative Koch seconded the motion, which passed.

JANUARY DEFERRED ITEMS:

DEPARTMENT FOR INCOME SUPPORT

The Booth Review, LLC, 2100000139-1. A motion was made by Representative Koch to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

UNIVERSITY OF LOUISVILLE

Global Watchmen Associates, LLC, 22-028. A motion was made by Representative Hart to defer the contract to the March 2022 meeting of the committee. Representative Koch seconded the motion, which passed.

A motion was made by Representative Koch to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Representative Koch to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Representative Koch to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Representative Koch to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Representative Koch to consider as reviewed the Kentucky Entertainment Incentive Program Agreements List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Representative Koch to consider as reviewed the Correction List. Representative Minter seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

BOARD OF MEDICAL LICENSURE

Kriz, Jenkins, Prewitt & Jones, PSC, 2200001170.

BOARD OF VETERINARY EXAMINERS

Kentucky Veterinary Medical Association, 2200001353.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Presbyterian Child Welfare, 2200001420; Audubon Area Community Services, 2200001421; Uspiritus, Inc., 2200001422; Pennyrile Allied Community Services, Inc., 2200001423; KVC Behavioral Health Care/Croney & Clark, 2200001424; KVC Behavioral Health Care/Croney & Clark, 2200001426; KVC Behavioral Health Care/Croney & Clark, 2200001427; KVC Behavioral Health Care/Croney & Clark, 2200001428; KVC Behavioral Health Care/Croney & Clark, 2200001429; KVC Behavioral Health Care/Croney & Clark, 2200001430.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING

Elizabeth Messer, 2200001165; Kimberly Henderson Baird, 2200001166; Brett Scott, 2200001259; MB Consulting Services, LLC, 2200001260; Joseph Stuart Cline, 2200001261; Thin Line Counseling and Consulting, LLC, 2200001357; Woosley Counseling, Inc., 2200001358; Deborah Dawson-Crain, 2200001359; Ricks International Consulting, Inc., 2200001456.

DEPARTMENT OF HIGHWAYS

HDR Engineering, Inc., 2200001500; Burgess and Niple, Inc., 2200001527; HMB Engineers, Inc., 2200001582; H W Lochner, Inc., 2200001600; Aecom Technical Services, Inc., 2200001625; Michael Baker International, Inc., 2200001626; H W Lochner, Inc., 2200001652; Stantec Consulting Services, Inc., 2200001733.

DEPARTMENT OF INSURANCE

Risk & Regulatory Consulting, LLC, 2200001486.

EASTERN KENTUCKY UNIVERSITY

Ross Tarrant Architects, Inc., 1167-2022.

FACILITIES & SUPPORT SERVICES

Biagi Chance Cummins London Titzer, Inc., 2200001547.

KENTUCKY EDUCATIONAL TELEVISION

J. Hill Hamon, 2200001641; Robert Newman, 2200001692.

KENTUCKY EMPLOYERS MUTUAL INSURANCE

Horizon Performance, LLC, 22-HZP-001.

KENTUCKY HISTORICAL SOCIETY

Brockington and Associates, Inc., 2200001507.

KENTUCKY STATE POLICE

John B. Yates, 2200001479; Lewie Dodd, 2200001480.

MURRAY STATE UNIVERSITY

Denton Law Firm, PLLC, 026-22; Dinsmore & Shohl, LLP, 027-22.

UNIFIED PROSECUTORIAL SYSTEM

Sturgill, Turner, Barker & Moloney, PLLC, 2200001471.

UNIVERSITY OF KENTUCKY

Omni Architects, A221130; Stengel-Hill Architecture, A221140; Wiser Strategies, K22-198.

UNIVERSITY OF LOUISVILLE

EFI Global, Inc., 22-029.

WESTERN KENTUCKY UNIVERSITY

Middleton Reutlinger, 212231; Gensler

Architecture, Design and Planning, 212234.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

BOARD OF EXAMINERS OF PSYCHOLOGISTS

Multi, 2100002014.

BOARD OF EXAMINERS OF SOCIAL WORK

Goldberg Simpson, LLC, 2100001023.

DEPARTMENT OF HIGHWAYS

EA Partners, PLC, 0600001849; J M Crawford & Associates, Inc., 1400000195; HDR Engineering, Inc., 1600002465; DLZ Kentucky, Inc., 1800000190; QK4, Inc., 1800000899; HMB Engineers, Inc., 2000000523; Michael Baker International, Inc., 2000001278; Palmer Engineering Company, 2000001280; Haworth Meyer Boleyn, Inc., 2000001383; Glaus, Pyle, Schomer, Burns & Dehaven, Inc., 2000001564; Palmer Engineering Company, 2000001750; H. W. Lochner, Inc., 2000001751; Haworth Meyer Boleyn, Inc., 2000001753; QK4, Inc., 2000001754; QK4, Inc., 2000001754; GRW Aerial Surveys, Inc., 2000003790; Lynn Blue Print and Supply Company, 2100000155; Strand Associates, Inc., 2100001707; Peraton, Inc., 2200001543; H A Spalding, Inc., C-99005052.

EASTERN KENTUCKY UNIVERSITY

Multi, 670-2021; Multi, 675-2021.

FACILITIES & SUPPORT SERVICES

Luckett and Farley Architects Engineers and Construction Managers, Inc., 1600000831.

TRANSPORTATION - OFFICE OF THE SECRETARY

Wyatt Tarrant and Combs, 2000001718; Baptist Health Medical Group, Inc., 2000003177.

UNIVERSITY OF KENTUCKY

THP Limited, Inc., A181150; CMTA, Inc., A191190; Trimeric Corporation, K21-152.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Pennyroyal Regional Mental Health Mental Retardation Board, 2200001499.

DEPARTMENT FOR LOCAL GOVERNMENT

City of Shepherdsville, 2200000282; Shelby County Fiscal Court, 2200000287; Spencer County, 2200000288; City of Shelbyville, 2200000300; Franklin County Fiscal Court, 2200000374; Carroll County, 2200000441; Boone County Fiscal Court, 2200000813; City of Fort Mitchell, 2200000904; City of Elsmere, 2200000909; Grant County, 2200000910; City of Southgate, 2200000911; City of Taylor Mill, 2200000912; City of Villa Hills, 2200000919; City of Covington, 2200001026; Monroe County Fiscal Court, 2200001275; Metcalfe County Fiscal Court, 2200001280; City of Cumberland, 2200001297; Morgan County Fiscal Court, 2200001307; Morgan County Fiscal Court, 2200001308; Johnson County Fiscal Court, 2200001310; Johnson County Fiscal Court, 2200001448; Knott County Fiscal Court, 2200001484; Owsley County, 2200001491; Knott County Fiscal Court, 2200001608.

DEPARTMENT OF AGRICULTURE

Breckinridge County Fair, Inc., 2200001405; Kenton County Fair Association, Inc., 2200001407; Logan County Fair, 2200001408.

DEPARTMENT OF EDUCATION

KET Foundation, 2200001068; Morehead State University, 2200001100; University of Kentucky Research Foundation, 2200001311; Knowledgeworks Foundation, 2200001522.

DEPARTMENT OF MILITARY AFFAIRS

Oldham County Fiscal Court, 2200000268.

DEPARTMENT OF REVENUE

Bluegrass Area Development District, 2200001567.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Appalachian Regional Healthcare, Inc., 2000001846; Kenton County Fiscal Court, 2000001878; University of Kentucky Research Foundation, 2000002761; Northern Kentucky Regional Mental Health Mental Retardation Board, 2100001846.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 2100001810; Multi, 2100002005.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Multi, 2000002665; Kentucky Housing Corporation, 2100001641.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 2000002403; Multi, 2000003115.

DEPARTMENT FOR PUBLIC HEALTH

University of Kentucky Research Foundation, 2000001602; Center for Human Entrepreneurship, 2000002896; Volunteers of America Mid-States, Inc., 2100000361.

DEPARTMENT FOR WORKFORCE INVESTMENT

Morehead State University, 2100003196.

DEPARTMENT OF EDUCATION

Campbell County Board of Education, 2100002079; Shelby County Board of Education, 2100002319; Kentucky Valley Education, 2100002640; Kentucky Educational Development Corporation, 2100003147; Western Kentucky University, 2100003421; Ohio Valley Educational Cooperative, 2100003455; Pikeville Independent School District, 2200000389; West40 Intermediate Service Center 2, 2200000505; Johnson County Board of Education, 2200000936.

EDUCATION - OFFICE OF THE SECRETARY

Madison County Public Library, 2100003291; Kenton County Public Library Administration Center, 2100003294; Mclean County Board of Education, 2100003297; Center for Rural Development, 2100003298; Foundation for Appalachian Kentucky, Inc., 2100003299; Child Care Council of Kentucky, 2100003300; Anderson County Board of Education, 2100003301; Casa of Calloway & Marshall Counties, 2100003302; Metro United Way, Inc., 2100003303; Hickman County Board of Education, 2100003304; Williamstown Board of Education, 2100003305; Wolfe County Board of Education, 2100003306; Community Action Lexington/Fayette, 2100003307; United Way of the Ohio Valley, 2100003308; Rowan County Board of Education, 2100003309; Meade County Board of Education, 2100003311; Menifee County Public Library, 2100003312; Muhlenberg County Board of Education, 2100003313; Northeast Kentucky Community Action Agency, 2100003314; Ohio Valley Educational Cooperative, 2100003316; Wayne County Health Coalition, 2100003318; Corbin Public Library, 2100003321; Western Kentucky University, 2100003322.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR MEDICAID SERVICES

Myers and Stauffer LC, 2200001570. Veronica Judy Cecil discussed the contract with the committee. A motion was made by Senator Yates to consider the contract as reviewed. Senator Douglas seconded the motion, which passed with Senator Douglas, Senator Southworth, Representative Hart, and Senator Meredith voting no.

DEPARTMENT OF HIGHWAYS

Peraton, Inc., 2200001543. Eric Pelfrey and Jason Siwula discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

ECON DEV - OFFICE OF THE SECRETARY

The Pace Group, Inc., 2200001583. Katie Smith and Anthony Ellis discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Representative Minter seconded the motion, which passed.

KENTUCKY HERITAGE COUNCIL

Arkwright Media, LLC, 2200001475. Craig Potts and Brittany May discussed the contract with the committee. A motion was made by Senator Yates to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

KENTUCKY HORSE PARK

Lee Carter, 2200001637. Melissa Brewer and Donna Schneiter discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

KY COMMUNITY TECHNICAL COLLEGE SYSTEM

Horizon Group International, 843. David Schuemer, Michael Johnson, and Tonya Peters discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

NORTHERN KENTUCKY UNIVERSITY

Parker Executive Search, LLC, 2022-154. Carmen Hickerson discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Koch seconded the motion, which passed.

UNIVERSITY OF KENTUCKY

Greenwood/Asher & Associates, Inc., K22-197. Bart Hardin and Barry Swanson discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Minter seconded the motion, which passed.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

UNIVERSITY OF LOUISVILLE

Isaacson Miller, Inc., 21-097. Sally Molsberger discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Representative Hart seconded

the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Kentucky Association of Sexual Assault Programs, 2200001300. Brittney Allen, Patti Clark, and Phyllis Millsbaugh discussed the contract with the committee. A motion was made by Senator Yates to consider the contract as reviewed. Representative Hart seconded the motion, which passed.

CHFS - OFFICE OF THE SECRETARY

Council On Postsecondary Education, 2200001217; Kentucky Community and Technical College System, 2200001476; Multi, 2200001478. Dr. Steven Stack discussed the contracts with the committee. A motion was made by Senator Southworth to disapprove the contracts. Senator Douglas seconded the motion, which failed with Senator Yates, Representative Bowling, Representative Minter, and Representative Koch voting no. A motion was made by Senator Yates to approve the contracts as reviewed. Representative Minter seconded the motion, which passed with Senator Douglas, Senator Southworth, Representative Hart, and Senator Meredith voting no.

DEPARTMENT FOR PUBLIC HEALTH

University of Louisville, 2200001227; Kentucky Department of Corrections, 2200001434. Dr. Steven Stack discussed the contracts with the committee. A motion was made by Senator Southworth to consider the contracts as reviewed. Representative Hart seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR MEDICAID SERVICES

University of Louisville Research Foundation, 2000002892. Veronica Judy Cecil discussed the contract with the committee. A motion was made by Senator Yates to consider the contract as reviewed. Representative Minter seconded the motion, which passed with Senator Douglas and Senator Meredith

voting no.

DEPARTMENT FOR PUBLIC HEALTH

University of Kentucky, 2100000282. Dr. Steven Stack discussed the contract with the committee. A motion was made by Representative Minter to consider the contract as reviewed. Senator Yates seconded the motion, which passed with Senator Douglas and Senator Southworth voting no.

THE FOLLOWING KENTUCKY ENTERTAINMENT INCENTIVE PROGRAM AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

ECON DEV - OFFICE OF THE SECRETARY

Haunted Discoveries, LLC, 2200001695; Post Time Audiovisual Services, Inc., 2200001699. Katie Smith and Anthony Ellis discussed the contracts with the committee. A motion was made by Representative Koch to consider the contracts as reviewed. Representative Minter seconded the motion, which passed.

EXEMPTION REQUESTS:

ENERGY & ENVIRONMENT CABINET:

The Division of Water requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from crossing the biennium for the FY2022 Capitalization Grants for Drinking Water which will allow for continuous compliance with the Safe Drinking Water Act. A motion was made by Senator Yates to grant the request to September 30, 2025. Representative Koch seconded the motion, which passed without objection.

KENTUCKY DEPARTMENT OF AGRICULTURE:

The Kentucky Department of Agriculture requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from crossing the biennium for the purpose of paying food banks for services in the Emergency Feeding Assistance Program (TEFAP) Build Back Better (CARES ACT). A motion was made by Senator Yates to grant the request to September 30, 2022. Representative Koch seconded the motion, which passed without objection.

KENTUCKY DEPARTMENT OF AGRICULTURE:

The Kentucky Department of Agriculture requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from crossing the biennium for the purpose of Bovine Spongiform Encephalopathy and Avian Influenza Testing. A motion was made by Senator Yates to grant the request to March 31, 2023. Representative Koch seconded the motion, which passed without objection.

CABINET FOR HEALTH AND FAMILY SERVICES:

The Cabinet for Health and Family Services (CHFS) requested an exemption from committee's routine review process for CHFS (MOA) and modifications between CHFS departments (Intra-Agency Agreements) and will continue to provide semi-annual reports. A motion was made by Senator Yates to grant the request to June 30, 2024. Representative Koch seconded the motion, which passed without objection.

OFFICE OF HOMELAND SECURITY:

The Office of Homeland Security requested an exemption from committee's routine review process for all agreements issued as instruments of obligations for funds under State and Federal Homeland Security Grant Programs and will provide quarterly reports to expire June 30, 2024; AND requested an exemption from two year contracting restrictions for State and Federal Homeland Security Grant Programs to expire June 30, 2024. A motion was made by Senator Yates to grant the requests. Representative Koch seconded the motion, which passed without objection.

KENTUCKY PUBLIC PENSIONS AUTHORITY:

The Kentucky Public Pensions Authority requested an exemption from Committee Policy Statement #99-4 Multi Year Government Contracts for the purpose of awarding a new contract for actuarial services. The exemption is to allow for a transition if a new vendor is selected. A motion was made by Senator Yates to grant the request. Representative Koch seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 5:41 PM.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes
March 9, 2022

Call to Order and Roll Call

The Government Contract Review Committee met Wednesday, March 9, 2022, at 4:32 PM, in Room

131 of the Capitol Annex. Representative Matthew Koch, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Matthew Koch, Co-Chair; Senators Donald Douglas, Adrienne Southworth, and David Yates; Representatives Adam Bowling, Mark Hart, and Patti Minter.

Guests: Kerry Harvey, Lisa Lee, Astrud Masterson, Eric Friedlander, Wesley Phelps, Eric Pelfrey, Danny Peak, David Harmon, Andrew Logsdon, Brian Thomas, Steven Stack, Julia Roberts, Jennifer Smith, Leslie Brown, Ian Hester, Dana Feldman, Kevin Peach, Karen Wirth, Micki Ray, Dana Steele, Matthew Courtney, Felicia Smith, Thomas Woods – Tucker, Toni Konz Tatman, David Morris, and Katie Smith.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

A motion was made by Senator Meredith to approve minutes of the February 2022, meeting of the committee. Representative Bowling seconded the motion, which passed without objection.

DEFERRED ITEM:

MURRAY STATE UNIVERSITY

Leman Engineering & Consulting, Inc. 029-22. A motion was made by Representative Bowling to defer the contract to the April 2022 meeting of the committee. Senator Douglas seconded the motion, which passed.

JULY DEFERRED ITEM:

JUSTICE - OFFICE OF THE SECRETARY

National Medical Services, Inc. (NMS Labs), 2100002935. Kerry Harvey discussed the contract with the committee. A motion was made by Representative Bowling to defer the contract to the April 2022 meeting of the committee. Senator Yates seconded the motion, which passed.

JANUARY DEFERRED ITEM:

UNIVERSITY OF LOUISVILLE

Global Watchmen Associates, LLC, 22-028. A motion was made by Senator Yates to consider the contract as reviewed. Senator Meredith seconded the motion, which passed.

A motion was made by Senator Meredith to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Bowling seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Representative Bowling seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Bowling seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Representative Bowling seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Kentucky Entertainment Incentive Program Agreements List, with exception of those items selected for further review by members of the committee. Representative Bowling seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Correction List. Representative Bowling seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Envivo Health, LLC, 2200001467.

DEPARTMENT FOR INCOME SUPPORT

Neil Christopher Armstrong, 2200001400; Visions Group 2020, LLC, 2200001482; Anthony Greg Barnes, 2200001502; Kip Randall Beard, 2200001571; Jane F. Brake, 2200001576; Robert Culbertson, MD, 2200001577; Jacqueline Carey Fister, 2200001660.

DEPARTMENT OF CORRECTIONS

Maddox & Associates CPAS, Inc., 2200001459.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING

Kathleen L. Doyle, 2200001361; Hannah Marie Coyt, 2200001362; Belinda Cheryl Fanning, 2200001363; Critical Stress & Wellness Center, LLC, 2200001364.

DEPARTMENT OF HIGHWAYS

HDR Engineering, Inc., 2200001768; Glaus Pyle Schomer Burns & Dehaven, Inc., 2200001772; Palmer Engineering Company, 2200001778; Palmer Engineering Company, 2200001843; Michael Baker International, Inc., 2200001846; QK4, Inc., 2200001847; QK4, Inc., 2200001850; Gresham Smith, 2200001922; HMB Engineers, Inc., 2200001937; QK4, Inc., 2200001938; H.W. Lochner, Inc., 2200001939; Greenman-Pedersen, Inc., 2200001941; WSP USA, Inc., 2200002099; American Structurepoint, Inc., 2200002102; Strand Associates, Inc., 2200002111; Michael Baker International, Inc., 2200002175.

EASTERN KENTUCKY UNIVERSITY

PME Kentucky, LLC, 1134-2022.

KY HOUSING CORPORATION

Millennium Learning Concepts, LLC, 2022-51; Walther, Gay & Mack, PLC, 2023-02; McBrayer, McGinnis, Leslie & Kirkland, PLLC, 2023-1; Ballast, Inc., 2023-3; Stierle and Rettig, PLLC, 2023-36; Septimious Tayler PSC, 2023-37; Corporation for Supportive Housing, Inc., 2023-38; Crowe LLP, f/k/a Crowe Horwath, 2023-39; Hairgrove Consulting, LLC, 2023-40; Tiffany L. Marthaler, 2023-41; Multi, 2023-4-35.

MOREHEAD STATE UNIVERSITY

RJ Perkins, 22-017.

MURRAY STATE UNIVERSITY

Dean Dorton Allen Ford, PLLC, 028-22; Leman Engineering & Consulting, Inc., 029-22.

