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Kentucky students have option to retake a year of school

by Jordan Hensley

FRANKFORT— A second chance.

That's what lawmakers say is the goal of Senate Bill 128. With this measure, public and nonpublic school students from kindergarten through 12th grade could have the opportunity to re-do the last school year.

Over the last year while talking to his own children and learning about the struggles of other children across the Commonwealth due to the pandemic, Sen. Max Wise R-Campbellsville, thought, "What can I do?"

On the Senate floor on March 2, Wise said SB 128 seeks to give an "enhanced educational opportunity" to students who had their education experience diminished over the past year due to the pandemic.

Wise, who is the primary sponsor of SB 128 and chair of the Senate Standing Committee of Education, said SB 128 is not a mandate for school systems, but an option. However, a school system that chooses to allow students a second chance must allow every student who wants one to participate.

"And does this bill solve all the problems? No, but it gives an option and it gives a choice," Wise added.

On the House floor on March 16, Rep. Steve Riley, R-Glasgow, said the bill would allow students, regardless of academic status, to re-do the school year. The bill would also allow high school students to have a fifth-year of eligibility to play sports as long as they do not turn 19 before Aug. 1 of their senior year.

Lawmakers in both chambers expressed how helpful this will be for Kentucky's youngest students.



Sen. Max Wise, R-Campbellsville, said that Senate Bill 128 would help students whose school year was diminished due to the pandemic.

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Kentucky students,

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“I know of many kindergarteners who did their first year of school in NTI... and don’t even know their letters yet,” Rep. Tina Bojanowski, D-Louisville, said, adding this bill will be extremely helpful for students who have fallen behind and are struggling.

Rep. Cheryl Lynn Stevenson, D-Lexington, also expressed support for the bill, but said she has concerns about what this might do to class size and space.

Riley responded there is some concern about that, but it is estimated that only 3% to 5% of students may take advantage of this opportunity at a cost of \$6 million to \$10 million more for the state.

The bill, which was approved 36-0 by the Senate on March 2, was approved

by the House on a 92-5 vote on March 16.

“This academic year has been hard for so many,” Wise said. “... I appreciate all the work that everyone’s done across the Commonwealth, but once again this bill is an opportunity bill. This bill is an academic bill. Hopefully this bill is an opportunity for students to utilize to remember an opportunity that they’ve lost given this past year.”

Gov. Andy Beshear signed the bill on March 24.

SB 128 includes an emergency clause, meaning it became effective immediately upon the governor’s signature rather than 90 days after adjournment of the legislature.

New law re-establishes state billboard regs

by Jim Hannah

FRANKFORT – Unregulated billboards springing up along Kentucky roadways will no longer be a sign of the times.

Under legislation passed during the 2021 Regular Session, the Kentucky Transportation Cabinet has until Aug. 1 to promulgate regulations concerning roadside billboards. The legislation, known as House Bill 328, re-establishes the state’s regulatory authority for roadside billboards after a federal court ruling called the state’s prior regulations into question.

“Kentucky was the Wild West when it came to billboards,” Senate Transportation Committee Chair Jimmy Higdon, R-Lebanon, said March 16 from the Senate floor. “We had a lot of activity on our interstates. Billboards sprang up in a lot of different places.”

He said HB 328 simply puts Kentucky’s statute back in place, minus the unconstitutional language.

“It draws a line in the sand,” Higdon said. “It says, from this day forward, we are regulated and you can’t come to Kentucky and put up a sign that is not permitted.”

During a March 3 Senate Transportation Committee hearing on HB 328, Rep. D.J. Johnson, R-Owensboro, said Kentucky was at risk of losing as much as \$70 million in federal transportation funding for not meeting a federal requirement



Rep. D.J. Johnson, R-Owensboro, speaks on House Bill 328, legislation he introduced concerning roadside billboard regulations.

concerning roadside billboards.

Johnson, the primary sponsor of HB 328, said out-of-state billboard operators shouldn’t be given a pass for exploiting the vacuum the court ruling created.