OFFICE OF INSPECTOR GENERAL

Michigan Peer Review Organization, 2200001360.

TRANSPORTATION - OFFICE OF THE SECRETARY

Dentons Bingham Greenebaum, LLP, 2200001512.

UNIVERSITY OF KENTUCKY

JRA Architects, A221150.

WESTERN KENTUCKY UNIVERSITY

K. Norman Berry Associates, PLLC, 212233; codelab303, 212236.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS

Dentons Bingham Greenebaum, LLP, 2200001230.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Symphony Diagnostics Services No. 1, LLC, 2000001486.

DEPARTMENT OF CORRECTIONS

Keith Hardison, 2100000096.

DEPARTMENT OF EDUCATION

Chris Rippy, 2100002101.

DEPARTMENT OF HIGHWAYS

Stantec Consulting Services, Inc., 1200002239; Burgess and Niple, Inc., 1300002065; URS Corporation, 1600001427; Vaughn & Melton Consulting Engineers, Inc., 1800002226; Bluegrass Valuation Group, LLC, 1900003392; Stantec

Consulting Services, Inc., 2000000842; Parsons Transportation Group, Inc., 2100000994.

DEPARTMENT OF VETERANS AFFAIRS

Multi, 2000002328.

FACILITIES & SUPPORT SERVICES

Patrick D. Murphy Company, Inc., 1300002656; Stantec Consulting Services, Inc., 1400000625; Stantec Consulting Services, Inc., 1500002859; GRW Engineers, Inc., 2100003157; Patrick D. Murphy Company, Inc., 2200001132.

KENTUCKY RETIREMENT SYSTEMS

Umberg Zipser, LLP, 2100000975-1.

NORTHERN KENTUCKY UNIVERSITY

Ruffalo Noel Levitz (RNL), 2022-145.

OFFICE OF INSPECTOR GENERAL

Certisurv, LLC, 2100002800.

UNIVERSITY OF KENTUCKY

Lord, Aeck, & Sargent, Inc., A211140; Staggs & Fisher Engineers, A211210.

UNIVERSITY OF LOUISVILLE

Multi, 21-012; Embry, Merritt, Womack Nance, PLLC, 21-019; Embry Merritt Womack Nance, PLLC, 21-069.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Seven Counties Services, Inc., 2200001488; The Healing Place, Inc., 2200001628.

DEPARTMENT FOR COMMUNITY BASED SERVICES

The Bair Foundation, 2200001519; Home of the Innocents, 2200001701; Goodwill Industries of Kentucky, Inc., 2200001717; Central Kentucky CAC, Inc., 2200001730; Big Sandy Area Development District, 2200001784; Daniel Boone Community Action Agency, Inc., 2200001857; Community Action of Southern Kentucky, Inc., 2200001859; Central Kentucky CAC, Inc., 2200001861; Blue Grass Community Action Partnership, 2200001862; Audubon Area Community Services, 2200001865.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Louisville & Jefferson MSD, 2200000393; Jackson Purchase Foundation, 2200001234; Western Kentucky University, 2200001498.

DEPARTMENT FOR LIBRARIES & ARCHIVES

Oldham County Public Library, 2200001752; Todd County Public Library, 2200001757; Louisville Jefferson County Metro Government Louisville Free Public Library, 2200001758; Hardin County Public Library, 2200001759; Lexington Public Library, 2200001760; Butler County Public Library, 2200001762.

DEPARTMENT FOR LOCAL GOVERNMENT

Trimble County Fiscal Court, 2200000278; Bullitt County Fiscal Court, 2200000279; Henry County Treasurer, 2200000283; City of LaGrange, 2200000284; City of Mount Washington, 2200000285; Oldham County Fiscal Court, 2200000286; City of Taylorsville, 2200000301; Cadiz-Trigg County Industrial Development Authority, 2200001229; City of Franklin, 2200001517; Lewis County Fiscal Court, 2200001520; Madison County Fiscal Court, 2200001525; Fleming County, 2200001528; Mason County Fiscal Court, 2200001530; City of Maysville, 2200001532; Magoffin County, 2200001609; Magoffin County, 2200001610; Mclean County Fiscal Court, 2200001642; Knox County Fiscal Court, 2200001727; Pennyriple Area Development, 2200001765; Harlan County, 2200001779; Ohio County Industrial Development Authority, Inc., 2200001822; Ledbetter Water & Sewer District, 2200001834; Hopkins County, 2200001839; Clinton County Industrial Development, 2200001870; Perry County Fiscal Court, 2200001881; Perry County Fiscal Court, 2200001882; Perry County Fiscal Court, 2200001883; Paducah-McCracken County Industrial Development Authority, 2200001945.

DEPARTMENT FOR PUBLIC HEALTH

Kentucky Department of Corrections, 2200001418; Appalachian Kentucky Health Care Access Network, Inc., 2200001452.

DEPARTMENT FOR WORKFORCE INVESTMENT

Kentucky Community and Technical College System, 2200001521.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING

Eastern Kentucky University, 2200001523.

DEPARTMENT OF EDUCATION

Kentucky Center for the Arts, 2200001011; Kentucky Educational Development Corporation, 2200001305; Kentucky Valley Education, 2200001690; Ohio Valley Educational Cooperative, 2200001718.

ECON DEV - OFFICE OF THE SECRETARY

Kentucky Science and Technology Corporation, 2200001820.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

The Healing Place, Inc., 2000001601; Kentucky Pharmacy Education and Research Foundation, Inc., 2000001865; Seven Counties Services, Inc., 2100001845.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Seven Counties Services, Inc., 2000001523; KVC Behavioral Health Care/Croney & Clark, 2000001542; Ramey Estep Homes, Inc., 2000001553; KVC Behavioral Health Care/Croney & Clark, 2000003349; Prevent Child Abuse Kentucky, 2000003480; University of Kentucky Research Foundation, 2000003507; West Kentucky Allied Services, Inc., 2100001597; Central Kentucky CAC, Inc., 2100001604; Community Action of Southern

Kentucky, Inc., 2100001613.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Hopkinsville Surface & Storm Utility, 2000000164; Bluegrass Greensource, Inc., 2000001044; City of Georgetown, 2100001869.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 2000002172.

DEPARTMENT FOR LOCAL GOVERNMENT

McLean County Fiscal Court, 2200000302.

DEPARTMENT FOR PUBLIC HEALTH

Pathways, Inc., 2000002442; University of Kentucky Research Foundation, 2000002734.

DEPARTMENT OF AGRICULTURE

Multi, 2100001484.

DEPARTMENT OF CORRECTIONS

Kentucky Transportation Cabinet, 2100001717.

DEPARTMENT OF EDUCATION

Fayette County Board of Education, 2100002000; Kentucky Educational Development Corporation, 2100002024; Clark County Board of Education, 2100002309; Clark County Board of Education, 2100002326; Hazard Community and Technical College, 2100002924.

EDUCATION - OFFICE OF THE SECRETARY

Clinton County Board of Education, 2100003293; Boyle County Health Department, 2100003295; Caldwell County Extension District Board, 2100003296; Pikeville Area Family YMCA, Inc., 2100003310; Oldham County Health Department, 2100003315; Western Kentucky University, 2100003319; Trigg County Board of Education, 2100003320.

STATE TREASURER

Center for Accessible Living, Inc., 2100002213.

TRANSPORTATION - OFFICE OF THE SECRETARY

City of Cadiz, 2000002649; Kentucky Transportation Center, 2000002757.

WESTERN KENTUCKY UNIVERSITY

Warren County Sheriff Office, 2022-07.

THE FOLLOWING KENTUCKY ENTERTAINMENT INCENTIVE PROGRAM AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

ECON DEV - OFFICE OF THE SECRETARY

Red Right Hand Productions, LLC, 2200002027; Kiss Productions, Inc., 2200002078; A Family Christmas, LLC, 2200002094; Sweet Family, LLC, 2200002126.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

CHFS - OFFICE OF THE SECRETARY

Multi, 2200000014; Multi, 2200000017. Lisa Lee, Astrud Masterson, and Eric Friedlander discussed the contracts with the committee. A motion was made by Senator Yates to consider the contracts as reviewed. Senator Douglas seconded the motion, which passed.

DEPARTMENT FOR INCOME SUPPORT

Christine Booth, 2200001572. Wesley Phelps discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

DEPARTMENT FOR MEDICAID SERVICES

Multi, 2200000016; Multi, 2200000018. Lisa Lee, Astrud Masterson, and Eric Friedlander discussed

the contracts with the committee. A motion was made by Representative Bowling to consider the contracts as reviewed. Representative Minter seconded the motion, which passed.

DEPARTMENT OF HIGHWAYS

Palmer Engineering Company, 2200001940. Eric Pelfrey, Danny Peak, David Harmon, and Andrew Logsdon discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Representative Bowling seconded the motion, which passed.

OFFICE OF THE CONTROLLER

Multi, 2200000009. Brian Thomas and Steven Stack discussed the contract with the committee. A motion was made by Senator Southworth to disapprove the contract. Senator Douglas seconded the motion, which failed with Senator Yates, Representative Bowling, Representative Minter, Senator Meredith, and Representative Koch voting no. A motion was made by Senator Meredith requesting that a report of expenditures to vendors be submitted quarterly to the committee. Representative Koch seconded the motion, which passed. A motion was made by Senator Meredith to approve the contract as reviewed. Senator Yates seconded the motion, which passed with Senator Douglas, Senator Southworth, and Representative Hart voting no.

WESTERN KENTUCKY UNIVERSITY

Multi, 212237; Multi, 212238. Julia Roberts and Jennifer Smith discussed the contracts with the committee. A motion was made by Senator Yates to consider the contracts as reviewed. Representative Minter seconded the motion, which passed.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR PUBLIC HEALTH

Multi, 2100003453. Steven Stack discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Representative Bowling seconded the motion, which passed with Senator Southworth voting no.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

COUNCIL ON POSTSECONDARY EDUCATION

Association of Independent College and Universities, 2200001622. Leslie Brown discussed the contract with the committee. A motion was made by Senator Yates to consider the contract as reviewed. Representative Minter seconded the motion, which passed with Senator Douglas and Senator Southworth voting no and Representative Bowling voting to pass.

DEPARTMENT FOR PUBLIC HEALTH

Foundation for A Healthy Kentucky, 2200001267. Steven Stack discussed the contract with the committee. A motion was made by Representative Minter to consider the contract as reviewed. Senator Yates seconded the motion, which passed.

DEPARTMENT OF AGRICULTURE

Northern Kentucky Area Development District, 2200001552; Feeding America, Kentucky's Heartland, 2200001553; Gods Pantry Food Bank, Inc., 2200001554; Purchase Area Development District, Inc., 2200001555; Tri State Food Bank, Inc., 2200001556; Dare To Care, Inc., 2200001557. Ian Hester, Dana Feldman, and Kevin Peach discussed the contracts with the committee. A motion was made by Senator Meredith to consider the contracts as reviewed. Representative Bowling seconded the motion, which passed.

DEPARTMENT OF EDUCATION

Caldwell County Board of Education, 2200001725. Karen Wirth, Micki Ray, and Dana Steele discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Representative Hart seconded the motion, which passed with Senator Southworth voting no.

DEPARTMENT OF EDUCATION

National Center for Families Learning, 2200001775. Matthew Courtney and Felicia Smith discussed the contract with the committee. A motion was made by Representative Minter to consider the contract as reviewed. Representative Koch seconded the motion, which passed.

DEPARTMENT OF EDUCATION

Jefferson County Board of Education, 2200001797. Thomas Woods-Tucker discussed the contract with the committee. A motion was made by Representative Minter to consider the contract as reviewed. Representative Bowling seconded the motion, which passed with Senator Southworth voting no and Senator Douglas voting to pass.

DEPARTMENT OF EDUCATION

West Kentucky Educational Cooperative, 2200001842. Toni Konz Tatman discussed the contract with the committee. A motion was made by Representative Minter to consider the contract as reviewed. Representative Hart seconded the motion, which passed with Senator Douglas and Senator Southworth voting no.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR PUBLIC HEALTH

Multi, 2100001829; Multi, 2100001838; Multi, 2100001876. Steven Stack discussed the contracts with the committee. A motion was made by Senator Meredith to consider the contracts as reviewed. Representative Bowling seconded the motion, which passed with Senator Douglas and Senator Southworth voting no.

DEPARTMENT OF AGRICULTURE

Multi, 2100001484; Multi, 2100001485. David Morris discussed the contracts with the committee. A motion was made by Senator Meredith to consider the contracts as reviewed. Representative Minter seconded the motion, which passed.

THE FOLLOWING KENTUCKY ENTERTAINMENT INCENTIVE PROGRAM AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

ECON DEV - OFFICE OF THE SECRETARY

Wyckoff Film Company, LLC, 2200001986; Ganymede Film, LLC, 2200002131; Starling, LLC, 2200002132. Katie Smith discussed the contracts with the committee. A motion was made by Senator

Meredith to consider the contracts as reviewed. Representative Bowling seconded the motion, which passed with Senator Southworth voting no.

EXEMPTION REQUESTS:

ENERGY & ENVIRONMENT CABINET:

The Division of Water requested an exemption from Committee Policy Statement #99-4, which prohibits contracts and agreements from crossing the biennium for the remaining phases of the Map Modernization Management Support and Risk Mapping Grant. A motion was made by Senator Meredith to grant the request to September 30, 2025. Representative Hart seconded the motion, which passed without objection.

ENERGY & ENVIRONMENT CABINET:

The Division of Water requested an exemption from Committee Policy Statement #99-4, which prohibits contracts and agreements from crossing the biennium for 319(h) Nonpoint Source (NPS) Memorandums of Agreements (MOA's) and Personal Service Contracts (PSC's). A motion was made by Senator Meredith to grant the request to September 30, 2025. Representative Hart seconded the motion, which passed without objection.

DEPARTMENT OF MILITARY AFFAIRS:

The Division of Emergency Management requested an exemption from routine review for the federally funded Chemical Stockpile Emergency Program and will continue to file quarterly reports. A motion was made by Senator Meredith to grant the request to December 31, 2022. Representative Hart seconded the motion, which passed without objection.

DEPARTMENT OF MILITARY AFFAIRS:

The Division of Emergency Management requested an exemption from routine review for the federally funded Emergency Management Performance Grant (EMPG) agreements and will continue to file quarterly reports. A motion was made by Senator Meredith to grant the request to December 31, 2022. Representative Hart seconded the motion, which passed without objection.

ENERGY & ENVIRONMENT CABINET:

The Energy and Environment Cabinet on behalf of the Kentucky Heritage Land Conservation Funds Board requested an exemption Committee

Policy Statement #99-4, which prohibits contracts and agreements from crossing the biennium for Memorandum of Agreements (MOA's) and will continue to file quarterly reports. A motion was made by Senator Meredith to grant the request to June 30, 2026. Representative Hart seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 6:16 PM.

**GOVERNMENT CONTRACT
REVIEW COMMITTEE**
Committee Minutes
April 12, 2022

Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, April 12, 2022, at 9:00 AM, in Room 129 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Matthew Koch, Co-Chair; and Senator Donald Douglas; Representatives Adam Bowling, Mark Hart, and Patti Minter.

Guests: Kerry Harvey, Mona Womack, Laura Hagan, William Fogle, Gary Valentine, Stacey Hans, and Shelby Peel.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

A motion was made by Representative Hart to approve minutes of the March 2022, meeting of the committee. Representative Minter seconded the motion, which passed without objection.

MARCH DEFERRED ITEM:

MURRAY STATE UNIVERSITY

Leman Engineering & Consulting, Inc. 029-22. A motion was made by Representative Hart to defer the contract to the May 2022 meeting of the committee. Representative Koch seconded the motion, which passed.

JULY DEFERRED ITEM:

JUSTICE - OFFICE OF THE SECRETARY

National Medical Services, Inc. (NMS Labs), 2100002935. Kerry Harvey and Mona Womack discussed the contract with the committee. A motion

was made by Representative Koch to consider the contract as reviewed. Representative Minter seconded the motion, which passed.

A motion was made by Representative Hart to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

A motion was made by Representative Hart to consider as reviewed the Kentucky Entertainment Incentive Program Agreements List, with exception of those items selected for further review by members of the committee. Representative Minter seconded the motion, which passed without objection.

**THE FOLLOWING PERSONAL SERVICE
CONTRACTS WERE REVIEWED WITHOUT
OBJECTION:**

AUDITOR OF PUBLIC ACCOUNTS

MCM CPA's & Advisors, LLP, 2200001792.

**BEHAVIORAL HEALTH, DEVELOPMENTAL &
INTELLECTUAL DISABILITIES**

Beth A. Johnson, 2200001348; Margaret Smedley, 2200001349; John D. Ranseen, 2200001350; Martine Turns PSYD, PLLC, 2200001351; Steve Sparks, Ph.D., 2200001352; Sources of Strength, Inc., 2200001455; Timothy S. Allen MD, PLLC, 2200001461; Laboratory Corporation of America Holdings, 2200001462; Res-Care, Inc., 2200001466.

BOARD OF PHYSICAL THERAPIST

Scanlan Associates, LLC, 2200002350.

**DEPARTMENT FOR ENVIRONMENTAL
PROTECTION**

Kentucky Rural Water Association, 2200001607.

DEPARTMENT FOR INCOME SUPPORT

Malissa J. Mollett, 2200001436; Kay Barnfield PSYD., PSC, 2200001566; Bruening & Associates, 2200001573; Bornstein Psychological Services, Inc., 2200001574; Jon S. Demos, 2200001657; Paul Anthony Ebben, 2200001658; Larry Freudenberger, 2200001661.

DEPARTMENT FOR PUBLIC HEALTH

Quest Diagnostic, 2200001243.

**DEPARTMENT OF CRIMINAL JUSTICE
TRAINING**

Baptist Health Medical Group, Inc., 2200001604.

DEPARTMENT OF HIGHWAYS

Aecom Technical Services, Inc., 2200002246; Burgess and Niple, Inc., 2200002303; Michael Baker International, Inc., 2200002353; Palmer Engineering Company, 2200002356; Stantec Consulting Services, Inc., 2200002515; Aecom Technical Services, Inc., 2200002702.

DEPARTMENT OF MILITARY AFFAIRS

Charles Henry Miller III, 2200001958.

DEPARTMENT OF VETERANS AFFAIRS

Envivo Health, LLC, 2200001852.

FACILITIES & SUPPORT SERVICES

Alt32 PSC, 2200002299.

KENTUCKY LOTTERY CORPORATION

Smartplay International, Inc., 22-12-011; Volta, Inc., 23-18-027; Kizan Technologies, LLC, 23-19-069; Barker & Herbert Analytical Laboratories, Inc., 23-20-015; Gaming Laboratories International, LLC, 23-21-024.

<u>KENTUCKY STATE POLICE</u>	<u>WESTERN KENTUCKY UNIVERSITY</u>	<u>FACILITIES & SUPPORT SERVICES</u>
Dwayne Ison, 2200002071; David P. Jones, 2200002088; Michael Shane Copley, 2200002418; Charles B. Bowman, 2200002426.	Multi, 212240.	Sustainable Streams, LLC, 1600000034; Kohrs Lonnemann Heil Engineers, PSC, 1600000312; Paladin, Inc., 1700002128; Ross Tarrant Architects, Inc., 1900002454; Sustainable Streams, LLC, 2000000076; Redwing Ecological Services, Inc., 2000000086; Patrick D. Murphy Company, Inc., 2100002960.
<u>KY INFRASTRUCTURE AUTHORITY</u>	<u>THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:</u>	
Blue & Company, LLC, 2200002280.		
<u>MOREHEAD STATE UNIVERSITY</u>	<u>BOARD OF MEDICAL LICENSURE</u>	<u>JUSTICE - OFFICE OF THE SECRETARY</u>
Dean Dorton Allen Ford, PLLC, 22-019.	Multi, 2000001945.	Mark Bernstein, DDS, 2000003974.
<u>MURRAY STATE UNIVERSITY</u>	<u>DEPARTMENT FOR PUBLIC HEALTH</u>	<u>KENTUCKY RETIREMENT SYSTEMS</u>
Parker Executive Search, LLC, 030-22.	Multi, 2000003181.	Sammie Pigg, 2000002454-1; Roland P. Merkel, 2000002515-1; Otto Daniel Wolff, 2100001832.
<u>NORTHERN KENTUCKY UNIVERSITY</u>	<u>DEPARTMENT OF CORRECTIONS</u>	<u>MILITARY AFFAIRS COMMISSION</u>
CAMPUSGUARD, LLC, 2022-155; Intelli ERP Software, LLC, 2022-156.	Henry County Animal Clinic, 2000003972.	Kratzer Consulting, LLC, 2000002465.
<u>OFFICE OF THE CONTROLLER</u>	<u>DEPARTMENT OF EDUCATION</u>	<u>MOREHEAD STATE UNIVERSITY</u>
Davis Farr, LLP, 2200002363.	Roger Kerns, 2100002103.	Sturgill, Turner, Barker & Moloney, PLLC, 22-001.
<u>PERSONNEL - OFFICE OF THE SECRETARY</u>	<u>DEPARTMENT OF HIGHWAYS</u>	<u>MURRAY STATE UNIVERSITY</u>
Tempo Holding Company, LLC / Alight Solutions, LLC, 2200002307.	Florence & Hutcheson, 1100003026; American Engineers, Inc., 1300001393; QK4, 1300001567; American Engineers, Inc., 1400000378; QK4, 1500002608; Lochner H. W., Inc., 1600000241; Town Branch Tree Experts, Inc., 1700000174; Palmer Engineering County, 1900003312; Tammy L. Barnes, 1900003390; QK4, Inc., 1900004878; American Engineers, Inc., 2000000705; Haworth Meyer Boleyn, Inc., 2000002554; QK4, Inc., 2100000777; Aecom Technical Services, Inc., 2100001157; Palmer Engineering Company, 2100001171; American Engineers, Inc., 2100001189; Strand Associates, Inc., 2100001707; QK4, Inc., 2200001942.	Multi, 006-22.
<u>TRANSPORTATION - OFFICE OF THE SECRETARY</u>		<u>NORTHERN KENTUCKY UNIVERSITY</u>
Kentucky Training, LLC, 2200002113; Blue & Company, LLC, 2200002218.		AGB Search, 2022-152.
<u>UNIVERSITY OF KENTUCKY</u>	<u>DEPARTMENT OF MILITARY AFFAIRS</u>	<u>TRANSPORTATION - OFFICE OF THE SECRETARY</u>
Embry Merritt Womack Nance, PLLC, K22-199.	Dr. Abdul Kader Dahhan, MD PSC, 2000003263.	Family Medicine Associates of Flemingsburg, 2000003233.
<u>UNIVERSITY OF LOUISVILLE</u>	<u>EASTERN KENTUCKY UNIVERSITY</u>	<u>UNIVERSITY OF LOUISVILLE</u>
Kennedy & Company Education Strategies, LLC, 22-037; TripC, LLC d/b/a Unite, 22-042.	Our Journey Westward, 769-2021.	VB Consulting, 21-016; V-Soft Consulting Group, Inc., 21-029; TEK Systems, 21-043.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Oxford House, Inc., 2200001629; NAMI Louisville, Inc., 2200001736; Spalding University, 2200001748; New Beginnings Bluegrass, Inc., 2200001750; People Advocating Recovery, 2200001755; Recovery Cafe Lexington, Inc., 2200001767; Multi, 2200002235.

BOARD OF CHIROPRACTIC EXAMINERS

Public Protection Cabinet, 2200002124.

BOARD OF LICENSURE FOR NURSING HOME ADMINISTRATORS

Department of Professional Licensing, 2200002256.

BOARD OF OCCUPATIONAL THERAPY

Department of Professional Licensing, 2200002262.

COUNCIL ON POSTSECONDARY EDUCATION

Central Kentucky Educational Cooperative, 2200002340.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Brighton Center, Inc., 2200001770; Audubon Area Community Services, 2200001788; University of Kentucky Research Foundation, 2200001790; Northern Kentucky Area Development District, 2200001791; Family Scholar House, Inc., 2200001801; Childrens Home of Northern Kentucky, 2200001813; Brighton Center, Inc., 2200001837; Community Action Lexington Fayette, 2200001860; Big Sandy Area Cap, Inc., 2200001863; Bell Whitley Community Action Agency, Inc., 2200001864; Gateway Community Action, 2200001983; Harlan County Community, 2200002007; Kentucky River Foothills Development Council, Inc., 2200002009; Lake Cumberland Community Action Agency, Inc., 2200002010; Licking Valley Cap., 2200002012; LKLP Community Action Council, 2200002014; Middle Kentucky Community Action Partnership,

Inc., 2200002038; Multi Purpose Community Action Agency, Inc., 2200002040; Northeast Kentucky Community Action Agency, 2200002043; Northern Kentucky Community Action, 2200002045; Pennyryle Allied Community Services, Inc., 2200002049; Tri-County Community Action Agency, Inc., 2200002050; West Kentucky Allied Services, Inc., 2200002051; KCEOC Community Action Partnership, 2200002089; New Vista of the Bluegrass, Inc., 2200002114; Kentucky Association of Sexual Assault Programs, 2200002195.

DEPARTMENT FOR LOCAL GOVERNMENT

Henderson County Fiscal Court, 2100001855; City of Scottsville, 2200001256; City of Bowling Green, 2200001634; Harlan County Fiscal Court, 2200001655; Morgan County Fiscal Court, 2200001884; City of Campbellsville, 2200001932; Boone County Fiscal Court, 2200002041; City of Cave City, 2200002069; Inter-Modal Transportation Authority, Inc., 2200002162; Logan Industrial Development Authority, Inc., 2200002182; Marshall County Industrial Development Authority, 2200002187; Union County Fiscal Court, 2200002225; Union County Fiscal Court, 2200002226; Union County Fiscal Court, 2200002229; Union County Fiscal Court, 2200002230; Union County Fiscal Court, 2200002231; Union County Fiscal Court, 2200002233; Bell County, 2200002243; City of Caneyville, 2200002271.

DEPARTMENT FOR PUBLIC HEALTH

Foundation for Latin America Culture and Arts, 2200001562; University of Louisville, 2200001646; Big Sandy Health Care, Inc., 2200001773.

DEPARTMENT FOR WORKFORCE INVESTMENT

The Coleridge Initiative, Inc., 2200001821.

DEPARTMENT OF AGRICULTURE

Murray State University, 2200002327.

DEPARTMENT OF CORRECTIONS

Kentucky Transportation Cabinet, 2200002129.

DEPARTMENT OF EDUCATION

KET Foundation, 2200001069; Council On Postsecondary Education, 2200001316; Northern Kentucky University, 2200001516; Council On

Postsecondary Education, 2200001545; Save the Children Federation, Inc., 2200001877; Green River Regional Educational, 2200002222; Ohio Valley Educational Cooperative, 2200002288; National Board for Professional Teaching Standards, 2200002380.

DEPARTMENT OF JUVENILE JUSTICE

Youth Advocate Programs, Inc., 2200000811; Youth Advocate Programs, Inc., 2200001000.

DEPARTMENT OF MILITARY AFFAIRS

Multi, 2200001315.

EDUCATION - OFFICE OF THE SECRETARY

Personnel Cabinet CETA Admin, 2200001933.

JUSTICE - OFFICE OF THE SECRETARY

Seven Counties Services, Inc., 2200002178; Communicare, Inc., 2200002180; Pathways, Inc., 2200002183.

KY RIVER AUTHORITY

University of Kentucky Research Foundation, 2200001928; United States Department of the Interior, 2200001929.

TRANSPORTATION - OFFICE OF THE SECRETARY

Kentucky Transportation Center, 2200002086; Kentucky Community and Technical College System, 2200002112.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Kentucky Hospital Research & Education Foundation, 2000001758; NAMI Lexington Kentucky, Inc., 2000003156; Pathways, Inc.,

2100001848; Mountain Comprehensive Care Center, 2100001849.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Childrens Advocacy Centers of Kentucky, 2000001530; Kentucky Housing Corporation, 2100001641; Seven Counties Services, Inc., 2100001827.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Copperhead Environmental Consulting, Inc., 1900004097.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 2000001719; Multi, 2000001721; Multi, 2000001724; Multi, 2000001725.

DEPARTMENT FOR PUBLIC HEALTH

Kentucky Community and Technical College System, 2000001679; Wyman, 2000002113; University of Kentucky Research Foundation, 2000002769.

DEPARTMENT FOR WORKFORCE INVESTMENT

University of Kentucky Research Foundation, 2000003401; KET Foundation, 2100002403.

DEPARTMENT OF AGRICULTURE

Multi, 2100001484; Multi, 2100001485.

DEPARTMENT OF EDUCATION

Woodford County Board of Education, 2100002322; Eastern Kentucky University, 2100002613; Pineville Independent School District, 2100002693; Fayette County Board of Education, 2100002720; Greenup County Board of Education, 2100002724; Eminence Independent Board of Education, 2100002728; Kentucky Community and Technical College System, 2100002928; Jefferson County Board of Education, 2100002988; Bourbon County Board of Education, 2100003005; Bowling Green Independent School District, 2100003048; Christian County Board of Education, 2100003051; Hardin County Board of Education, 2100003062;

Fleming County Board of Education, 2100003064; Grant County Board of Education, 2100003067; Lawrence County Board of Education, 2100003074; Livingston County Board of Education, 2100003077; Marshall County Board of Education, 2100003081; Scott County Board of Education, 2100003087; Taylor County Board of Education, 2100003089; Morehead State University, 2200000774; Murray State University, 2200000780; Western Kentucky University, 2200000791.

DEPARTMENT OF MILITARY AFFAIRS

Multi, 2000003849; University of Kentucky Research Foundation, 2100001958.

ECON DEV - OFFICE OF THE SECRETARY

University of Kentucky Research Foundation, 2000003144.

KENTUCKY STATE POLICE

Kentucky Medical Services Foundation, Inc., 2100002951.

MEDICAID SERVICES BENEFITS

Kentucky Transportation Cabinet, 2000001547.

STATE TREASURER

Mattingly Center, Inc., 2100002211.

TRANSPORTATION - OFFICE OF THE SECRETARY

Pike County Health Department, 2000003205.

THE FOLLOWING KENTUCKY ENTERTAINMENT INCENTIVE PROGRAM AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

ECON DEV - OFFICE OF THE SECRETARY

Prosper Media Group, Inc., 2200002799; Emphatic Films, Inc., 2200002817; Porcupine Monster, LLC, 2200002819; Messiahs Star, LLC, 2200002822.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

JUSTICE - OFFICE OF THE SECRETARY

Axis Forensic Toxicology, Inc., 2200002298. Kerry Harvey and Mona Womack discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

TRANSPORTATION - OFFICE OF THE SECRETARY

Dressman Benzinger Lavelle, PSC, 2200002704. Laura Hagan, William Fogle, Gary Valentine, Stacey Hans, and Shelby Peel discussed the contract with the committee. A motion was made by Representative Hart to consider the contract as reviewed. Representative Minter seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR LOCAL GOVERNMENT

Clay County Fiscal Court, 2200002148. A motion was made by Representative Koch to consider the contract as reviewed. Senator Douglas seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

MILITARY AFFAIRS COMMISSION

University of Louisville Research Foundation, 2000002961. A motion was made by Representative Hart to consider the contracts as reviewed. Senator Douglas seconded the motion, which passed.

EXEMPTION REQUESTS:

TRANSPORTATION CABINET:

The Transportation Cabinet requested an

exemption from the committee's routine review process for the KYTC's Aviation Economic Development Grant Agreements and will provide quarterly reports. A motion was made by Representative Minter to grant the request to June 30, 2024. Representative Koch seconded the motion, which passed without objection.

BOARD OF VETERINARY EXAMINERS:

The Board of Veterinary Examiners requested an exemption from Committee Policy Statement #99-4, which prohibits contracts and agreements from crossing the biennium for the purpose of hiring a new legal services contractor and transferring all current casework from the current counsel, so the board doesn't experience a loss of continuity. A motion was made by Representative Minter to grant the request to June 30, 2024. Representative Koch seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 9:33 AM.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes
May 10, 2022

Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, May 10, 2022, at 9:00 AM, in Room 131 of the Capitol Annex. Representative Matthew Koch, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Matthew Koch, Co-Chair; Senators Donald Douglas, and Adrienne Southworth; Representatives Adam Bowling and Mark Hart.

Guests: Katie Smith, Angelica Vega, Stephanie Craycraft, Jennifer Moore, Gordon Rowe, Alan Hurst, Billie Johnson, Jennifer Peters, Jeff Hanna, Bob James, Gina Brien, Ellen Barnard, Mike Mangeot, Mona Juett, and Melissa Brewer.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

A motion was made by Senator Douglas to approve Minutes of the April 2022, meeting of the committee. Representative Hart seconded the motion, which passed without objection.

MARCH DEFERRED ITEM:

MURRAY STATE UNIVERSITY

Leman Engineering & Consulting, Inc. 029-22. The University requested that the contract be withdrawn on April 26, 2022.

A motion was made by Representative Bowling to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Senator Douglas seconded the motion, which passed with Senator Southworth voting no.

A motion was made by Representative Bowling to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Senator Douglas seconded the motion, which passed with Senator Southworth voting no.

A motion was made by Representative Bowling to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Senator Douglas seconded the motion, which passed with Senator Southworth voting no.

A motion was made by Representative Bowling to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Senator Douglas seconded the motion, which passed with Senator Southworth voting no.

A motion was made by Representative Bowling to consider as reviewed the Kentucky Entertainment Incentive Program Agreements List, with exception of those items selected for further review by members of the committee. Senator Douglas seconded the motion, which passed with Senator Southworth voting no.

A motion was made by Senator Douglas to consider as reviewed the Correction List. Representative Bowling seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED:

AUDITOR OF PUBLIC ACCOUNTS

Patrick & Associates, LLC, 2200002674; Kelley Galloway Smith Goolsby, PSC, 2200002675; Teddy Michael Prater CPA, PLLC, 2200002676; National Associates of State Auditors, Comptrollers and Treasurer, 2200002687.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

RCM Training and Consulting, LLC, 2000003924-1; Gilbert Barbee Moore Mclvov, PSC, 2200001356; Martine Turns PSYD, PLLC, 2200001365; Martha Gregory & Associates, Inc., 2200001366; Comprehensive Pharmacy d/b/a CPS Solutions, LLC, 2200001919.

BOARD OF PHYSICAL THERAPIST

Brian Fingerson RPH, Inc., 2200002555.

BOARD OF VETERINARY EXAMINERS

Coy Ray St. Clair, Jr, 2200002355.

DEPARTMENT FOR COMMUNITY BASED SERVICES

United Training Career, LLC, 2000003487-1; KVC Behavioral Health Care/Croney & Clark, 2200002255; KVC Behavioral Health Care/Croney & Clark, 2200002257; KVC Behavioral Health Care/Croney & Clark, 2200002261; KVC Behavioral Health Care/Croney & Clark, 2200002263; Presbyterian Child Welfare, 2200002274; KVC Behavioral Health Care/Croney & Clark, 2200002278; Audubon Area Community Services, 2200002279.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Dade Moeller & Associates, Inc., 2200001968; George Freeman Gilbert, 2200001974; Terry A. Gray, 2200001975.

DEPARTMENT FOR INCOME SUPPORT

Laura Cutler, 2200001656; Donna J. Farmer, 2200001659; Tonya R. Gonzalez, 2200001663; Timothy Gregg, 2200001664; Julie B. Jones, 2200001666; Stephen Kavka, 2200001667; Rebecca B. Luking, 2200001668; Paul Wayne McLaughlin, 2200001670; Daniel Grant Meece, 2200001672; John Francis Norton, 2200001674; Lea J. Perritt PHD, 2200001675; G. Stephen Perry, EdD, 2200001676; Tadarro Richardson, 2200001678; Parandhamulu Saranga MD, 2200001680; Debra A. Smith, 2200001681; Steven Clair Solvik, 2200001682; Stephen Jerome Spanbauer, 2200001683; Danelle

Stevens-Watkins PHD, PLLC, 2200001684; Barry S. Stoler MD, 2200001685; Jean Anne Sutherland, 2200001686; Vandivier and Associates PSC, 2200001687; Russell Lee Travis, 2200001688; Vandivier and Associates, PSC, 2200001689; DNA Diagnostics Center, 2200002373; Stephanie Sheffield, 2200002412; Alicia Lynn Fedewa, 2200002708; Saima Noon, 2200002743; Wayne Drive Herner, 2200002874.

DEPARTMENT FOR NATURAL RESOURCES

Envivo Health, LLC, 2200002383.

DEPARTMENT OF AGRICULTURE

Roy Wayne White, 2200002331; Wagner Consulting Group, Inc., 2200002333; Miss Kentucky Scholarship Organization, 2200002336.

DEPARTMENT OF CORRECTIONS

Positive Recovery Solutions, LLC, 2200001447; Danny Wallace Hartline, 2200002284; David Galione, 2200002441; James H. Ball Jr., 2200002443; Joseph Paul Rion, 2200002444; Keith Hardison, 2200002446; Robbin Bell, 2200002458; Maddox & Associates CPAS, Inc., 2200002595.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING

Jacqueline D. Alexander, 2200002223; Law Enforcement Services, Inc., 2200002348; Envivo Health, LLC, 2200002845.

DEPARTMENT OF EDUCATION

Walter W. Hulett, 2200002029.

DEPARTMENT OF HIGHWAYS

Vaughn and Melton, 2200002954; Prime AE Group, Inc., 2200003067.

DEPARTMENT OF REVENUE

Russell M. Sloan, 2200002748.

DEPARTMENT OF TRAVEL

Multi, 2200002808.

DEPARTMENT OF VETERANS AFFAIRS

Envivo Health, LLC, 2200002490; Symphony Diagnostics Services, LLC, 2200002494; Hazard Radiology Associates, 2200002837; Amerathon, LLC, 2200002841; Envivo Health, LLC, 2200002925.

EASTERN KENTUCKY UNIVERSITY

Marsh & McLennan Agency, LLC, 10-2020; CAPTRUST Financial Partners, LLC d/b/a CAPTRUST Financial Advisors, 1291-2022; Multi, 1319-2022; Multi, 1325-2022; Multi, 1328-2022; Multi, 1330-2022; Multi, 1332-2022; Multi, 1333-2022; Multi, 1340-2022; Multi, 1342-2022; Multi, 1349-2022; Multi, 1350-2022; Multi, 1351-2022; Multi, 1352-2022; J.S. Held, LLC, 1356-2022.

EXECUTIVE BRANCH ETHICS COMMISSION

Mike Wilson, 2200002812; Roland P. Merkel, PSC, 2200002813; Tilford Dobbins & Schmidt, PLLC, 2200002814.

FACILITIES & SUPPORT SERVICES

KPFF, Inc., 2200002304; KPFF, Inc., 2200003200; CMTA, Inc., 2200003310.

FINANCE - OFFICE OF THE SECRETARY

Gatlin Voelker, PLLC, 2200002785; Sturgill, Turner, Barker & Moloney, PLLC, 2200003053.

HORSE RACING COMMISSION

McBrayer, PLLC, 2200002387.