“I personally don’t like the idea of giving them a free pass when the businesses in our state have – for years – followed the rules,” Johnson said. He added that the problem was exacerbated because many of the new billboards being erected didn’t even comply with the old regulations.

Leigh Ann Thacker, a lobbyist for the Outdoor Advertising Association of Kentucky, testified at the committee hearing in support of HB 328. One concern had been that the new billboards decreased the value of the older billboards, erected under the original regulations.

Kentucky Resources Council Director Tom Fitzgerald, who also testified in support of HB 328, quipped that it was the rare occasion he agreed with the outdoor advertising association. Fitzgerald explained that Kentucky had regulated outdoor advertising along certain routes, such as the state’s parkways, since the Highway Beautification Act of 1965. That bill was a priority of President Lyndon B. Johnson with his wife, Lady Bird Johnson, as the act’s No. 1 proponent.

Sen. David Yates, D-Louisville, asked at the committee hearing how many billboards had been erected since the court ruling. Thacker estimated that 100 billboards had gone up. She added that when a court ruling also found Tennessee’s billboard regulations unconstitutional, over 250 billboards went up in that state before the regulations could be re-established.

Take-home cocktails to stick around post-pandemic

by Jim Hannah

FRANKFORT – Cocktails to go aren't going away in Kentucky.



Sen. John Schickel, R-Union, introduced Senate Bill 67, an act relating to the sale of alcoholic beverages, during the General Assembly's 2021 session.

The General Assembly made take-home cocktails permanent with the passage of Senate Bill 67 during the 2021 Regular Session. SB 67 contained an emergency clause, meaning it became effective immediately upon approval by the governor on March 15 rather than 90 days after adjournment.

SB 67 codified an executive order issued during the pandemic that allowed restaurants, under certain conditions, to sell cocktails in sealed containers for deliveries and to-go orders as part of a meal purchase.

"Kentucky restaurants have been very heavily damaged during the pandemic," Jay Hibbard of the Distilled Spirits Council of the United States said during a Feb. 9 hearing on SB 67 before the Senate Licensing and Occupations Committee. "There is no predicting when customers will feel comfortable coming back to restaurants so we want to make sure they have every opportunity to take advantage of developing a revenue stream that will help save a job."

At the time of the hearing, Hibbard said 33 states, plus the District of Columbia, were allowing alcohol to go. Ohio and Iowa had both made the option permanent. Michigan had extended it for five years.

Senate Licensing and Occupations Chair Sen. John Schickel, R-Union, said at the hearing that the state retail federation, restaurant association and distillers' association were among the groups that supported SB 67.

Senate Majority Floor Leader Damon Thayer, R-Georgetown, described it as a lifeline for restaurants.

"During these unfortunate and misguided lockdowns of restaurants during the pandemic ... the cocktails to go executive order is the one thing that has helped many of these places stay in business," he said. "If you understand the economics of running a restaurant, you know there is a higher profit margin on drinks, both alcoholic and nonalcoholic, than there is on food."

During the committee hearing, Sen. Paul Hornback, R-Shelbyville, praised language in SB 67 that stated to-go alcohol had to be purchased "in quantities that a reasonable person would purchase with a meal." SB 67 specifically prohibits the selling of alcohol in bulk quantities.

The alcohol has to be transported in a locked glove compartment, the trunk or other places not considered to be in the "passenger area" of a vehicle. And SB 67 prohibits alcohol to-go deliveries to areas of Kentucky where alcohol sales are prohibited.



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limits require agency approval*)

Administrative Regulations

Administrative Register (monthly):
\$120.00

Acts of the General Assembly (2018)

Regular Session: \$80.00 (2 Volumes)

Special Sessions: Priced after printing

Journals

House and Senate Complete Set,
House Set, Senate Set: Priced after
printing

*(All prices subject to 6% Kentucky sales tax
within Kentucky, and subject to change)*



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Committee Meetings

CAPITAL PROJECTS AND BOND OVERSIGHT Committee

April 20, 2021

Call to Order and Roll Call

The Capital Projects and Bond Oversight Committee meeting was held on Tuesday, April 20, 2021, at 1:00 PM, in Room 171 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; Senators Jason Howell, Christian McDaniel, and Robin L. Webb; Representatives Jason Petrie and Walker Thomas.

Guests: Dr. M. Christopher Brown II, President, Kentucky State University; Craig Turner, Founder and Chief Executive Officer, CRM Companies; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Sandy Williams, Deputy Executive Director, Kentucky Infrastructure Authority; Sarah Butler, Division Director, Incentive Assistance, Department for Financial Services, Cabinet for Economic Development; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator and Jenny Wells Lathrem, Committee Assistant.

Election of Co-Chairs

Pursuant to KRS 45.790(1), committee members elected Senate and House committee co-chairs. For Senate co-chair, Senator McDaniel nominated Senator Girdler and Senator Howell seconded the nomination. Senator McDaniel moved to cease nominations and elect Senator Girdler by acclamation. Senator Howell seconded the motion, which the Senate members approved without objection. For House co-chair, Representative Thomas nominated Representative Freeland and Representative Petrie seconded the nomination. Representative Thomas moved to cease nominations and elect Representative Freeland House co-chair by acclamation. Representative Petrie seconded the motion, which the House members approved without objection.

Approval of Minutes (March 15, 2021)

Representative Thomas moved to approve the February 23, 2021, meeting minutes, seconded by Representative Freeland, and approved without objection.

Information Items

Ms. Halloran referenced six 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 inde-

pendently; and postsecondary institutions managing their own capital construction under KRS 164.580, transmitted quarterly capital status reports. Pursuant to KRS 45.760(5), the University of Louisville reported a \$350,000 research equipment purchase for the Christina Lee Brown Envirome Institute. Pursuant to KRS 45.812(1), the Breathitt, Clay, and Daviess County school districts, none of which needed an additional tax levy to pay debt service, reported upcoming debt issues for new projects and the Clay County school district reported one refunding debt issue. Pursuant to KRS 56.863(11), the Office of Financial Management transmitted the Semi-Annual Report of the Kentucky Asset/Liability Commission. The State Property and Buildings Commission approved the Northern Kentucky University General Receipts Bonds, 2021 Taxable Series A (KERS Cessation Agency Bond Issue) debt issue on March 24. The School Facilities and Construction Commission reported school district debt issues with SFCC participation that closed in the last quarter.

In response to Senator McDaniel, Ms. Halloran said that funds were reallocated for several cancelled projects [in 2018]. In most cases for bond funded projects deauthorized without a reallocation, the debt has not been issued; therefore, there are no funds to return. In response to Senator McDaniel, who alluded to the value of ALCo's semi-annual report, Mr. Barrow said that the interest rates in the report [Bond Buyer 20 General Obligation Index] is one of several factors used to derive the state budget debt service template rate and that rates are still historically low with low tax-exempt supply.

Report from the Kentucky State University

President Brown submitted the Kentucky State University Construct New Residence Hall project [400 plus bed on-campus student housing facility and dining hall] Public-Private Partnership development contract with KSU Campus Housing; referencing, given House Bill 303 [2016 Regular Session], the nexus between enrollment and housing. Current KSU enrollment is 2,290, 2,150 undergraduate and 140 graduate students, with capacity for 866 on-campus beds plus an additional twenty-four for Resident Assistants. KSU received 993 housing applications and was unable to provide on-campus housing for more than 100 students, of which COVID-19 spacing compliance was also a contributing factor. Up to 2005, KSU's enrollment was relatively stable with around a 2,300 student annual average. Between 2006 and 2011, there was an enrollment spike, increasing the annual average to 2,750 students with a high of 2,834 students in 2009. Enrollment declined between 2011 and 2015, bottoming out at around 1,500 students, and returned to stable enrollment of around 2,200 over the last three years. Even with the reopening of "The Halls" [a 319 bed residence hall], there are around 2.6 students per