KENTUCKY EMPLOYERS MUTUAL INSURANCE

Ametros, 23-AMT-001; Arcadia Settlements Group, Inc., 23-ASG-001; Bluegrass ChemDry, 23-BGC-001; Claims Compensation Bureau, LLC, 23-CCB-001; Conning, Inc., 23-CON-001; Dean,

Dorton, Allen, Ford, PLLC, 23-DDF-001; Direct Express Delivery, 23-DED-001; Gallagher Benefit Services, Inc., 23-GBS-001; GENEX Services, LLC, 23-GEN-001; Gold Standard Consulting, LLC, 23-GSC-001; Pharmacy Investigators & Consultants, LLC, 23-HRG-002; Horizon Performance, 23-HZP-001; ISO Claims Partners, Inc., 23-ISO-001; Lexington Financial Center, 23-LFC-001; MCF Advisors, LLC, 23-MCF-001; MCM CPA's and Advisors, LLP, 23-MCM-001; Medcor, Inc., 23-MDC-001; Milliman, Inc., 23-MIL-001; McCready & Keene, Inc., A OneAmerica Company, 23-MKI-001; McCarthy Strategic Solutions, LLC, 23-MSS-001; Occupational Managed Care Alliance, Inc., 23-OMC-001; SpeakWrite, LLC, 23-SPK-001; TEKSystems, Inc., 23-TEK-001; TowerHunter, Inc., 23-THI-001; Watchpoint, LLC, 23-WCH-001; Ward Financial Group, 23-WFG-001; Ward Financial Group, Inc., 23-WFG-002; Windham Professionals, Inc., 23-WMP-001.

KENTUCKY LOTTERY CORPORATION

Smartplay International, Inc., 23-12-011; Bandy Carroll Hellige, 23-16-044-1; Goldberg & Simpson, LLC, 23-21-025-1.

KENTUCKY STATE FAIR BOARD

Global Spectrum L.P., 2200001828; Scarlett W. Mattson, 2200001830; MCM CPAs & Advisors, LLP, 2200001831; Dsbeck, LLC, 2200001980; Leadership Louisville Center, 2200002489; Charlotte Mattson Kurtz, 2200002499; Triangle Talent, LLC, 2200002505.

KENTUCKY TURNPIKE AUTHORITY

Blue & Company, LLC, 2200002525.

KY HOUSING CORPORATION

Hanna Resource Group, 2023-43; Caine Mitter & Associates, 2023-44; Valbridge Property Advisors, 2023-45; Gibson Consulting, LLC, 2023-46; Regulatory Solutions LLC, 2023-47.

NORTHERN KENTUCKY UNIVERSITY

BKD, LLC, 2022-157; BKD, LLC, 2023-100.

OFFICE OF THE CONTROLLER

American Municipal Tax-Exempt Compliance Corporation, 2200002959; Arbitrage Compliance Specialists, Inc., 2200002965.

PERSONNEL - OFFICE OF THE SECRETARY

Blue & Company, LLC, 2200002818.

STATE TREASURER

Audit Services US, LLC, 2200003225.

TRANSPORTATION - OFFICE OF THE SECRETARY

Blue & Company, LLC, 2200001918; Baptist Health Medical Group, Inc., 2200001931; Arnzen Storm Turner PSC, 2200001943; Denton Law Firm, PLLC, 2200001951; Ferreri Law Group, PLLC, 2200001959; Fox, Wood & Wood, 2200001961; E. Lorraine Neeley, Attorney At Law, 2200001985; Miller Edwards Rambicure, PLLC, 2200001988; Primary Care Center of Eastern Kentucky, 2200001989; Sturgill, Turner, Barker & Moloney, PLLC, 2200001993; Arnzen Storm Turner PSC, 2200002002; Bertram Cox & Miller, LLP, 2200002004; Baptist Health Deaconess Madisonville, Inc., 2200002005; Baptist Health Medical Group, Inc., 2200002011; Crown Title, LLC, 2200002019; Denton Law Firm, PLLC, 2200002022; Embry Merritt Womack Nance, PLLC, 2200002023; Fox, Wood & Wood, 2200002024; Gambrel & Wilder Law Offices, PLLC, 2200002026; Kevin Robinson, 2200002032; Occupational Health Center of Southwest PA, 2200002039; Tim Long M.D., 2200002052; E. Lorraine Neeley Attorney At Law, 2200002060; Miller Edwards Rambicure, PLLC, 2200002063; Reimer Law County, 2200002064; RN Expertise, Inc., 2200002065; Sherrow Marshall Schrader PSC, 2200002070; Vanantwerp Attorneys, LLP, 2200002082; Walther Gay & Mack, PLC, 2200002083; Gateway Community & Technical College, 2200002192; Kevin Shipp, 2200002216; Mary E. Martins The Word Private Investigations, 2200002217; Strothman and Company PSC, 2200002219; PFM Financial Advisors, LLC, 2200002276; Family Medicine Associates of Flemingsburg, 2200002466; DTN, LLC, 2200002484; Kentucky Field Service Realty, 2200002502; J. Michael Jones and Associates, 2200002503; Thurston Freeman, 2200002506; Appco Appraisal Service, Inc., 2200002631; Thoroughbred Real Estate Services, LLC, 2200002765; Matthew L. Chapman, 2200002836; Dale Crump, 2200002933; David P. Schoepf Associates, 2200002958.

UNIFIED PROSECUTORIAL SYSTEM

Perceptual Litigation, LLC, 2200003012.

UNIVERSITY OF KENTUCKY

KFI Engineers, A221160; Blue Cottage Consulting, Inc., K22-200.

UNIVERSITY OF LOUISVILLE

MooreSauda Technology & Media Group, LLC, 22-039; McLendon-Kogut Reporting Service, LLC, 22-041; Witt/Kieffer, Inc., 22-045; Witt/Kieffer, Inc., 23-001.

WESTERN KENTUCKY UNIVERSITY

RATP Dev USA, Inc. f/k/a McDonald Transit, 222301; BKD CPA's & Advisors, 222302.

WORKERS' COMPENSATION FUNDING COMMISSION

Blue & Company, LLC, 2200003128.

THE FOLLOWING PERSONAL SERVICE CONTRACT AMENDMENTS WERE REVIEWED:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Reach of Louisville, Inc., 2000001388; Labor Relations Alternatives, Inc., 2000003924.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Necco, Inc., 2100001972.

DEPARTMENT FOR PUBLIC HEALTH

Multi, 2100001595.

DEPARTMENT OF CORRECTIONS

Keith Hardison, 2100000096.

DEPARTMENT OF HIGHWAYS

QK4, 1000000927; HMB Professional Engineers, Inc., 1100001265; EA Partners, PLC, 1300002466; URS Corporation, 1600000572; American Engineers, Inc., 1800001540; Stantec Consulting Services, Inc., 1800002069; Integrated Engineering, 1900003492; Michael Baker International, Inc., 1900004337; H. W. Lochner, Inc., 2000000469; Leslie M. Haney & Albert W. Gross Partners, 2000001236; Palmer Engineering Company, 2100001825; QK4, Inc., 2100003193.

DEPARTMENT OF VETERANS AFFAIRS

Envivo Health, LLC, 2200002925.

FACILITIES & SUPPORT SERVICES

URS Corporation, 1500001991; CMTA, Inc., 1900003502; Omni Architects, 1900003529.

JUSTICE - OFFICE OF THE SECRETARY

Cynthia J. Curtsinger, 2100001954.

KENTUCKY RETIREMENT SYSTEMS

Blue & Company, LLC, 2100001732.

KY HOUSING CORPORATION

KPMG, LLP, 2021-50.

OFFICE OF THE CONTROLLER

Sedgwick Claims Management Services, Inc., 2000001717; Wayne County Board of Education, 2200000005; Trimble County Board of Education, 2200000009.

TRANSPORTATION - OFFICE OF THE SECRETARY

CEI of America, Inc., 2000002838; Embry

Merritt Shaffar Womack, PLLC, 2000003554; Balance Dynamics Motorcycle Training Center, Inc., 2100001329.

UNIVERSITY OF KENTUCKY

GBBN, A161200; JRA Architects, A221150.

UNIVERSITY OF LOUISVILLE

Multi, 21-015.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED:

BD OF LICENSURE AND CERT FOR DIETITIANS AND NUTRITIONISTS

Department of Professional Licensing, 2200002253.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Multi, 2200000028; Kentucky Medical Services Foundation, Inc., 2200001503; Kentucky River Community Care, Inc., 2200001509; University of Kentucky Research Foundation, 2200001627; Federation of Appalachian Housing Enterprises, Inc., 2200001630; Lake Cumberland Mental Health Mental Retardation Board, 2200001651; Pennyroyal Regional Mental Health Mental Retardation Board, 2200001737; Wellspring, Inc., 2200001739; Alcoholic Beverage Control Department, 2200001740; Independence Place, Inc., 2200001741; Division of Mental Health, 2200001742; NAMI Lexington Kentucky, Inc., 2200001754; Father Maloney’s Boys Haven, Inc., 2200001756; Kentucky Association of Sexual Assault Programs, 2200001771; Mercy Health - Marcum & Wallace Hospital, LLC, 2200001900; Louisville Jefferson County Metro Government, 2200002008; Father Maloney’s Boys Haven, Inc., 2200002087; University of Kentucky Research Foundation, 2200002115; Mental Health Association of Kentucky, Inc., 2200002172; Mountain Comprehensive Care Center, 2200002311; Department of Corrections, 2200002429; Voices of Hope - Lexington, Inc., 2200002471; Shepherd’s House, Inc., 2200002476; Volunteers of America Mid-States, Inc., 2200002552; Perry County Ambulance, 2200002714; Eastern Kentucky CEP, Inc., 2200002715; Kentucky Pharmacy Education

and Research Foundation, Inc., 2200002716; Department of Corrections, 2200002717; Western Kentucky Regional Mental Health & Retardation Advisory Brd, 2200003022; Northkey Community Care, 2200003068; Pathways, Inc., 2200003078; Mountain Comprehensive Care Center, 2200003079; Kentucky River Community Care, Inc., 2200003081; Cumberland River Behavioral Health, Inc., 2200003150; Lake Cumberland Mental Health Mental Retardation Board, 2200003154; New Vista of the Bluegrass, Inc., 2200003157.

BOARD OF ALCOHOL AND DRUG ABUSE COUNSELORS

Department of Professional Licensing, 2200002249.

BOARD OF CHIROPRACTIC EXAMINERS

Department of Professional Licensing, 2200002241.

BOARD OF ELECTIONS

Boyd County Fiscal Court, 2200002575; Boyle County Treasurer, 2200002576; Campbell County Treasurer, 2200002583; Daviess County Treasurer, 2200002596; Grant County Treasurer, 2200002606; Grayson County Treasurer, 2200002607; Greenup County, 2200002608; Henderson County Treasurer, 2200002609; Hopkins County, 2200002610; Jessamine County Treasurer, 2200002611; Marshall County Clerk, 2200002629; Scott County Treasurer, 2200002644.

BOARD OF EXAMINERS OF PSYCHOLOGISTS

Public Protection Cabinet, 2200002152.

BOARD OF MEDICAL LICENSURE

Kentucky Physicians Health Foundation, 2200002928.

BOARD OF PODIATRY

Department of Professional Licensing, 2200002269.

BOARD OF PROSTHETICS, ORTHOTICS AND PEDORTHICS

Department of Professional Licensing, 2200002252.

BOARD OF REGISTRATION FOR PROFESSIONAL GEOLOGISTS

Department of Professional Licensing, 2200002273.

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

Department of Professional Licensing, 2200002270.

BOARD OF VETERINARY EXAMINERS

Public Protection Cabinet, 2200002343; Kentucky Department of Agriculture, 2200002347.

COUNCIL ON POSTSECONDARY EDUCATION

University of Louisville Research Foundation, 2200002579; University of Louisville Research Foundation, 2200002585; Asbury University, 2200002587; Centre College, 2200002588; Spalding University, 2200002590; University of Kentucky Research Foundation, 2200002654; Bellarmine University, 2200002690; Lindsey Wilson College, 2200002697; Union College, 2200002699.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Greater Louisville Workforce Development Board, Inc., 2200001812; Kentucky Coalition Against Domestic Violence, Inc., 2200001824; Kentucky Youth Advocates, Inc., 2200001897; Louisville Jefferson County Metro Government, 2200002036; Housing Authority of Bowling Green, 2200002061; KVC Behavioral Health Care/Croney & Clark, 2200002442; Child Care Council of Kentucky, 2200002975; Kentucky Youth Advocates, Inc., 2200003087; Kentucky Housing Corporation, 2200003096.

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

United States Department of the Interior, 2200002410.

DEPARTMENT FOR LOCAL GOVERNMENT

Johnson County, 2200001146; Fleming County, 2200001546; Carter County Fiscal Court, 2200001647; US Department of Agriculture, 2200001782; City of Paducah, 2200002074; Elliott County, 2200002290; City of Pikeville, 2200002531; Daviess County Fiscal Court, 2200002532; Union County Fiscal Court, 2200002600; Union County Fiscal Court, 2200002601; Union County Fiscal Court, 2200002602; City of Mt. Sterling, 2200002762; Whitley County Fiscal Court, 2200002792; Whitley County Fiscal Court, 2200002794; Martin County Fiscal Court, 2200002802; Union County Fiscal Court, 2200002864; Union County Fiscal Court, 2200002865; Perry County Fiscal Court, 2200002868; Hart County Fiscal Court, 2200003014.

DEPARTMENT FOR NATURAL RESOURCES

University of Kentucky Research Foundation, 2200001437.

DEPARTMENT FOR PUBLIC HEALTH

University of Kentucky Research Foundation, 2200001508; University of Louisville Research Foundation, 2200001585; Park Duvalle Neighborhood Health Center, 2200001874; Community Medical Associates, Inc., 2200001948; Volunteers of America Mid-States, Inc., 2200001979; Aids Volunteers, Inc., 2200002001; Kentucky Department of Corrections, 2200002006; St. Claire Medical Center, Inc., 2200002232; Youth Golfers Outreach Program, Inc., 2200002843; Simmons College of Kentucky, Inc., 2200002896.

DEPARTMENT FOR WORKFORCE INVESTMENT

Morehead State University, 2200002834.

DEPARTMENT OF AGRICULTURE

University of Kentucky, 2200002326; University of Kentucky Research Foundation, 2200002328; Office of Kentucky Nature Preserves, 2200002335; Northern Kentucky Area Development District,

2200002662; Dare To Care, Inc., 2200002673; Purchase Area Development District, Inc., 2200002677; Tri State Food Bank, Inc., 2200002678; Gods Pantry Food Bank, Inc., 2200002681; Feeding America, Kentucky's Heartland, 2200002683; Northern Kentucky Area Development District, 2200002689; Purchase Area Development District, Inc., 2200002692; Dare To Care, Inc., 2200002694; Feeding America, Kentucky's Heartland, 2200002695; Gods Pantry Food Bank, Inc., 2200002696; Tri State Food Bank, Inc., 2200002698.

DEPARTMENT OF CORRECTIONS

Chrysalis House, Inc., 2200001917.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING

University of Louisville, 2200001720.

DEPARTMENT OF EDUCATION

Bellevue Independent School District, 2200001708; Menifee County Board of Education, 2200001710; Metcalfe County Board of Education, 2200001711; Paintsville Independent School District, 2200001712; Allen County Board of Education, 2200001714; Anderson County Board of Education, 2200001715; KET Foundation, 2200002164; Lyon County Board of Education, 2200003276.

DEPARTMENT OF VETERANS AFFAIRS

Epilepsy Foundation of Kentuckiana, Inc., 2200003208.

EDUCATION - OFFICE OF THE SECRETARY

National Center for Families Learning, 2200003201.

JUSTICE - OFFICE OF THE SECRETARY

Corbin Independent School District, 2200002492; T J Samson Community Hospital, 2200002634; Comprehend, Inc., 2200002647; Barren River District Health Department, 2200002666; Pathways, Inc., 2200002990; Communicare, Inc., 2200002995; Communicare, Inc., 2200003049; Seven Counties Services, Inc., 2200003050.

KENTUCKY STATE FAIR BOARD

Louisville Downtown Management District, 2200001510.

KY INFRASTRUCTURE AUTHORITY

Bluegrass Area Development District, 2200003122; Barren River Area Development District, 2200003139; Kentuckiana Regional Planning & Development Agency, 2200003153; Lincoln Trail Area Development District, 2200003158; Pennyriple Area Development, 2200003160.

OFFICE OF HOMELAND SECURITY

Bluegrass Area Development District, 2200003314.

OSH REVIEW COMMISSION

Office of the Attorney General, 2200001829.

TRANSPORTATION - OFFICE OF THE SECRETARY

City of Cadiz, 2200002101; Kentucky Department of Corrections, 2200002125; Treeslouisville, Inc., 2200002135; Kentucky Division of Forestry, 2200002190; Kentucky Transportation Center, 2200002283; Elizabethtown Community and Technical College, 2200002404; Federal Highway Administration, 2200002486; University of Louisville Research Foundation, 2200002513; Southern Conservation Corporation, 2200002713; Dry Stone Conservancy, 2200002739; Kentucky Division of Water, 2200002755; US Army Corps of Engineers, 2200002758.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Oxford House, Inc., 2000001625; Mountain Comprehensive Care Center, 2000001671; Shepherds House, Inc., 2000001828; Kentucky River Community Care, Inc., 2000001914; Seven

Counties Services, Inc., 2000002108; St. Elizabeth Medical Center, 2000002209; Kentucky Partnership for Families and Children, Inc., 2000002721; Chrysalis House, Inc., 2000002774; University of Kentucky, 2000002942; University of Kentucky Research Foundation, 2100000884; Communicare, Inc., 2100001154; Volunteers of America Mid-States, Inc., 2100001809; Green River Regional MHMR Board, Inc., 2100001811; Green River Regional MHMR Board, Inc., 2100001843; New Vista of the Bluegrass, Inc., 2100001853; Western Kentucky Regional Mental Health & Retardation Advisory Brd, 2100002178; Pennyroyal Regional Mental Health Mental Retardation Board, 2100002194; Green River Regional MHMR Board, Inc., 2100002216; Lifeskills, Inc., 2100002221; Communicare, Inc., 2100002222; Seven Counties Services, Inc., 2100002226; Northern Kentucky Regional Mental Health Mental Retardation Board, 2100002229; Comprehend, Inc., 2100002231; Pathways, Inc., 2100002232; Mountain Comprehensive Care Center, 2100002242; Kentucky River Community Care, Inc., 2100002243; Cumberland River Behavioral Health, Inc., 2100002244; Lake Cumberland Mental Health Mental Retardation Board d/b/a The Adanta Group, 2100002245; New Vista of the Bluegrass, Inc., 2100002246; Pathways, Inc., 2100002372.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 2100002005.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Kentucky Coalition Against Domestic Violence, Inc., 2000001802; Community Action Kentucky, Inc., 2100001642; Eastern Kentucky University, 2100002157.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

Multi, 2000001720; Multi, 2000001722; Multi, 2000001726; Multi, 2000001727; Multi, 2000001728; Multi, 2000001729; Multi, 2000001730.

DEPARTMENT FOR LOCAL GOVERNMENT

City of Campton, 1900003659; Lincoln County Fiscal Court, 2000001875; Wolfe County Fiscal Court, 2200001174.

DEPARTMENT FOR MEDICAID SERVICES

University of Kentucky Research Foundation, 2000002181; University of Kentucky Research Foundation, 2000002586; University of Louisville Research Foundation, 2000004004; Western Kentucky University Research Foundation, 2000004096.

DEPARTMENT FOR PUBLIC HEALTH

University of Louisville Research Foundation, 2000001645; Go-Hire Employment and Development, Inc., 2000001850; Kentuckiana Health Collaborative, 2000002763; Emory University, 2000003213; American Cancer Society, 2100000740; Multi, 2100001818; Multi, 2100001836; Multi, 2100001838; Multi, 2100001876; Multi, 2100001887; Center for Human Entrepreneurship Solutions Group, 2200000765.

DEPARTMENT OF AGRICULTURE

Multi, 2100001484; Multi, 2100001485.

DEPARTMENT OF CORRECTIONS

Hope Center, 2000003728.

DEPARTMENT OF EDUCATION

Franklin County Board of Education, 2100002356; Kentucky Community and Technical College System, 2100002919; Mayfield Independent School District, 2100003008; Fayette County Board of Education, 2100003063; Henderson County Board of Education, 2100003070; Jessamine County Board of Education, 2100003071; Muhlenberg County Board of Education, 2100003083; Union County Board of Education, 2100003093; Fairview Independent School District, 2100003136; Boone County Board of Education, 2100003450; University of Louisville Research Foundation, 2100003474.

DEPARTMENT OF MILITARY AFFAIRS

Multi, 1700000330.

JUSTICE - OFFICE OF THE SECRETARY

Kentucky Pharmacy Education and Research Foundation, Inc., 2100002147; Unlawful Narcotics

Investigations Treatment and Education, 2100002377.

KENTUCKY FISH AND WILDLIFE RESOURCES

University of Georgia Research Foundation, Inc., 2100002300.

MILITARY AFFAIRS COMMISSION

University of Louisville Research Foundation, 2000002961.

OFFICE OF INSPECTOR GENERAL

Trilogy Scholarship Foundation, 2100002175.

OFFICE OF KY NATURE PRESERVES

Virginia Tech Applied Research Corporation, 2000001816.

OSH REVIEW COMMISSION

Attorney General, 2100000111.

TRANSPORTATION - OFFICE OF THE SECRETARY

University of Kentucky Research Foundation, 2200001344.

THE FOLLOWING KENTUCKY ENTERTAINMENT INCENTIVE PROGRAM AGREEMENTS WERE REVIEWED:

ECON DEV - OFFICE OF THE SECRETARY

RTL Productions, LLC, 2200003429; Americana Entertainment, LLC d/b/a Operating As Americana Dream, LLC, 2200003442; Pydo Productions, LLC, 2200003443; EZ Way Movie, LLC, 2200003501.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Staff Care, Inc., 2200001463; Locumtenens, Com, 2200001464; Jackson & Coker Locumtenens, LLC, 2200001465. Stephanie Craycraft and Jennifer Moore discussed the contracts with the committee. A motion was made by Senator Meredith to consider the contracts as reviewed. Senator Douglas seconded the motion, which passed.

ECON DEV - OFFICE OF THE SECRETARY

Finn Weisse, 2200002570; Masamichi Takahashi, 2200002804. Katie Smith and Angelica Vega discussed the contracts with the committee. A motion was made by Senator Meredith to consider the contracts as reviewed. Representative Bowling seconded the motion, which passed.

PERSONNEL - OFFICE OF THE SECRETARY

Cannon Cochran Management Services, Inc., 2200002437. Gordon Rowe and Alan Hurst discussed the contract with the committee. A motion was made by Senator Meredith to defer the contract to the June 2022 committee meeting. Representative Koch seconded the motion, which passed.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR LOCAL GOVERNMENT

Martin County Water District, 2200002480. Billie Johnson, Jennifer Peters, and Jeff Hanna discussed the contract with the committee. A motion was made by Representative Bowling to consider the contract as reviewed. Senator Meredith seconded the motion, which passed.

DEPARTMENT FOR PUBLIC HEALTH

Norton Healthcare Foundation, 2200001613. Bob James discussed the contract with the committee.

A motion was made by Senator Meredith to consider the contract as reviewed. Representative Bowling seconded the motion, which passed with Senator Douglas voting to pass.

DEPARTMENT FOR PUBLIC HEALTH

University of Kentucky Research Foundation, 2200001866. Gina Brien and Ellen Barnard discussed the contract with the committee. A motion was made by Senator Meredith to consider the contract as reviewed. Representative Bowling seconded the motion, which passed with Senator Douglas and Senator Southworth voting to pass.

DEPARTMENT OF TRAVEL

Multi, 2200002359; Multi, 2200002447; Multi, 2200002448; Multi, 2200002449; Multi, 2200002558; Multi, 2200002652; Multi, 2200002668; Multi, 2200002709; Multi, 2200002724. Mike Mangeot, Mona Juett, and Melissa Brewer discussed the contracts with the committee. A motion was made by Representative Hart to consider the contracts as reviewed. Senator Meredith seconded the motion, which passed.

EXEMPTION REQUESTS:

KENTUCKY INFRASTRUCTURE AUTHORITY:

The Kentucky Infrastructure Authority requested an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the biennium for the purpose of four (4) Coal Severance Grant Projects for an extension of time only. A motion was made by Senator Meredith to grant the request to June 30, 2024. Representative Hart seconded the motion, which passed without objection.

CABINET FOR HEALTH AND FAMILY SERVICES:

CHFS, Division of Procurement and Grant Oversight, on behalf of the KY Office of Inspector General requested an exemption from Committee Policy Statement #99-4, which prohibits contracts and agreements from extending beyond the biennium to allow the Cabinet to establish a Memoranda of Agreement for Kentucky Civil Monetary Penalty projects. A motion was made by Senator Meredith to grant the request to June 30, 2025. Representative Hart seconded the motion, which passed without objection.

DEPARTMENT OF EDUCATION:

The Department of Education requested an exemption from Committee Policy Statement #99-4, which prohibits contracts and agreements from extending beyond the biennium for Federal grant agreements issued to local school districts and other sub-recipients for the purpose of distributing Federal Funds. A motion was made by Senator Meredith to grant the request to September 30, 2024. Representative Hart seconded the motion, which passed without objection.

There being no further business, the meeting adjourned at 10:01 AM.

LEGISLATIVE OVERSIGHT & INVESTIGATIONS COMMITTEE

Minutes of the 7th Meeting of the 2021 Interim

December 16, 2021

Call to Order and Roll Call

The 7th meeting of the Legislative Oversight & Investigations Committee was held on Thursday, December 16, 2021, at 1:00 PM, in Room 131 of the Capitol Annex. Senator Danny Carroll, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Jason Howell, Vice-Chair, Morgan McGarvey, Michael J. Nemes, Wil Schroder, Brandon J. Storm, and Reginald Thomas; Representatives Lynn Bechler, Vice-Chair, John Blanton, Ken Fleming, Angie Hatton, Joni L. Jenkins, Steve Riley, and Scott Sharp.

Guests: Dr. Steven Stack, Commissioner, Department for Public Health; Mike Tuggle, Assistant Director, Department for Public Health.

LRC Staff: Gerald W. Hoppmann, Committee Staff Administrator; Committee Analysts William Spears, Jacob Blevins, Joel Thomas, Jeremy Skinner, Shane Stevens, Chris Hall, Ryan Brown, Taylor Johnston, McKenzie Ballard; and Ashley Taylor, Committee Assistant.

Minutes for November 10th, 2021

Upon motion by Representative Blanton and second by Senator Nemes, the minutes for the November 10th, 2021, meeting were approved without objection.

Senator Carroll spoke about the devastating tornados and their impact on the state of Kentucky. He gave a special thanks to the people of our state and country for their support. Senator Carroll also commented on how proud he is of our Governor for his support and how he has handled the disaster. Senator Howell and Representative Bechler provided updates on the tornado damage and relief efforts in each of their districts. Senator Carroll shared his plans to file a bill during the upcoming session that will enhance penalties for crimes that are committed

during states of emergency.

Senator Carroll noted the committee hoped to have Department of Corrections (DOC) officials in attendance to testify regarding the commutation and release of inmates during the pandemic, but due to miscommunication they were not able to attend. He discussed two separate requests he made to DOC for details related to good time credits that inmates received as part of their commutations. He explained that the agency has sent back very minimal information and he expects the committee will be utilizing subpoena power to get previously requested information and testimony. Senator Carroll hopes it is simply an honest oversight, but is concerned that we are having so much trouble receiving detailed responses. He also stated it is difficult to believe that DOC would release inmates without knowing in detail whether they met the qualifications for release under the conditions set by the Governor.

COVID-19 Testing and Vaccine Administration

Senator Carroll asked the Commissioner for the Department of Public Health to introduce himself for the record and to provide an overview of contracts, processes, and vendors used during the pandemic related to testing and vaccinations. Dr. Stack introduced himself and also shared his condolences for those living in the tornado impacted areas.

Dr. Stack explained that when the pandemic first began in early 2020, the only place that could provide COVID-19 testing was the Center for Disease Control and Prevention (CDC). By late February through mid-March, the state public health lab could only do a small volume of testing. By the beginning of April however, testing was expanded to highly sophisticated molecular diagnostic labs. These types of labs are customized and have to go through a number of enhanced regulatory approvals because of the very precise nature of what they do. Although the availability to test expanded to the community, testing remained scarce given very few labs with proper capacity. As a result, emergency procurement was used to establish a partnership with Gravity Diagnostics, which was able to procure and obtain necessary testing materials through intense efforts. The company ended up being able to provide testing for hospitals and nursing homes throughout the state. The state also partnered with the Kroger Corporation, who volunteered their services without charge for providing communities with access to testing, including drive-through options.

A multi-provider open Request for Proposal (RFP) was used to assist with providing testing to nursing homes and elderly communities across the state. The specifications of the contract were defined and made available to any laboratory who met them. Fourteen or more labs have supported nursing homes and elderly communities with assistance provided from the multi-provider contract, which is currently

still open. Arrangements were also made with public universities, specifically the University of Kentucky and the University of Louisville to assist with increased testing during the summer surge. The University of Louisville used Gravity Diagnostics to process the specimens, while the University of Kentucky sub-contracted with Wild Heath, Inc.

The Federal government provided almost 1.3 million BinaxNOWTM COVID-19 Ag Cards, which are used for antigen detection. The cards were distributed widely across the state, without a contract. A wide array of different settings received the cards for at-risk and vulnerable populations. The state also uses a federal contract to purchase the BinaxNOW cards at a discounted rate of \$5 per test.

In the spring of 2021 the state received a new federal grant to provide testing at K-12 schools. Using the open RFP process and with multiple labs participating, testing at just under 1,300 schools across the state is being done. There are 25 vendors participating in this contract, with 9-10 labs doing the majority of testing.

Dr. Stack stated there is one contract with two iterations related to COVID-19 vaccinations, although there were three vendors that offered proposals. One of the vendors was a Fortune 500 company and the second was an established testing company, both of which required guaranteed minimums and high rates. The pricing that Wild Health, Inc. offered in contrast, did not include guaranteed minimums and offered lower rates. The first iteration of the contract was used through the end of the fiscal year.

Dr. Stack encouraged everyone to show gratitude to local health department leaders for all they have done in response to COVID-19, including contact tracing, testing and vaccinations. He explained there is a variety of means that can be used to help local health departments such as emergency procurement and open RFPs. The Finance and Administration Cabinet is also in the process of issuing a regular RFP as a competitive bid. He stated that a variety of other tools have been used like university exclusions and memoranda of agreement with non-profits in order to provide testing efficiently, equitably, and transparently.

In response to a question from Senator Carroll, Dr. Stack explained that one type of BinaxNOW cards are designed to take at home. They are packaged for the consumer and come with instructions on how to use them and can be bought at stores like Walgreens for \$24. The other cards are packaged for medical professionals and they come with forty tests per box. These tests were sent out to locations such as homeless shelters, health departments, nursing homes, jails, and universities. They can be used as long as access to a laboratory provider exists, in order to ensure they are administered properly.

The federal government plans to purchase over 300 million Ellume COVID-19 tests by early next year. These point-of-care tests will be distributed to

vulnerable populations but will also be available to the public. The federal government wants these tests to be available for people to test themselves at home without associated healthcare costs.

Dr. Stack responded to Senator Carroll concerning accuracy of the tests by discussing the Ellume test. This test requires a person to download an app onto their smartphone, which will then provide instructions on how to administer the test. After 15 minutes from the time someone swabs their nose, the app on their smartphone will provide a positive or negative test result and will advise the individual what actions should be taken. However, the Ellume tests are not as reliable as the PCR tests and may miss people who are very early or very late in the illness.

In response to a question from Senator Carroll, Dr. Stack explained that Wild Health, Inc. was picked for vaccine distribution because when lined up with the other two opportunities it was preferable. Since Wild Health, Inc. handles lifestyle, health, and personal wellness medicine, they already have a laboratory that does molecular diagnostic testing. The University of Kentucky also sub-contracts with Wild Health, Inc., for testing. Dr. Stack responded to Senator Carroll that he was not aware if Wild Health, Inc., is owned by the son of a former Governor.

In response to Senator Carroll's question, Dr. Stack agreed that getting vaccines to primary care physicians who can then administer to patients is definitely a high priority. One of the challenges at the very beginning of the pandemic was the limited supply of vaccines being shipped to local communities. Wide spread distribution was not possible, since there were some hospitals not able to get the vaccines. Another issue was having the proper storage available for the vaccines. The more evident problem currently is the federal government's very specific requirements for vaccine sites. The federal requirements are very burdensome, so much that small physician practices may not be able to meet them, thus preventing their participation.

In response to a question from Representative Fleming about future preparedness, Dr. Stack stated he believes messaging has been inconsistent based on various sources. He does not believe the science or the medicine is the problem, rather the challenge is human behavior. He made a point to express gratitude to the state employees that essentially had to build an entire testing infrastructure for a single disease that did not exist before. The infrastructure had to evolve over times of scarcity and differential funding sources, testing, and settings.

Vaccine deployment was the biggest challenge, given limited supplies of vaccines. Another challenge was to find a way not to make personal or political some of the basics of public health science, according to Dr. Stack. Representative Fleming stated that the distribution network was difficult with respect to getting vaccines out, but appreciates the effort that was taken to communicate information to the public.

He added that in the future he believes a better environment will exist to get testing completed and vaccines administered.

Senator Carroll asked about positivity rates and numbers at the beginning of the pandemic, as well as incomplete or missing laboratory test results at that time. He inquired about whether the incomplete or missing results were from out-of-state labs and asked Dr. Stack to discuss the difficulty receiving complete results.

Dr. Stack replied that a lot of Kentucky's labs were not set up with the Kentucky Health Information Exchange, which allows the electronic submission of laboratory results. Instead, many lab results were coming in via fax or e-fax. This resulted in people having to type in manual information, which is difficult to handle with hundreds, thousands, or tens of thousands of results. It is much more efficient for information to come in electronically for computer-to-computer analysis.

The cabinet in response to these challenges on-boarded scores of labs to the exchange. These labs now submit results electronically. As part of the current RFP process, successful vendors are also required to submit data electronically through the exchange, which has improved the process. So, during the next crisis, labs will already be part of the exchange, which will allow for quicker results and improved interactions with local health departments.

Senator Carroll switched to the topic of monoclonal anti-bodies and recent discussion about whether this treatment is underutilized, a topic which was addressed during the recent special session. He cited the example of a woman from Bowling Green who was very sick with COVID-19, but not given the option of monoclonal treatment. After receiving the treatment, the woman improved after 24-48 hours. Senator Carroll asked for Dr. Stack's perspective on monoclonal treatment, including its politicization, priority for the state, as well as federal control over supply.

Although monoclonals have been useful, Dr. Stack discussed concern that people viewed the treatment as an alternative to vaccine. He added that by waiting to get sick, a person's overall risk increases. He also touched on the cost effectiveness of vaccines at \$40 per person versus \$2,100 per dose for monoclonal anti-bodies.

Availability of vaccines versus the monoclonals is also a concern. According to Dr. Stack, from May through July when cases of the Delta variant were climbing, we started consuming so much of the treatment that in a matter of 4-6 weeks the federal government intervened by taking away sites that could order monoclonal anti-bodies directly from distributors. This occurred in September, after which the federal government took full control of the supply. As a result, states were required to ration limited amounts of the treatment.

Dr. Stack also discussed recent appropriations

that allowed for the creation of a website to show sites where the public can request treatments. He commented on one two-week period where sites requested 10,000 treatments, but Kentucky's allocation was only 4,000. He also discussed improvements to the infrastructure that allows for coordination meetings between the state, distributors, and hospitals. Unfortunately though, a lot of people meet the criteria but there is not enough product, which requires the sites to prioritize based on the highest risk.

Senator Carroll asked if it takes a long time to produce the monoclonal treatments. Dr. Stack answered that monoclonal anti-bodies are complex synthetic proteins with high demand, but only three treatments exist and are very costly. He discussed how FEMA funding was available early on, but it was too restrictive. For example, it requires daily inspections for all sites, which is resource intensive. Dr. Stack added that he does not discount the effectiveness of monoclonal anti-body treatments. For example, prior to September of this year, there were already 104 sites offering this treatment, but not in a high-profile manner.

Senator Carroll commented that he believes the monoclonal anti-body treatments could have been promoted more, which may have resulted in additional lives being saved. He also commented that the fear of people choosing to opt for getting sick instead of taking a vaccination may have been a reason that more emphasis was not placed on the treatments.

He also stated that monoclonal anti-body treatments should be a major priority for the state, then requested information on how long it takes to produce whatever number of monoclonal antibody treatments are needed for those who meet the eligibility criteria. Dr. Stack stated he will have to request this information from the CDC and Department of Health and Human Services since he does not have access to it.

Senator Carroll asked about the chemical makeup and effectiveness of the Merc and Pfizer antiviral pills. Dr. Stack answered that they are quite different from the monoclonal anti-bodies because the pills block a specific cell that works with the virus. He also commented that the pills vary in effectiveness. For example, the Merc pill only reduces the risk of hospitalization to 50%, while the monoclonal treatments have a 75% rate. He also said the Pfizer pill is closer to 89% effective at preventing hospitalizations, but that it has to be taken within three days after onsite of the virus. The Merc pill has to be given within five days. There are also other concerns with both pills such as negative interactions with certain medications and pregnancy risks.

Representative Jenkins thanked Dr. Stack for his leadership. She asked about Omicron and the things they should be prepared for in the future and whether current treatments will be effective. Dr. Stack stated that while Omicron at this point is not a big concern in Kentucky, it could become problematic. He said that 3% of all cases are the Omicron variant, whereas

before Delta was 99% of all cases. However, with the faster spreading variant, Omicron could soon account for one-quarter of all cases.

He also stated that if a person is fully vaccinated or boosted, there is protection against severe disease and death. But, one could still contract the virus, which means the disease can continue to spread. As far as the monoclonals are concerned, the new variant could undermine their effectiveness. The cabinet is watching the federal government for firm decisions in that respect.

Dr. Stack said that although family outings or gatherings can occur, people should be careful not to knowingly spread disease. He also said that masks are helpful by reducing the risk of spreading disease.

Representative Bechler stated that his understanding is the majority of individuals with Omicron are vaccinated. Dr. Stack stated this could be true, since 60% of Kentuckians are vaccinated. Representative Bachler followed up with a question about whether vaccination rates are at a sufficient level. Dr. Stack responded that we need a higher vaccination rate, since the virus still has chances to mutate significantly given the unvaccinated. Theoretically, he stated if higher percentages were vaccinated, the virus could be shut down. Dr. Stack followed up with additional data showing that those under 60 who have died since July 1st were 95% unvaccinated. Over age 60, 73% of the deaths were the unvaccinated.

Senator Carroll asked about recent testimony in front of the Interim Joint Health, Welfare, and Family Services Committee about testing for neutralizing antibodies. He heard that CDC does not recommend relying on these tests instead of getting vaccinated. Senator Carroll then asked if at some point measuring these antibodies will be beneficial, as opposed to relying on boosters. For example, with Hepatitis B where an individual can get tested to see if they are adequately protected.

Dr. Stack stated he is not sure what type of data scientists need in order to make such a determination, since we are less than two years from the start of the virus and one year from the first vaccine. He also stated that it may be more cost effective to boost a patient for example with tetanus, instead of testing for antibodies. Senator Carroll stated that he wished people were as comfortable with the COVID-19 vaccine as they are with tetanus boosters. However, with much of the population that type of trust does not exist.

Senator Thomas complimented Dr. Stack's leadership during the pandemic and commented on the positive feedback he has received from people. He then asked a question about when we can expect to see an end to the pandemic and what information is coming from the CDC in this regard. Dr. Stack said that he has not lost confidence that things will become more normalized moving forward. He then discussed the need for continued vaccinations, since the variants thrive because of the unvaccinated. The concern

is not only local, but also global. He mentioned the continent of Africa as an example, since variants are originating there.