on-campus bed, whether the enrollment is the high of 2,834 students with 1,059 beds; the current 2,290 students with 859 beds, or the low of 1,586 students with 605 beds. In the fall of 2017, KSU began housing students in auxiliary housing, Frankfort hotels. However, KSU has the capacity for additional on-campus student housing and receives feedback indicating that students, particularly freshmen, would rather be housed on-campus. Addressing the on-campus housing shortage, this residence hall will aid in university recruitment and retention, giving KSU the opportunity to increase the enrollment to its 3,450 student target. Due to housing, KSU currently admits around 685 freshmen when the freshmen target is at least 1,000. During KSU's first year of auxiliary housing, it paid around \$320,000 to house about thirty students and now pays around \$3.4 million to house around 300 students. Also, during the height of the pandemic, KSU did not have any available single rooms for National Guard housing.

In response to Senator McDaniel, Mr. Turner confirmed that he was the sole member of the KSU Campus Housing limited liability corporation and that CRM establishes single purpose LLCs for specific projects.

Senator McDaniel moved to approve the P3 development contract with KSU Campus Housing, seconded by Representative Thomas, and approved by unanimous roll call vote.

Senator Girdler thanked the presenters and commented that the annual new residence hall and current auxiliary housing costs were about the same.

Project Report from the Finance and Administration Cabinet

Ms. Tomes submitted a new federally funded, Coronavirus Response and Relief Supplemental Appropriations Act, \$1.45 million Kentucky Transportation Cabinet project. The Facilities Technology Modernization project includes phone systems replacement, videoconference upgrades, citizen text messaging applications, and other communication systems improvements to support remote meetings and improve customer service.

Senator McDaniel moved to approve the new project, seconded by Representative Thomas, and approved by unanimous roll call vote.

Report from the Office of Financial Management

Kentucky Infrastructure Authority

Representative Freeland moved to roll the ten KIA transactions into one roll call vote, seconded by Representative Thomas, and approved without objection.

Ms. Williams submitted five Clean Water State Revolving Fund (Fund A) Program transactions, three loan increases and two new loans, and five Drinking Water State Revolving Fund (Fund F) Program transactions, two loan increases and three new loans.

The Lexington-Fayette Urban County Government requested a \$15,788,138 Fund A loan increase to implement Phase II of the now \$83,732,326 West Hickman Wastewater Treatment Wet Weather Storage Tanks project. Fund A loans for the first phase totaled \$67,944,188. For 4,000 gallons, the current monthly

residential sewer rate is \$31.44. The loan term is twenty years at a one and three quarters percent interest rate, with around \$5 million estimated annual debt service.

For its \$26.34 million Georgetown/Scott County South Sewer Extension project, the city requested a \$2.14 million director level (200 KAR 17:050) Fund A loan increase to its \$21.4 million aggregate previously approved Fund A loans [of which KIA will apply \$1 million in principal forgiveness] for a \$23.54 million total loan amount. The increase request is due to extension of the ninety-day bid holding period to 150 days, as the contractor had the ability to amend unit prices based on material and labor price changes. [A \$1.075 million state (House Bill 265 - 2012 Regular Session) grant; a \$750,000 federal EPA Section 319 (Clean Water Act) nonpoint source grant; and \$975,000 in local funds (\$475,000 from Lexington-Fayette Urban County Government and \$250,000 each from the City of Georgetown and Scott County) will finance the remaining project costs]. For 4,000 gallons, the current monthly sewer rate is \$25.38. The loan term is thirty years at a half percent interest rate, with around \$855,000 estimated annual debt service.

Due to higher than expected bids, the Paducah-McCracken County Joint Sewer Agency requested a \$2,046,410 Fund A loan increase for its now \$7,216,410 Outfall 003 Fine Screening - Phase I project. For 4,000 gallons, the current monthly sewer rate is \$23.76. The loan term is twenty years at a half percent interest rate, with around \$394,000 estimated annual debt service.