Dr. Stack also commented on the benefits of vaccination coupled with the protective value from people already having the disease. He went on to say that as a result of this combination, over time the population will develop enough of a reservoir of protection where hospitals are not being overcrowded. He gave the example of the flu, where tens of thousands of people may die each year, but that risk of death is tolerated. So, the answer according to Dr. Stack, is to push ahead with increased vaccinations to get through the pandemic. He also commented that much of the challenge may not be evident to the public. For example, he used the example of people watching a University of Kentucky game at Kroger Stadium, but not knowing that across the street the National Guard is present to help sustain the hospital's work.

Senator Carroll stated this is the last committee meeting of the year and thanked staff for its work. He said that more than likely the committee will meet during the session in order to consider additional topics. He asked that members bring ideas to the co-chairs. He also stated that during the next interim the committee will be getting more into the investigations side of things and that he looks forward to digging into certain issues as a result of changes made to the committee's authority. He also asked that everybody keep those who are in need in Kentucky in their prayers.

Prior to adjourning the meeting, Senator Carroll requested that CHFS provide a list of owners and investors in Wild Health, Inc.

PUBLIC PENSION OVERSIGHT BOARD

Minutes of the 1st Meeting of the 2022 Interim February 23, 2022

Call to Order and Roll Call

The 1st meeting of the Public Pension Oversight Board was held on Wednesday, February 23, 2022, at 11:00 AM, in Room 131 of the Capitol Annex. Representative Jim DuPlessis, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Jim DuPlessis, Co-Chair; Senators Christian McDaniel, Robby Mills, Dennis Parrett, and Mike Wilson; Representatives Derrick Graham, Jerry T. Miller, James Tipton, Russell Webber, and Buddy Wheatley; Joseph Fawns, Mike Harmon, John Hicks, and Sharon Mattingly.

Guests: Steve Shannon, Executive Director, Kentucky Association of Regional Programs; Aaron Thompson, President, and Travis Powell, Vice President, Kentucky Council on Post-Secondary Education; Dr. Timothy Caboni, President, Western

Kentucky University; and David Eager, Executive Director, Rebecca Adkins, Deputy Executive Director, Michael Board, Executive Director, Office of Legal Services, and Erin Surratt, Executive Director, Office of Benefits, Kentucky Public Pensions Authority.

LRC Staff: Brad Gross, Jennifer Black Hans, and Angela Rhodes.

Representative DuPlessis commented that the reason for meeting was to discuss issues from House Bill 8 enacted during the 2021 Regular Session (HB 8). Last year, the General Assembly passed HB 8 to help put the Kentucky Public Pensions Authority (KPPA) back on track of being properly funded. Section 7 of the bill was intended to incentivize agencies with contract employees to return those employees back into the retirement system to help system funding. To date, there have been disagreements regarding how Section 7 is to be implemented. The Public Pension Oversight Board was meeting to hear from some of the affected parties and KPPA on the issues they are having.

Approval of Minutes

Representative Tipton moved that the minutes of the December 20, 2021, meeting be approved. Representative Webber seconded the motion, and the minutes were approved without objection.

HB 8 Reporting Requirements

Steve Shannon, Executive Director, Kentucky Association of Regional Programs (KARP), described KARP as an association of 11 out of the 14 regional community health centers. Out of the 11 centers, 9 participate in the Kentucky Employees Retirement System (KERS) nonhazardous plan. The 14 community mental health centers serve about 175,000 people a year, employ about 7,500, and are led by over 300 dedicated volunteer community leaders on their board of directors. Mr. Shannon stated that KARP has 7 categories of concerns relating to Section 7 of HB 8.

The most pressing concern is how the 60/80 percent employee to contractor threshold is determined, how does their business model impact the calculation, does it allow KPPA to impact private corporations, 501(c)3 nonprofit corporations, and staffing patterns.

Mr. Shannon discussed employees who have never participated in KPPA and asked if the impact of HB 8 will result in those employees enrolling for the first time even though some do not wish to participate. He discussed the traditional contract positions, such as psychiatrist positions. He stated that any agreement a psychiatrist wants, KARP will agree to because psychiatrists are hard to find. He added that KARP is also expanding to primary care and could possibly see the same issues for those medical professions.

Mr. Shannon discussed grant-funded new hires. There are four centers with two of them modeled as a certified community behavioral health center, which

employs many new employees and is a two-year demonstration grant.

In response to a question from Representative DuPlessis, Mr. Shannon stated that it is part of the hiring patterns, but there are a lot of grant-funded spots.

Mr. Shannon discussed the supports for community living (SCL) and Michelle P. waiver programs, in which an individual can opt to have a participant-directed service and hire their own service provider as an independent contractor. There are thousands of individuals hired under this format. KARP is the fiscal intermediary, but these individuals are not employees and should not be included in the ratio.

Mr. Shannon discussed the family home provider/adult foster care waiver program. He stated that the contracted person lives in someone's home and receives a per diem or monthly rate to provide support. These workers are not hourly employees.

Mr. Shannon discussed concerns that there is no appeal process for KPPA's determination regarding whether individuals are employees or contractors.

Aaron Thompson, President, Kentucky Council on Post-Secondary Education (CPE) offered a presentation on behalf of colleges and universities. Mr. Thompson stated that HB 8 was needed for the regional institutions who are within the KERS and KCTCS, and level dollar amortization is truly the right approach. However, over the last many years, the CPE has had to come up with a business model that gave sufficiency and effectiveness to outsourcing.

Dr. Timothy Caboni, President, Western Kentucky University (WKU), started by saying that there is need for a stable pension system, and universities are willing and expect to pay their share of the unfunded liability. As a challenge from CPE, universities have made the best use of taxpayer dollars through external partnerships for services that are nonessential to the core business, such as, dining services, bookstores, maintenance, ground services, and health services. Legislation encouraging them to bring those nonessential services back in house with the threat of losing the KERS subsidy would not be in the best interest of these institutions and would create a significant financial burden. He stated that universities have employees in KERS, Kentucky Teachers' Retirement System (TRS), and optional retirement plans. He stated that their KERS populations are smaller because most employees providing core business services (e.g. professors, instructors) are enrolled in TRS or in the optional retirement plan. WKU has 1,710 employees that participate in various retirement programs and of those, 339 are in KERS nonhazardous, 619 in TRS, and 729 are in optional retirement plans. He stated that requiring universities to grow a KERS employee base within two years will be a difficult task. Mr. Caboni stated that universities feel that it is inappropriate for KPPA to have full authority over who they deem to

be an employee for purposes of the calculation. Mr. Caboni requests that third party oversight be provided over the implementation of HB 8 and interactions between KPPA and participating employers.

Mr. Thompson added that he is concerned that creating this situation with HB 8 will detract from the universities focus on student success, making sure the necessary work force is provided for, and that campuses are able to continue putting money towards scholarships.

Travis Powell, Vice President, Kentucky Council on Post-Secondary Education, added, when looking at the percentages, it is important that only those employees that could be in KERS are considered. Essentially, the distinction on campuses is if the position requires a bachelor's degree, then it is a TRS position that would have the option to join TRS or the optional retirement plan.

In response to a question from Representative DuPlessis, Dr. Caboni discussed that WKU made decisions for cost saving purposes and stated it was not the most efficient use of taxpayer dollars and student tuition dollars to reverse these contracts. He continued that the contract employees do wear WKU branded uniforms because WKU wants every student to know that no matter the employment relationship with the university, the service is designed to support the student in their experience, whether it is core or tangential to WKU's core mission. He added that if WKU has to bring these positions back into the system, it will cost millions of dollars that will be borne by families and students.

Mr. Powell stated that he agrees with Mr. Caboni that there is no reason, at this point with the level dollar approach that is in place, to avoid the retirement system for any reason.

David Eager, Executive Director, KPPA, began his presentation stating that there are 100 agencies affected by the 60/80 percent subsidy requirement of HB 8. He discussed the reporting methods of KERS nonhazardous employers, exceptions to reporting methods, and also, the KRS 61.510(21) definition of regular full-time employee.

Rebecca Adkins, Deputy Executive Director, KPPA, discussed the HB 8 contract employee reporting timeline. She stated that on February 21, 2022, an email notification was sent to affected employers outlining the process; April 15, 2022, is the deadline for submission of Form 6756; June 30, 2022, is the deadline for Form 6756 reporting any employees hired after the form deadline of April 16-June 30; and on August 29, 2022, KPPA will send a list of non-contributing employees, which meet the criteria of the common law factors applied by the IRS to LRC and the Office of the State Budget Director.

Ms. Adkins discussed the four page Annual Employer Certification of Non-Contributing Service Providers (Form 6756). She provided an overview of the information needed from the employers, which includes employer information, non-contributing

service providers, independent contractors, third parties, independent contractors and leased employees, and employer certification.

Michael Board, Executive Director, KPPA, discussed Section 7 of HB 8, and what is an employee versus an independent contractor.

In response to a question from Representative DuPlessis, Mr. Board stated the current interpretation of the "historically been provided by an employee" section of the law is determined by whether the professional services have ever been provided by a direct employee of the employer since the employer's participation date in KERS.

Mr. Board continued discussing the 20 common law factors applied by the IRS independent contractor or employee evaluation. KPPA is currently drafting a regulation to implement this portion of HB 8.

In response to a question asked by Mr. Shannon during his presentation regarding how the percentage is calculated, Ms. Adkins quoted from subsection (3)(c) of Section 7, which states: "A percentage computed by dividing the number of employees reported in paragraph (a) of this subsection (*or the number reported during the prior fiscal year*) by the combined sum of the number of employees and persons reported in paragraphs (a) and (b) of this subsection."

In response to a question from Representative DuPlessis, Ms. Adkins stated that the historical aspect is related to job classification.

In response to a question asked earlier in the meeting regarding how to calculate the employees of universities specifically because they report to KERS, TRS, or the optional retirement plan and whether all of those employees in all three plans would be considered, Erin Surratt, Executive Director, Office of Benefits, KPPA, stated that KPPA is only considering those employees that would be reported to KERS, not the total of KERS, TRS, or the optional retirement plan.

Senator McDaniel commented that if KPPA and the quasi-governmental agencies want a legislative fix, they need to come together with an easy solution for this committee or Senator McDaniel will push for elimination of all subsidies that are going to these organizations. He added he will not support changes that reduce accountability or increase burden on the general fund.

Representative DuPlessis commented that while he was in much agreement with Senator McDaniel, a distinction has to be made for those contracts where entire core services are being replaced by contract employees and contracts for services the university or CMCH cannot provide or cannot provide to the same level of expertise or quality.

Dr. Caboni commented that he believes this is public policy that is causing tension between him and the job he has been charged with at WKU, which is taking care of students versus trying to get additional people into the pension system to shore it up.

Representative DuPlessis commented that he encourages KPPA to reach out to quasi-governmental agencies to figure out a plan so the legislators do not have to get involved.

With no further business, the meeting was adjourned.

PUBLIC PENSION OVERSIGHT BOARD

Minutes of the 2nd Meeting of the 2022 Interim

March 7, 2022

Call to Order and Roll Call

The 2nd meeting of the Public Pension Oversight Board was held on Monday, March 7, 2022, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Jim DuPlessis, Co-Chair; Senators Robby Mills, Dennis Parrett, and Mike Wilson; Representatives Derrick Graham, Jerry T. Miller, James Tipton, Russell Webber, and Buddy Wheatley; Joseph Fawns, and Mike Harmon.

Guests: Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System; Alisa Bennett, Cathy Turcot, and Ed Koebel, Cavanaugh Macdonald Consulting, LLC; David Eager, Executive Director, Kentucky Public Pensions Authority; and Brad Gross, Legislative Research Commission.

LRC Staff: Brad Gross, Jennifer Black Hans, and Angela Rhodes.

Approval of Minutes

Representative Wheatley moved that the minutes of the February 23, 2022, meeting be approved. Senator Parrett seconded the motion, and the minutes were approved without objection.

Teachers' Retirement System Sick Leave Update

Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System (TRS) began his presentation by discussing the recent negative social media postings stating that TRS is the second largest shareholder of Sberbank, which is the largest Russian bank, and concerns that TRS is bankrupt. Mr. Barnes stated that the postings are false. TRS is not now, nor has it ever been the number two shareholder in Sberbank. TRS did own some shares in Sberbank through an outside manager from around 2017 until February 23, 2022, when they were sold with a slight investment gain. Mr. Barnes added that with international portfolios, investments will be in a lot of countries across the globe.

Mr. Barnes discussed TRS's funding sources, generally. He gave a brief overview of the funding sources for pension, health, and other benefits that pay

for the normal cost and the unfunded liability. Those sources are the fixed statutory contribution rates, additional or supplemental funding through biennial budget requests, and special funding appropriations for prior benefit enhancements.

Mr. Barnes discussed the benefit enhancements for which the special funding appropriations are made – cost of living adjustments (COLAs) and sick leave funding. First, he discussed that, through a statute governing the Kentucky Department of Education, school districts may pay for unused sick leave at 30 percent of a teacher's daily rate of pay in a lump sum amount, which is distributed in the last year's salary for retirement calculation purposes. Contributions are received on the lump sum amount, but it is not enough to pay the full actuarial cost. The Commonwealth pays the additional actuarial costs. Second, he discussed the supplemental COLA of 1.5 percent that was given to retirees up until 2008.

Mr. Barnes stated that a policy decision was made in the late 1990s that, instead of paying for the full cost of sick leave and COLAs for each budget in a lump sum, those costs were paid on an amortized basis with interest. The Commonwealth is still making payments for these special funding appropriations. The COLAs will be paid in full by June 30, 2027. As for sick leave, legislation capped sick leave that could be used as salary credit at 300 days for individuals who become members on or after July 2008. More significantly, HB 258 passed during the 2021 Regular Session prevents teachers who become members on or after January 1, 2022, from using sick leave for retirement calculation purposes at all. So, eventually there will be a downward trend in sick leave costs. The special sick leave appropriations as calculated in the current version of the biennial budget are \$39 million in fiscal year 2023 and \$39 million in fiscal year 2024.

Mr. Barnes explained the composition of the actuarially determined employer contribution (ADEC), which pays for the normal cost, the unfunded liability, and other costs of benefits. However, these individual benefit costs are not separately line-itemed for the budget; they are just included as part of the ADEC. Part of the ADEC includes prefunding for sick leave for current, active teachers, which is 1.2 percent of payroll or approximately \$47 million annually.

In response to a question from Senator Higdon regarding how long TRS has been paying for prefunded sick leave for active teachers, and why has he never heard of this before, Mr. Barnes stated that TRS's focus has been on the additional budget requests through the special appropriation and the "green box" dollars. Senator Higdon stated that the Public Pension Oversight Board (PPOB) was formed for openness, clarity, and education. With all the questions and actuarial information PPOB has received, Senator Higdon wanted to know why the Board was not made aware of the prefunded sick leave until now. Mr. Barnes stated that TRS wants to provide clear, transparent, and full information

to the PPOB, and that the prefunded sick leave has not been a line item in the budget request like the Green Box dollars, but part of the ADEC. Mr. Barnes stated that he takes full responsibility, and that TRS strives to provide accurate information. Senator Higdon emphasized that the Board had advocated to legislative leadership to include in the budget funding to pay off the \$479 million "green box" dollars for past sick leave. Had the Board been made aware of the approximately \$538 million necessary to prefund sick leave for active teachers, it may very well have sought funding for that in the budget as well.

In response to a question from Representative DuPlessis regarding what the \$39 million represents and how big the other dollar figure is, Mr. Barnes stated that the \$39 million represents the special appropriation in each fiscal year of the budget for the sick leave in the green box dollars with no more borrowing over 20 years. The \$479 million is the total cost of paying off the green box dollars as of June 30, 2022. In addition, built within the ADEC, there is prefunding for the liability of sick leave for active teachers, which is \$47 million annually. In response to a follow-up question, Mr. Barnes stated that under statute, compensation for sick leave upon retirement is 30 percent of the current daily rate.

In response to a question from Representative DuPlessis regarding the Russian investments, Mr. Barnes stated that all investment decisions are made by the TRS Board of Trustees, and no decisions are made by PPOB, legislators, the Governor, and/or elected officials on behalf of TRS. Mr. Barnes addressed other international investments made by TRS, and other than Sberbank, they also have some indirect investments in Russian-based companies and other countries as well.

In response to questions from Representative Tipton, Mr. Barnes agreed that the Commonwealth was paying 7.5 percent interest on the \$479 million amortized payment of the total unfunded portion of sick leave for retirees and the unfunded COLAs. Representative Tipton noted that HB 1 took a one-time general fund appropriation with the purpose of paying that total portion down to zero, so that in the future the only payment would be the annual cost. In response to a follow-up question, Ed Koebel stated that part of the normal cost for current active members is embedded into the normal cost portion of the contribution that makes up the ADEC, which is prefunding the whole lifetime of an active member by putting aside money to pay for those benefits for when the current active teachers retire. The portion that is in the green box dollars is being amortized over 20 years and is included into ADEC figures, but is separate from required increase requested each year. Cathy Turcot added that overall the money received is enough to fund the current benefits and past unfunded liabilities. In response to a follow-up question, Mr. Barnes stated that \$534 million is the cost of prefunding sick leave with no more appropriations from the state budget.

The ADEC is a little over \$600 million, and the total appropriation is a little over \$1.2 billion each fiscal year.

In response to questions from Representative Miller, Mr. Koebel stated that Cavanaugh Macdonald Consulting, LLC, is aware of all the numbers TRS has been quoting and that the 1.2 percent of payroll was developed by Cavanaugh Macdonald Consulting, LLC, based on the current active members and their portion of the sick leave prefunded every year in the normal cost. The \$534 million is the present value of all the anticipated sick leave accruals for all current active members.

In response to questions from Senator Higdon, Mr. Barnes agreed that requested ADEC payment in 2016 was \$500 million and the 2024 ADEC requested payment will be \$756 million, adding that increases with the ADEC are due to experience studies and payroll growth. The prefunded active teacher sick leave does not have an interest payment included. In response to a follow-up question, Mr. Barnes stated that, even though it is not allowed, he would have to follow-up on whether or not vacation days are rolled over into sick leave in some districts.

Representative DuPlessis commented that he has been told that vacation days are rolled over into sick leave. In response to a question, Mr. Barnes stated that he would make sure and report back that year round employees are the only ones receiving annual leave.

In response to a question from Senator Higdon, Mr. Barnes stated that in August 2010, the Commonwealth repaid in full monies that were temporarily funded to the retiree's health insurance plan instead of the pension plan through amortized payments with interest and a bond of \$479 million.

In response to a question from Representative DuPlessis, Mr. Barnes agreed that the Commonwealth is paying 30 percent of pay where teachers are paying 12.85 percent. Mr. Barnes also agreed that the Commonwealth has paid the required 13.1 percent every year for at least the last 30 to 40 years.

David Eager, Kentucky Public Pensions Authority (KPPA), discussed the Russian investments and stated that KPPA has about \$32 million invested in two emerging market funds.

Auditor Harmon requested additional information from all the systems to the Board regarding any investment managers that are using an environmental, social, and governance approach to investing as opposed to adopting a strict fiduciary-duty approach for their members and the taxpayers. In response to a question from Auditor Harmon, Mr. Eager stated that when it comes to pension funds being shareholder proxies, the systems use a proxy voting service. Auditor Harmon also expressed his concern regarding how proxies are voted and, perhaps, the need to consider remaining neutral.

Annual Investment Review – Legislative Research Commission Staff

Brad Gross, Legislative Research Commission, discussed the annual investment review for the period ending fiscal year 2021. Mr. Gross began with the assets under management stating it was a good year with assets being up across all of the funds with pension funds up \$8.4 billion collectively across the state-administered funds and \$2.2 billion for the retiree health funds.

Mr. Gross discussed performance showing a comparison chart of the FY 2020 returns compared to FY 2021 returns, where nearly all asset classes in FY 2021 exceeded their assumed rate of return with a record setting year in regards to public pension. Mr. Gross reviewed a slide that provided trailing 1-, 3-, 5-, 10-, 20-year, and 30-year performances for each plan relative to its assumed rate of return and policy benchmark, as well as two peer groups. He referenced that the funds did provide some excess returns above the benchmarks. Mr. Gross then provided a chart that showed 25 years of fiscal year returns for each of the systems with FY 2021 being the highest year.

Mr. Gross began a discussion on asset allocation by noting that, historically, a plan's asset allocation decisions will drive 90 percent of its returns.

In response to a question from Representative Miller, Mr. Gross stated that the chart of the Kentucky system's asset allocations is in actual percentages and not targets.

Mr. Gross continued his discussion on asset allocation with peer comparisons on categories of equity, fixed income, alternatives, and cash. He noted that Kentucky Employees Retirement System (KERS) nonhazardous is below average allocation to equities and alternatives and above average allocation to fixed income and cash; County Employees Retirement System (CERS) nonhazardous more closely resembles average public pension plans; TRS is above average allocation to equities and below average allocation to alternatives; and Judicial Retirement Plan (JRP) is above average allocation to equities and no alternatives.

Mr. Gross provided a review of investment fees for the three retirement systems as of June 30, 2021. He discussed the total, management, and incentive fees and added that the fees are up. He noted that TRS has reported the incentive fees and/or carried interest in their 2020 and 2021 reports and that the Judicial Form Retirement System (JFRS) has the lowest fee structure.

Mr. Gross discussed the cash flow summary. There is a mix of negative/positive cash flow where KERS' continued higher contributions have led to positive cash flow in recent years having exceeded the 3-5 percent threshold for several years prior to 2019. CERS' negative cash flow has fallen within range of negative 3-5 percent since 2009. TRS' additional contributions have helped reduce negative cash flow back within range. JFRS is near or above the 5 percent threshold with both JRP and the Legislative

Retirement Plan (LRP) near or above 100 percent funded.

In response to a question from Representative DuPlessis, Mr. Gross stated that with 4 percent negative cash flow and 54 percent funding, TRS' actuaries felt comfortable within that range. While a lower number would be better, particularly when funding is down, it is important to consider whether and how much more can raise the employer rate.

Mr. Gross continued with an update on pension performance as of December 31, 2021, with returns ranging from 3.41 to 9 percent on fiscal-year-to-date.

Mr. Gross discussed assumed rates of return and investment return assumption. The National Association of State Retirement Administrators (NASRA) collects data on public pension plans, including investment return assumptions. Since 2000, the median assumed rate of return among pension plans has dropped from 8 percent to 7 percent with a continuing downward trend. Within the investment return assumption comparison table provided by NASRA as of January 2022, KERS/State Police Retirement System were the lowest at 5.25 percent, CERS was below average at 6.25 percent, TRS close to the average at 7.10 percent, and JRP/LRP recently declined to 6.5 percent.

Mr. Gross provided an additional review data to meet statutory requirements. Staff has reviewed the following: total fund objectives, policies and oversight, and securities litigation and annual recoveries. He also discussed investment reviews that included asset class and total fund benchmarks as of June 30, 2021. Lastly, he discussed a review on allocation and targets, which included current asset allocation, targets, and allowable ranges as of June 30, 2021, for all systems. Of note, KPPA is out of range in liquidity and diversifying assets and, for the KERS nonhazardous fund, the cash allocation is growing.

Representative Miller commented that plans should be made to discuss whether the systems are struggling to maintain investments equal to their investment targets.

With no further business, the meeting was adjourned.

PUBLIC PENSION OVERSIGHT BOARD

Minutes of the 3rd Meeting of the 2022 Interim April 25, 2022

Call to Order and Roll Call

The 3rd meeting of the Public Pension Oversight Board was held on Monday, April 25, 2022, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Jim DuPlessis, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Jim DuPlessis, Co-Chair; Senators

Robby Mills, Gerald A. Neal, Dennis Parrett, and Mike Wilson; Representatives Derrick Graham, Jerry T. Miller, James Tipton, Russell Webber, and Buddy Wheatley; and Mike Harmon.

Guests: David Eager, Executive Director and Steven Herbert, Executive Director, Office of Investments, Kentucky Public Pensions Authority; John Chilton, Chief Executive Officer, Kentucky Retirement Systems; Ed Owens III, Chief Executive Officer, County Employees Retirement System; Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System; and Bo Cracraft, Executive Director, Judicial Form Retirement System.

LRC Staff: Brad Gross, Jennifer Black Hans, and Angela Rhodes.

Approval of Minutes

Representative Tipton moved that the minutes of the March 7, 2022, meeting be approved. Senator Higdon seconded the motion, and the minutes were approved without objection.

KPPA Investment Update, ESG Investing/Proxy Voting Update, Response to Prior Meeting Data Requests

Steven Herbert, Kentucky Public Pensions Authority (KPPA), made opening remarks regarding the investment performance and asset allocation for the Kentucky Employees Retirement System (KERS), State Police Retirement System (SPRS), and County Employees Retirement System (CERS). For the returns, both the equities and bond portfolios are experiencing negative returns calendar year-to-date. The asset allocation is in a mini-transition period due to deliberate and involuntary change. The deliberate piece involves the CERS, which had a liquidity event upon moving away from an investment manager with a 60 percent equity and 40 percent bond style portfolio. Out of caution, investment management is moving slowly toward an allocation for CERS that is a few percentage points higher in the public equity space. The involuntary changes to asset allocations were a couple of agencies opting to cease participation, which increased the cash allocation in the KERS nonhazardous plan, and the COVID-19 pandemic, which has made it very difficult to invest in real assets.

Mr. Herbert continued with slides that showed the preliminary data for all the pension and retiree health plans as of March 31, 2022. He discussed the net of fees' rates of return for the 3-month, fiscal-year-to-date, 1-, 3-, 5-, 10-, and 20-year periods for all plans along with their plan index. Mr. Herbert provided additional slides demonstrating the relative weights for each plan's asset allocation. He explained that heavier allocations to cash and fixed income were temporary with expected investment of those assets

in real return and real estate, which are currently underweight.

In response to a question from Senator Higdon regarding what were the outcomes compared to the goals of the set target allocations, Mr. Herbert stated that the outcome was neutral; year-to-date, the cash did better, but the KERS plan would have done better with more real assets. Mr. Eager added that KERS nonhazardous would have been favorable and CERS nonhazardous would not have been favorable.

In response to a question from Representative Tipton regarding what impact high inflation and rising interest rates would have on asset allocation, Mr. Herbert stated that they are putting the assets to work in real return, real estate, inflation-protection specific portfolios, such as Treasury Inflation-Protected Securities (TIPS), along with the private infrastructure consumer price index (CPI) adjustments that go along with leasing. Mr. Eager added that the duration of the fixed income portfolio tends to be shorter than the market, which means there will be less impact by rising rates.

Mr. Eager announced that KERS nonhazardous received two recent infusions of cash, one totaling about \$230-240 million in payoffs from Northern Kentucky University and the Kentucky Housing Corporation, and a second infusion from the termination of a manager with about \$800 and \$900 million in assets.

In response to a question from Representative DuPlessis, Mr. Herbert confirmed that this resulted in a 14.5 percent allocation to cash for KERS nonhazardous, exceeding the upper maximum of 10 percent set by the investment policy statement. In response to follow up questions, Mr. Herbert stated that the KPPA plans to invest the cash in real estate and real return, including ongoing searches for commodities and infrastructure for inflation protection and investments being made in real estate, which were slow to occur in 2021 due to COVID. KPPA is currently investing assets as quickly as possible to bring the allocation within the ranges.

Mr. Herbert continued with slides showing the asset allocations before and after the systems' recent allocation study. In response to a question from Representative Miller, he explained that the decision was made to combine U.S. Equity and Non U.S. Equity into a Public Global Equity asset class, which is how it will be managed going forward.

In response to a question from Representative Tipton, Mr. Herbert stated that the systems renamed the "high yield/specialty credit" asset class to "specialty credit," which still includes publicly- and privately-traded high yield portfolios, but now includes private credit and loan portfolios. An example of a private loan would be a private asset-backed loan where the asset could be anything from airplanes to cargo. High yield would be on a company that had a debt rating publicly traded bond below triple B. In response to a follow-up, Mr. Herbert stated the growth assets (equity) are

higher risk and liquidity investments (fixed income, cash) are lower risk with the diversifying or inflation-protected assets (real estate, real return) having some risk, particularly when there is no inflation.

In response to a question from Representative DuPlessis, Mr. Eager stated that in the short term, as interest rates rise, it will hurt the pension funds due to the assumptions not being adjusted that quickly. In the long run, the assumptions will most likely go up to match inflation along with the liability and benefits also being more costly.

John Chilton, Chief Executive Officer, Kentucky Retirement Systems (KRS), discussed the environmental, social, and governance reporting (ESG). He stated there is a worldwide trend toward significantly increasing disclosures of ESG-related information to investors. The initial focus is on environmental issues, with social and governance issues coming later. Publicly-traded companies, including businesses doing business with those companies, and investment advisors/managers will be rated on metrics associated with ESG rules. Mr. Chilton gave examples of what might be included in ESG reporting.

Mr. Chilton stated that on March 21, 2022, the Security and Exchange Commission (SEC) proposed rules to enhance and standardize climate-related disclosures for investors, which do not include social or governance issues. The initial reporting is expected to begin in 2023. He concluded with the KRS perspective on ESG issues, such as, how it can affect businesses, the profitability, and the sustainability in those businesses.

Ed Owens, Chief Executive Officer, CERS, discussed ESG reporting. He began by stating that within the time the CERS board has been governing, great strides have been made under the leadership of its chair and vice chair. He discussed the standards the trustees abide by, which include the board's duty of loyalty to act in the interest of the trust, Kentucky's statutes, and federal court opinions on fiduciary duty.

On November 10, 2021, the CERS board adopted an ESG policy under which the overriding consideration for the trustees will continue to be investing to maximize the long-term returns for plan beneficiaries.

Representative Miller commented that ESG reporting is an evolving issue, and the focus needs to remain that it is the beneficiaries and the state that are due the obligation of prudent investing.

In response to questions from Auditor Harmon, Mr. Owens stated, on behalf of the group, that they are aware of the legal challenge to the proposed SEC ESG rule and the attempt to change the duty of loyalty on the federal level but, due to the pending nature of those matters in the courts or otherwise at the political level, they would not wish to comment. The boards will watch those pending matters and see how they unfold.

In response to a question from Senator Mills

asking for the KPPA's perspective on Senate Bill 205 from the 2022 Regular Session regarding state divestiture from companies that engage in fossil-fuel boycotts, Mr. Eager stated this is not the first bill that has addressed divestiture of investments based on a company's position on an issue, such as companies doing business in the Sudan. However, the trend toward responding to investments based on ESG issues is now experiencing organized push back.

Representative DuPlessis commented that people need to be concerned that forces that are not elected are making policy decisions that affect how a company does business.

Mr. Herbert discussed proxy voting. In general, proxy voting is a form of voting whereby a member of a decision-making body, such as an institutional shareholder of a publicly-traded company, may delegate their voting power to a representative to enable a vote in the absence of the member. Each retirement system board recognizes that voting its shares of public companies by proxies is an important responsibility in assuring the overall performance goals of each plan. KPPA currently uses Institutional Shareholder Services (ISS) as its proxy to cast votes. ISS is guided by the respective proxy voting policies of each board.

In response to questions from Auditor Harmon, Mr. Herbert stated that the votes are monitored on a periodic basis to assure that votes are in compliance with the boards' proxy statements. He also explained that the only ESG matter addressed by proxy policy would be its social and policies issue statement regarding the conduct of the company and whether such conduct could damage profitability, directly or indirectly, and any vote of that nature would need the board of directors' approval, and KPPA would take the position of management on such a vote. In response to a follow-up, Mr. Herbert stated if ISS were to breach its contract or not live up to expectations, KPPA would bid for a new vendor.

In response to a question from Representative DuPlessis, Mr. Herbert stated that ISS reports their votes to KPPA and that is monitored under KPPA's investment compliance process. Mr. Herbert will provide additional details to the Board on how the process works to verify the recorded votes.

Mr. Eager discussed the impact of the 8 percent salary increase for state employees in the recently adopted budget for FY 2023 on the retirement system. He stated that there is not an immediate impact on the 0 percent payroll growth assumption. GRS' opinion is the current 0 percent assumptions are appropriate until the systems experience several years where active membership has at least ceased declining. Upward assumption changes will be more likely if pay raises help employers hire more people so both the number of members and the average compensation are rising. Mr. Eager reported the dollar amounts for the additional pension cost attributable to the 8 percent raise to each of the systems.

In response to a question from Senator Higdon regarding the Governor's veto of House Bill 297 and the concern expressed about KPPA being able to hire non-residents, Mr. Eager stated that he is not aware of any statute that requires employees to live within the state boundaries. KPPA is worried that staffing the investment area is faced with limited qualified candidates and may have to look outside the state and consider remote working options.

Senator Higdon discussed the expansion of the PPOB under House Bill 297. He commented that pension issues should be well vetted before statutory changes are made. He advised committee members and interest groups wanting bills passed next year to bring their bill proposals forward for discussion before the PPOB prior to the legislative session or the bill's consideration in other committees.

Representative DuPlessis, Senator Mills, and Representative Graham seconded Senator Higdon's recommendation that bills should be discussed before the PPOB before session.

In response to a question from Representative Wheatley, Mr. Eager stated that for the additional four exempt investment positions permitted under House Bill 297, the KPPA board will have to authorize the positions, not the director, and will set salary ranges/limits for the positions.

TRS Investment Update, ESG Investing/Proxy Voting Update, Response to Prior Meeting Data Requests

Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System (TRS), began his presentation with investment performance for the pension fund for the quarter as of March 31, 2022, which was -4.9 percent net, and discussed the gross and net performance for the fiscal-year-to-date, 1-, 3-, 5-, 10, and 20-year trailing time periods, and the 30-year compounded gross return of 8.25 percent. The health insurance trust returns were -3.88 percent net for the quarter as of March 31, 2022, and a 10-year return of 8.17 percent net for the newer fund.

Mr. Barnes discussed proxy voting and ESG reporting. He stated that the primary focus of TRS' policy statement on proxy voting is to protect the system's long term financial interest. Like KPPA, TRS also uses Institutional Shareholder Services (ISS) as proxy. ISS makes recommendations to TRS about proxy votes, which are reviewed by TRS' internal investment management staff before those votes are cast.

Regarding ESG issues, TRS is not an ESG investor, but rather a fiduciary with the fundamental goal of having the highest return with an acceptable risk level that brings value to the portfolio. Responses to social issues, such as prior proposals to divest in companies doing business in the Sudan, are better left to foreign policy via the federal government from TRS' perspective.

In response to questions from Representative DuPlessis, Mr. Barnes stated there are general guidelines within the proxy statement that make sure the proxy votes are aligned with TRS' goals, which do include good corporate governance. Along with ISS, TRS reviews all proxies, and then TRS casts the votes in-house.

In response to a question from Auditor Harmon, Mr. Barnes stated that the total invested amount is probably a little under \$26 billion in the retirement annuity trust and a little under \$2.3 billion in the health insurance trust as of June 30, 2021. In response to a follow-up, Mr. Barnes stated TRS is not receiving any pressure to vote along ESG issues or in disagreement with its fiduciary responsibilities, but they are aware that those issues exist in other places in the country and among a few large institutional investors.

Mr. Barnes concluded with his 2022-2024 biennial budget. He stated that there has been eight straight years of full or nearly full retirement annuity funding. In the current budget, the General Assembly appropriated more than \$1.36 billion to meet actuarially required contribution for annuities with about \$900 million more to TRS in salary contributions from Kentucky Department of Education (KDE) budget; \$149 million for state statutory contribution for under-65 health insurance under shared responsibility; \$479.2 million to pay off liabilities for certain previously awarded benefits that had been amortized over several years; and \$78 million up front for sick leave-related annuity liabilities projected to occur from retirements in the next two years.

In response to a question from Senator Higdon, Mr. Barnes stated that the \$900 million is the state's fixed statutory contribution of 13.105 percent to teachers' salaries that goes through the SEEK formula in the KDE budget request.

In response to questions from Representative Tipton, Mr. Barnes stated that the health insurance fund is close to being 100 percent funded in a few years. In response to a follow-up, Mr. Barnes stated the Commonwealth pays the cost of health insurance for active teachers. Representative Tipton commented on the state's cost of health insurance.

In response to questions from the Board, Mr. Barnes explained the different appropriations to retire liabilities relating to sick leave that are contained in the biennial budget. All "green box dollars" for liabilities resulting from previously awarded benefits, including retired teacher sick leave, that had been amortized over prior years were paid with the appropriation of \$479.2 million to completely retire that debt. For newly retired teachers with accrued sick-leave related liabilities, \$78 million was appropriated to cover these amounts in the current biennium without amortizing the cost. Finally, the ADEC appropriated to TRS includes approximately \$50 million per year for active teacher sick-leave liability, which totals approximately \$534 million.

In a follow-up question from last month's PPOB

meeting regarding annual leave being converted into sick leave, Mr. Barnes reported there are two districts that allow unused annual leave that is in excess of a certain amount to roll over into sick leave. He indicated that he would have to report back to identify the two specific districts. Additionally, governmental agencies within KDE allow annual leave to be converted into sick leave for service credit. However, for individuals who became members on or after July 1, 2008, annual leave may no longer be used for retirement calculation purposes, and sick leave is capped at 300 days and not permitted for defined benefit retirement calculation purposes at all for the new tier members beginning on or after January 1, 2022.

In response to questions from the Board, Mr. Barnes explained that only school districts may apply sick leave to increase the member's final salary, and TRS is restrictive about what is allowed for the multiplier, which must be worked days. The option to convert sick leave into service credit is still available to school districts, provided they pay the full actuarial cost.

JFRS Investment Update, ESG Investing/Proxy Voting Update

Bo Cracraft, Executive Director, Judicial Form Retirement System (JFRS), started his presentation thanking the PPOB members for helping with the passage of the JFRS housekeeping bill. Mr. Cracraft discussed investment performance as of March 31, 2022. He reviewed the trailing performance for the fiscal-year-to-date, 1-, 3-, 5-, 10-, 20-year, and inception-to-date for the defined benefit and cash balance plans for each of the Judicial Retirement and Legislators' Retirement Plans as compared to benchmarks.

Mr. Cracraft discussed ESG investing. He stated that demand for ESG has increased recently. While not perfect, the board of trustees does believe the new emphasis is an overall positive development for both business and society as it has increased accountability and forced companies to think more holistically. A corporate focus on creating value for shareholders has to be balanced with investing in employees, dealing fairly and ethically with suppliers, and supporting the communities in which they operate. JFRS does not currently have an ESG policy, is not an ESG investor, and potential investments are not screened based on criteria with an ESG focus. However, the investment strategy aims to find high-quality companies with competitive advantage and strong management teams that can be held in the portfolio for a very long-term period. The result is a portfolio of companies that are generally good corporate citizens, respect their employees and customers, and take all stakeholders into consideration.

Mr. Cracraft discussed proxy voting. He stated that JFRS does not currently vote any proxies in-house. JFRS has contracted with Baird Trust

Company, who manages all JFRS assets across fixed income and equity assets. Baird Trust does have an approved proxy voting policy and also receives additional proxy research and recommendations from Glass Lewis, who is an industry leader in proxy voting research and execution.

With no further business, the meeting was adjourned.

PUBLIC PENSION OVERSIGHT BOARD

Minutes of the 4th Meeting of the 2022 Interim May 23, 2022

Call to Order and Roll Call

The fourth meeting of the Public Pension Oversight Board (PPOB) was held on Monday, May 23, 2022, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll. The committee welcomed guests in the audience: Vivianne Clark, a student from Mentor, Ohio, and Candy Massaroni, the newly elected representative for Kentucky House District 50.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative James Tipton, Co-Chair; Senators Robby Mills, Gerald A. Neal, and Dennis Parrett; Representatives Derrick Graham, Jerry T. Miller, Jason Petrie, Russell Webber, and Buddy Wheatley; and Mike Harmon, John Hicks, and Victor Maddox.