The City of Fleming-Neon, Letcher County, is seeking a \$1,558,120 Fund A loan for its Sewer Rehabilitation project; evaluation, to determine inflow and infiltration sources, and subsequent rehab of the sewer system. For 4,000 gallons, the current monthly sewer rate is \$28.86. The loan term is thirty years at a quarter percent interest rate, with around \$29,000 estimated annual debt service.

The City of Russell Springs, Russell County, requested a \$682,000 Fund A loan for its KY 80 Gravity Sewer Rehabilitation project; rehabilitation of sewer lines to reduce inflow and infiltration. For 4,000 gallons, the current sewer rate is \$38.67. The loan term is twenty years at a quarter percent interest rate, with around \$18,000 estimated annual debt service.

Due to completing a portion deleted by a change order for its Combined Waterline Improvements project, the City of Burnside, Pulaski County, requested a \$100,000 director level (200 KAR 17:070) Fund F loan increase to its \$2.8 million aggregate previously approved Fund F loans [of which KIA will apply \$1,113,500 in principal forgiveness]; the reinstated portion was line work and switching meters. For 4,000 gallons, the current monthly water rate is \$53.58. The loan term is thirty years at a half percent interest rate, with around \$69,000 estimated annual debt service. Senator Girdler mentioned that the project was in his district.

Due to higher pipe prices and, for the elevated storage tank component, fewer bids for its Water Main Replacement project, the Adair County Water District requested a \$134,253 director level (200 KAR 17:070) Fund F loan increase to its previously approved \$1,342,530 [of which KIA will apply \$671,265 in prin-

icipal forgiveness] Fund F loan. For 4,000 gallons, the current monthly water rate is \$40.90. The loan term is thirty years at half percent interest rate, with around \$30,000 estimated annual debt service.

The City of Fleming-Neon, Letcher County, requested a \$1,191,114 [of which KIA will apply \$595,557 in principal forgiveness] Fund F loan for its Waterline Improvement - Phase I project; replace and modernize water system to address water loss from aging waterlines. For 4,000 gallons, the current monthly city water rate is \$33.13. The loan term is thirty years at a quarter percent interest rate, with around \$22,000 estimated annual debt service.

The Louisville Water Company requested a \$537,850 [of which KIA will apply \$268,925 in principal forgiveness] Fund F loan for its \$1,075,700 Roe Hill Road Area Water Main Extension and Pump Station project [northwestern Bullitt County]; around 13,000 linear feet of four-inch water main and booster pump station to provide water to thirty-seven unserved residences. A Community Development Block Grant will finance the other half of the project cost. For 4,000 gallons, the current monthly water rate is \$26.67. The loan term is twenty years at a quarter percent interest rate, with around \$14,000 estimated annual debt service.

The City of Augusta, Bracken County, requested an \$80,000 Fund F loan for its Augusta Lagoon Cleaning project; removing accumulated solids from the system's two lagoons to address a state notice of violation. For 4,000 gallons, the current monthly water rate is \$27.25. The loan term is twenty years at a one percent interest rate, with around \$5,000 estimated annual debt service.

Senator McDaniel noted that there are more infrastructure projects, due to increased federal funding. Project costs may continue to be underestimated due to a variety of factors including construction materials price increases. Senator Girdler concurred with Senator McDaniel and Senator Webb added that she anticipates increased federal monitoring, referencing wastewater, and that the committee was fortunate to have KIA's expertise.

Representative Freeland moved to approve the ten KIA transactions with the Adair County increase contingent upon Public Service Commission approvals, seconded by Representative Thomas, and unanimously approved by roll call vote.