Guests: Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System.

LRC Staff: Brad Gross, Jennifer Black Hans, and Peggy Sciantarelli.

Approval of Minutes

The minutes of the April 25, 2022, meeting were approved without objection by voice vote (motion by Senator Webber, second by Senator Mills).

Teachers' Retirement System (TRS) Sick Leave Program

Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System, in conjunction with a slide presentation, provided follow-up information regarding previous committee discussion of the TRS sick leave program.

Mr. Barnes said that the 2022-24 biennial budget provided additional funding needed by TRS and marked the eighth consecutive year of near full funding for the TRS pension fund. It provided more than \$1.36 billion to meet the actuarially required

contribution for annuities. Less than 23 years remain in the amortization period to pay off the legacy unfunded liability. The budget also provided \$149 million for the state statutory contribution for under-65 retiree health insurance, based on the "shared responsibility" legislation; an additional \$479.2 million to pay off liabilities for certain previously awarded benefits that had been amortized over a 20-year period; and \$78 million for sick leave-related annuity liabilities projected to occur from retirements in the next two years. The actual cost for sick leave-related annuity liabilities will depend on the number of retirees with sick leave and the amount of sick leave included in the final average salary.

Mr. Barnes explained that the \$479.2 million pays past sick leave amortized payments through FY 2022 and past supplemental cost-of-living adjustments (COLAs). Of that amount, about \$380 million retired the "green box" dollars for past amortized sick leave payments; and about \$100 million of the \$479.2 million retired the other component of the "green box" dollars—old supplemental COLAs. Payoff from the 2022-24 biennial budget lowers the actuarially determined employer contribution (ADEC) by about one percent of pay, or approximately \$39 million annually. In future budgets, sick leave will cost about 1.2 percent of payroll, which is part of the ADEC.

Responding to a question from Senator Higdon, Mr. Barnes explained that 2008 was the last year that the supplemental COLA above 1.5 percent was provided, but payments were required as far back as 2003 and 2004. He added that the \$479.2 million saved the Commonwealth \$230 million in debt service on the amortized payments, which lowers the cost of sick leave going forward by about one percent of payroll, or approximately \$39 million per year. Senator Higdon commended Representative Petrie and Senator McDaniel, the Appropriations and Revenue Committee chairs, and members of the budget conference committee for seeing the importance and value of appropriating the \$479.2 million to eliminate pension liability.

Responding to Representative Tipton, Mr. Barnes confirmed that the \$380 million that retired past amortized sick leave payments was for retirees and does not reflect the value of active teacher sick days.

Mr. Barnes said the two-year budget that TRS submitted last fall included \$78 million for active teacher sick leave liability and did not reflect payoff of the "green box" dollars, which resulted in a savings on the sick leave side of about one percent, or \$39 million annually. For more immediate budgets, the cost of active teacher sick leave used as salary credit is 1.2 percent of payroll, or about \$45 million annually. Without the unfunded liability for active teacher sick leave, the normal cost would be 0.4 percent of payroll. Most of the 1.2 percent is for the unfunded liability.

Pension legislation in 2008 capped sick leave for salary credit purposes at a maximum of 300 days. This would not affect most members of TRS, but some

with long careers have not used much of their sick leave. As a result of HB 258, enacted during the 2021 Regular Session, the teacher accrual of sick leave liability for active teachers ends for those becoming members on or after January 1, 2022. There will be a slow downward trend, with eventually no liability for active teacher sick leave.

Regarding other forms of leave being converted to sick leave, Mr. Barnes provided follow-up information and additional details from questions asked during previous meetings. There are 171 school districts, and most school districts provide 10 days of annual leave for year-round employees—some less, some more. The accrual of annual leave days is based on certain conditions, including years of service. There are limitations and conditions on the use of annual days. Two districts allow the rollover of unused annual days into sick leave on a limited and conditional basis.

School districts comprise approximately 95 percent of TRS members. Only school districts may voluntarily decide to make a lump-sum payment to allow unused sick leave to be used for retirement calculation purposes. The other 5 percent of TRS employers cannot allow sick leave to be used as salary credit, but they may allow their retiring members to use unused sick leave as service credit—not increasing salary but increasing service at the end of their career.

Teachers do not receive annual leave, since they have a summer break, but most districts grant their employees and teachers 1-3 personal days per year. Most districts also allow unused personal days to roll over into sick leave.

Responding to questions from Representative Tipton, Mr. Barnes confirmed that in future budgets, sick leave for current teachers and current retirees will cost about \$45 million, or about 1.2 percent of payroll. The cost will go up slightly in the immediate budget due to payroll growth, which is assumed to be 2.75 percent, but in years forward will start to decrease. Universities comprise the largest group of TRS employers other than school districts. The Kentucky Department of Education is probably the next largest. Some other education-related groups also participate in TRS.

Responding to Senator Mills, Mr. Barnes said that if TRS employers outside the school districts decide to compensate their employees for unused sick leave as service credit, they must pay the full actuarial cost, which is not billed to the state. In the school districts, if personal days are converted to sick leave, they are reported to TRS as sick leave from the district, and the cost would be billed to the state.

When asked by Representative Petrie, Mr. Barnes confirmed that the \$39 million per year savings from payment of the "green box" dollars will go toward funding the pension fund and will not be applied to sick leave. Mr. Hicks added to the discussion and helped explain the effect of the \$39 million savings on the current and future budgets.

When the issue was raised by Senator Higdon, Mr. Barnes spoke generally about the expected normal and actuarial cost and unfunded liability for TRS sick leave. When Senator Higdon asked about the varying use of annual and personal days for sick leave in the school districts, Mr. Barnes explained that sick leave policy is controlled by legislation. TRS has no role or authority in setting sick leave policy in the schools.

Senator Higdon said he will be sending Mr. Barnes a letter to request that the TRS actuary provide in writing the cost and unfunded liability for sick leave going forward, so that the legislature will know how much TRS is expected to request each year. He believes the General Assembly needs to promote understanding of the pension system. One cause of the current unfunded liability is that past actions were sometimes based on a lack of understanding of the unfunded liability and how to properly ensure funding of the pension systems. Senator Higdon said he would appreciate receiving the information from Mr. Barnes at the next meeting of the committee, if possible.

When asked by Senator Mills, Mr. Barnes confirmed that the \$78 million that was budgeted for sick leave-related liabilities will go toward total liabilities of the system, now that the “green box” dollars have been paid off.

There were no further questions, and Senator Higdon thanked Mr. Barnes for his testimony.

Overview of Retiree Health Benefits and Funding

Brad Gross, PPOB committee staff administrator, gave an overview of retiree health benefits and funding for public employees. A slide presentation accompanied his testimony.

Mr. Gross said that retiree health benefits for public employees, often referred to in the broader class of “other post-employment benefits” (OPEB), varies among the states and also in Kentucky. Standards issued in 2004-2006 by the Governmental Accounting Standards Board (GASB) have now been replaced by newer standards. Funding standards previously were the same as GASB standards but are now separate from the new GASB standards.

Most states fund retiree health care on a “pay as you go” basis, which means enough money is set aside in a year to pay for that year’s benefits. Kentucky is now on a true actuarially prefunded status and is viewed as a solid performer for funding retiree health care.

Most states provide retiree health benefits under three common broad plan designs: percent of premium; fixed dollar subsidy; and implied subsidy. Kentucky employs all three designs, but they vary by system and by tier within the systems. The percent-of-premium design is impacted by medical inflation, which is one reason for changes that were made in 2003 and 2004 to the systems administered by the Kentucky Public Pensions Authority (KPPA). In most states, there are few legal protections relating to retiree health care. Kentucky offers varied legal protections, with most of

retiree health care built within a statutory scheme. The administration and funding of retiree health care in most states is separate from their retirement systems; in Kentucky it is included in the retirement systems.

Mr. Gross referred to information contained in the meeting materials. A document from the National Association of State Retirement Administrators (NASRA) gives detailed information on OPEB plan designs for each state. A 2020 NCSL Legisbrief notes that nationwide, only about seven percent of retiree health care obligations were funded with assets, with wide variation among the states. Information from the Center for State & Local Government Excellence provides a 2017 snapshot of OPEB unfunded assets and liabilities, by state. Kentucky, reported as having \$5.9 billion assets in 2017, is listed in the top five states having over \$1 billion in assets. That number is improving for Kentucky; at the end of FY 2021, assets are closer to \$9.5 billion. In 2017, Kentucky’s unfunded liabilities are shown to have been \$1,411 per capita.

In 2021, Kentucky had unfunded liabilities of \$3.2 billion for retiree health. From 2019 to 2020, retiree health unfunded liabilities reduced \$1.3 billion; from 2020 to 2021, they reduced \$0.3 billion. Factors for improvement include reform packages that were put in place in 2003, 2004, and 2008 for the KERS, CERS and SPRS systems. The transition of those systems from percentage-of-premium to fixed-dollar plans has also reduced cost over time. The TRS retiree health fund has rapidly improved over the last couple of years due to the 2010 “shared solution” provisions. The TRS asset fund has improved, with the statutory rate being above the actuarially determined contribution. Kentucky’s health plans have had positive actuarial experience. Medicare-eligible premiums across the plans have remained fairly flat, due in large part to the Medicare Modernization Act, which subsidizes prescription drug coverage for the Medicare-eligible population. The retirement systems have also done a good job finding ways to keep costs down. All Kentucky OPEB plans are now on an actuarially prefunded model.

Mr. Gross provided actuarial data for all of the retiree health plans. The 2021 valuation shows that retiree health for the KERS-hazardous, JRP, and LRP systems is funded above 100 percent—136 percent, 273 percent, and 363 percent, respectively. The 2025 projected valuation shows that funding levels are continuing to improve for all the funds. Full funding is projected in 2049 for KERS-nonhazardous, SPRS, CERS-nonhazardous, and CERS-hazardous. TRS is projected to reach full funding in 2026.

Benefit coverage for non-Medicare eligible retirees, state employees, and school employees is provided by the Kentucky Employees Health Plan (KEHP). Each retirement system has its own Medicare-eligible plan that coordinates with Medicare for the delivery of benefits. Premiums for Medicare-eligible retirees have generally not increased. For

TRS, the 2004 Medicare-eligible premium decreased from \$274 to \$211 in 2022.

Mr. Gross discussed statutory subsidies and premium growth for retiree health coverage under KPPA and TRS. He explained how the changes brought about by HB 290 in 2004, addressed the problem of medical inflation on employer costs. He explained how subsidies are funded for KPPA, JFRS, and TRS. KPPA and JFRS premium subsidies are funded through an actuarially determined contribution based upon the plan’s annual valuation. As far as employee contributions, tier 2 employees in KPPA contribute one percent of pay, and KPPA and JFRS employees in the tier 3 cash balance plan contribute one percent of pay. Employer contributions differ for each system but have come down over time as the unfunded liability for retiree health has decreased. So, now Kentucky has three plans—KERS-hazardous, JRP, and LRP—where there are no employer contributions for retiree health because they have reached a level where there is a surplus of assets. In the short to mid-term, employer costs are projected to go down for KERS-nonhazardous, CERS, and SPRS.

For TRS, however, there is an actuarially determined contribution, but funding is based upon a fixed statutory contribution. (See pages 8 -10 of the presentation.) Historically, retiree health was funded with a 0.75 percent of pay contribution from the employee and a 0.75 percent of pay contribution from the employer, which provided sufficient funding until around 1998. After several years of redistribution of funding by board action and borrowing by the legislature, the 2010 “shared solution” was negotiated and passed. The statutory rates to fund TRS retiree health were phased in, and today teachers contribute 3.75 percent of pay; local school districts contribute 3 percent of pay; pre-Medicare retirees contribute the equivalent of the Medicare Part B premium; and the state continues to contribute 0.75 percent of pay and also non-Medicare-eligible premium subsidies.

Responding to a question from Representative Tipton, Mr. Gross confirmed that school districts pay their statutory rate of 3 percent toward retiree health insurance from their own budgets and not from any additional budget line item appropriated by the state.

Mr. Gross discussed key actuarial assumptions for the systems. The investment return assumption is 5.25 percent for KERS pension, 6.25 percent for CERS pension, and 6.25 percent for all KPPA health insurance funds. The health insurance investment return assumption for TRS was recently reduced from 8 percent to 7.1 percent. The assumption for JFRS is 6.5 percent for both the pension and health insurance funds. The payroll growth assumption is zero percent for KERS/SPRS, 2 percent for CERS, and 2.75 percent for TRS. JFRS did not have payroll growth built into their dynamic, but via SB 32 (Senator Higdon, 2022 RS), the system transitioned to a more typical funding model, which is more consistent with the other systems and moves to the level-dollar amortization,

which has payroll growth of zero percent. KPPA and JFRS have one set of medical inflation assumptions for both non-Medicare and Medicare plans—6.30 percent for KPPA and 6.25 percent for JFRS. The medical inflation assumption for TRS is 7 percent for non-Medicare and 5.125 percent for Medicare. All trend down over time.

Concluding his presentation, Mr. Gross posed key questions that may need to be addressed in the future. What happens when and if additional retiree health funds reach 100+ percent funding? Will there be an increase in assumption volatility in the near future? How do the Medicare eligible plans differ among the systems, and what can they learn from each other?

Representative Wheatley said he would be interested in meeting with persons involved in the handling of retiree health for individuals eligible for Medicare. He questioned whether something perhaps could be done on a policy level to capitalize on the positive aspects of the different plans. Mr. Gross suggested that those persons might be invited to speak at a PPOB meeting about what has been done successfully and how it was accomplished.

Responding to Senator Higdon, Mr. Gross explained how SB 209 affects the premiums of employees who work additional years in the hazardous systems. Representative Miller commented on the financial impact of SB 209.

There were no additional questions, and the meeting was adjourned at 2:20 p.m.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

**Minutes of the 1st Meeting
of the 2022 Interim
May 26, 2022**

Call to Order and Roll Call

The 1st meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, May 26, 2022, at 10:30 AM, in Room 129 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator C.B. Embry Jr., Co-Chair; Representative Myron Dossett, Co-Chair; Senators Dennis Parrett, Robin L. Webb, and Whitney Westfield; Representatives Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Brian Lacefield, Executive Director and Bill McCloskey, Deputy Executive Director, Kentucky Office of Agricultural Policy (KOAP).

LRC Staff: Stefan Kasacavage, Kelly Ludwig, and Rachel Hartley.

The minutes from the meeting of December 9, 2021, were approved by voice vote.

Kentucky Office of Agricultural Policy Report

Brian Lacefield provided a brief overview of various events and stated KOAP is now fully staffed. There are two new meat processing facilities, one in Greenup County and one in Muhlenberg County. The Master Settlement dollars have been allocated to all 120 counties within the Commonwealth, and the amount has increased to \$129 million from \$126 million.

Bill McCloskey described the Agricultural Development Board's (ADB) projects. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Next Generation Farmer, Shared-Use Equipment Program, Deceased Farm Animal Removal, and Youth Agriculture Incentives Program.

The requested program amendments discussed included:

Franklin County Cattlemen's Association, Inc. requested an additional \$4,381 in Franklin County funds for CAIP. The board recommended approval, which would bring the program total to \$165,606.

Buffalo Trace Area Development District requested an additional \$9,158 in Mason County funds for CAIP. The board recommended approval, which would bring the program total to \$243,158.

Green River Area Beef Improvement Group, Inc. requested an additional \$128,058 in Daviess County funds for CAIP. The board recommended approval, which would bring the program total to \$178,058.

Green River Area Beef Improvement Group, Inc. requested an additional \$45,253 in McLean County funds for CAIP. The board recommended approval, which would bring the program total to \$85,253.

Jessamine County Future Farmers of American Alumni Association, Inc. requested an additional \$80,000 in Jessamine County funds for CAIP. The board recommended approval, which would bring the program total to \$180,000.

Marion County Conservation District requested an additional \$30,000 in Marion County funds for CAIP. The board recommended approval, which would bring the program total to \$210,000.

Barren County Conservation District requested an additional \$46,000 in Barren County funds for CAIP. The board recommended approval, which would bring the program total to \$396,000.

Jessamine County Future Farmers of American Alumni Association, Inc. requested an additional \$24,500 in Jessamine County funds for CAIP. The board recommended approval, which would bring the program total to \$204,500.

Carter County Conservation District requested an additional \$33,756 in Carter County funds for CAIP. The board recommended approval, which would bring the program total to \$164,048.

Northern Kentucky Cattle Association, Inc. requested an additional \$25,035 in Boone County funds for CAIP. The board recommended approval, which would bring the program total to \$130,480.

Spencer County Conservation District requested to increase the producer maximum to \$3,500 for CAIP. The board recommended approval, which would bring the program total to \$135,500.

The projects discussed included:

Alvio's Cuban Meats, LLP was approved for \$100,000 in state funds to purchase equipment and a wholesale meat processing facility.

Caldwell County Board of Education was approved for \$22,000 in Caldwell County funds for greenhouse materials to expand, update, and replace parts of the Caldwell County High School greenhouse.

Yew Dell, Inc. was approved for \$90,950 in state funds as a research, development, and demonstration project for a water capture and reuse system for their nursery operation.

REDS was denied \$240,000 in state funds and \$10,000 in county funds to aid in building a farmer's market pavilion structure, due to the application falling outside of current farmer's market guidelines.

The University of Kentucky Research Foundation was approved for \$250,000 in state funds to conduct a panel and economic analysis on a market for underutilized wood products.

Grain Day, Inc. was approved for \$5,000 in Daviess County funds to host a program at Grain Day for producers to learn the latest on production practices, agricultural policy, and marketing information.

Logan Premium Meats was approved for up to \$250,000 in state funds to purchase processing equipment and renovate the Hampton Meats processing facility.

Kevin Clark was approved for \$35,616 in state funds to purchase processing equipment for Clark Deer Processing in Shelby County.

T&L Land Holding, LLC was approved for \$17,817 in state funds and up to \$45,000 in multiple county funds to rebuild a cattle handling facility for veterinary use.

The Kentucky Exposition Foundation was approved for \$1,000,000 in state funds to support Kentucky youth agricultural activities, events, and competitions at the Kentucky State Fair.

The McLean County Extension District Board was approved for \$2,000 in McLean County funds for contracting a specialist to provide educational sessions at the McLean County Poultry Exposition.

Palmer Farms Meats was approved for \$250,000 in state funds to purchase and update Laird's Meat Company.

Daviess County Lions Club Fair was approved for \$5,000 in Daviess County funds to offset the cost of premiums for agriculture exhibits at the 2022 Daviess County Fair.

The Metcalfe County 4-H Council, Inc. was approved for \$1,709 in Metcalfe County funds to purchase 18 hams for Metcalfe County 4-H members.

Alliance Packing KY, LLC was approved for \$400,000 in state funds to purchase and renovate a

packaging and marketing facility.

The following were approved for funds through the On-Farm Energy Program:

Creekland Farms, Inc. in Christian County was approved for \$10,150.

Conboy Enterprises, LLC in Fayette County was approved for \$10,150.

Matheny Poultry, Inc. in Graves County was approved for \$10,150.

Mark Tanaka in Jessamine County was approved for \$10,150.

Joe Paul Mattingly in Marion County was approved for \$3,175.

In response to Representative King, Mr. McCloskey stated in 2019 the ADB allocated state funds to counties that had not been previously awarded at least \$30,000 in county funds. Knott County and Pike County were able to administer CAIP for the first time.

In response to Representative Dossett, Mr. Lacefield stated there is no specific application for ADB funding to assist with the aftermath of the tornadoes that struck western Kentucky in December 2021. The funds were not intended for disaster relief. Mr. McCloskey stated the Kentucky Agricultural Finance Corporation did receive a request for assistance to refinance the rebuild of a poultry operation that was destroyed by the tornadoes.

There being no further business, the meeting was adjourned.

2022 Interim
**LEGISLATIVE
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