Report from the Cabinet for Economic Development

Ms. Butler submitted a \$500,000 Economic Development Fund grant, City of Bowling Green for the benefit of Ball Metal Beverage Container, to be applied towards an over \$300 million investment in a Bowling Green production plant. In 2019, the company, operational for over a century with more than 10,000 employees and above one hundred locations worldwide, produced about 48 billion recyclable aluminum beverage containers across North America, nearly forty-two percent of all aluminum beverage containers produced there that year. The grant agreement includes job and wage requirements, 198 jobs at a \$45 average hourly wage with benefits, measured annually over four years beginning December 30, 2024. If the company does not meet the annual compliance benchmarks, then the

job penalty repayment provision is \$631 for each job not created or maintained and the wage penalty repayment provision is a pro rata formula-based portion of the grant. The company will provide a letter of credit as security for the \$125,000 maximum job and wage penalty repayment for any compliance year.

Representative Thomas moved to approve the EDF grant, seconded by Representative Freeland, and approved by unanimous roll call vote.

Office of Financial Management New Debt Issue

Mr. Barrow submitted the State Property and Buildings Commission, Revenue Refunding Bonds, Project No. 125 Series A, Series B (Federally Taxable), Series C, and Series D. The Series A is a current refunding [within ninety days of the prior debt's earliest redemption date], the Series B is a taxable advance refunding, and the Series D is referenced but will only be executed to replace Series B and C if the advance refunding tax-exemption is reinstated prior to the debt issuance. Series C will be a tender, rather than a taxable advance refunding, to redeem prior debt that is not within ninety days of the earliest redemption date. Bondholders can either exchange the new tax-exempt bonds for the prior bonds, sell the prior bonds back to the commonwealth, or hold the prior debt. An additional ten years of call protection, as well as low supply, would incentivize bondholders to exchange the debt and a premium would incentivize bondholders to sell the debt back. The State Property and Buildings Commission approved a tender in 2008; however, market conditions became unfavorable prior to execution. There were recent successful tender transportation transactions.

Representative Freeland moved to approve the new debt issue, seconded by Representative Thomas, and approved by unanimous roll call vote.

Office of Financial Management Previous Kentucky Housing Corporation Conduit Debt Issues

Mr. Barrow reported three previous KHC conduit debt issues, which are applied towards the state's private activity volume cap but affect neither the commonwealth's nor KHC's financials as the developer pays the debt service. The first was the KHC Conduit Multifamily Housing Revenue Bonds (Winterwood II Portfolio), Series 2021; [properties in multiple counties], net proceeds around \$16.8 million and total project cost just over \$51 million. The second was the KHC Conduit Multifamily Housing Revenue Bonds (Jefferson Landing), Series 2021; 240 units in Louisville, \$35 million net proceeds and total project cost just over \$62.1 million. The last was the KHC Conduit Multifamily Housing Revenue Bonds (New Hope Properties), Series 2021; nine properties in Hopkinsville, \$36 million net proceeds and total project cost just over \$76 million.

Office of Financial Management School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Senator Webb moved to roll the four debt issues with SFCC participation into one roll call vote,

seconded by Representative Freeland, and approved without objection.

Mr. Barrow submitted four debt issues with SFCC participation; three for new projects and one to refinance debt. For new projects, the Calloway County, Hardin County and Scott County school districts, none of which needed an additional tax levy to pay debt service, planned issuances totaling \$119.42 million; district debt service supporting just over \$115 million, 96.6 percent, and SFCC debt service supporting around \$4 million, 3.4 percent. The Boyd County school district planned a \$450,000 refunding issuance, with SFCC debt service supporting the entire amount.

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

Senator Girdler announced the upcoming 1:00 p.m. May 18, 2021 meeting.

With there being no further business the meeting adjourned at 1:51 p.m.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE Minutes of the April Meeting

April 13, 2021

Call to Order and Roll Call

The April meeting of the Administrative Regulation Review Subcommittee was held on Tuesday, April 13, 2021, 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, and David Yates; Representatives Randy Bridges, Deanna Frazier, and Mary Lou Marzian.

Guests: Richard Dobson, Bethany Adkins Rice, Department of Revenue; Nicole Bease, Margaret Hazlette, Jay Miller, Board of Social Work; Joe Bilby, Jason Glass, Hannah Mann, Clint Quarles, Department of Agriculture; Melissa Duff, Division of Air Quality; Amy Barker, Brandon Lynch, Department of Corrections, Sam Flynn, Robin Maples, Chuck Stribling, Department of Workplace Standards; Abigail Gall, DJ Wasson, Department of Insurance; Laura Begin, Jason Dunn, Sarah Vanover, 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 Tuesday, April 13, 2021, and submits this report:

The following Emergency Administrative Regulation was reviewed pursuant to Senate Bill 2, Section 4, from the 2021 Regular Session of the General Assembly:

Cabinet for Health and Family Services: Department for Community Based Services: Division of Child Care: Day Care

922 KAR 2:415E. Enhanced requirements for

certified and licensed child care and limited duration child care programs as a result of a declared state of emergency. Laura Begin, regulation coordinator, and Dr. Sarah Vanover, director, Division of Childcare, represented the department.

A motion was made and seconded to approve the following amendment: to amend Section 4(3) to allow groups to be combined at opening and closing due to staffing limitations if the combining of groups was documented to allow for thorough contact tracing, if necessary. Without objection, and with agreement of the agency, the amendment was approved.

Administrative Regulations Reviewed by this Subcommittee:

FINANCE AND ADMINISTRATION CABINET: Department of Revenue: General Administration

103 KAR 1:160. Mandatory electronic filing and payment requirements. Richard Dobson, executive director, Sales and Excise Tax, and Bethany Rice, executive director, Office of Legal Services, represented the department.

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, 3, 4, 6, and 7 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Section 7 to change the effective date to October 1, 2021. Without objection, and with agreement of the agency, the amendments were approved.

Sales and Use Tax; Service and Professional Occupations

103 KAR 26:100. Industrial laundry and linen supply services.

A motion was made and seconded to approve the following amendments: to amend Sections 1 through 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.

BOARDS AND COMMISSIONS: Board of Social Work

201 KAR 23:150. Complaint procedure, disciplinary action, and reconsideration. Nicole Bease, counsel; Margaret Hazlette, interim executive director; and Dr. Jay Miller, chair, represented the board.

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 3 through 7 and 11 through 14 to comply with the drafting and formatting requirements of KRS Chapter 13A; (2) to amend Section 1 to add definitions for "board", "charge", "complaint committee",

“formal complaint”, “initiating complaint”, “order”, and “respondent”; (3) to add Section 2 pertaining to Complaint Committee composition; and (4) to add Sections 8 through 10 establishing provisions pertaining to the formal response, composition of the hearing panel, and administrative disciplinary fine. Without objection, and with agreement of the agency, the amendments were approved.

DEPARTMENT OF AGRICULTURE: Regulation and Inspection; Motor Fuel

302 KAR 79:011. Motor fuel quality testing and inspection program. Jason Glass, director, Regulation and Inspection; Hannah Mann, administrative specialist III; and Clint Quarles, counsel, represented the department.

In response to a question by Co-Chair West, Mr. Quarles stated that 302 KAR 79:011 and 79:012 represented two (2) different pools of funding, resulting in the appearance of discrepancies in financial information between the two (2) administrative regulations. In fact, the data was correct.

A motion was made and seconded to approve the following amendments: (1) to amend Sections 3 and 9 to comply with the drafting and formatting requirements of KRS Chapter 13A; and (2) to amend Section 9(7) to clarify the department's requirement for licensee notification of analytical laboratory results. Without objection, and with agreement of the agency, the amendments were approved.

302 KAR 79:012. Motor fuel quality standards and specifications.

A motion was made and seconded to approve the following amendment: to amend Section 1(5)(d)2. to correct the ethanol percentage range. Without objection, and with agreement of the agency, the amendment was approved.

ENERGY AND ENVIRONMENT CABINET: Department for Environmental Protection: Division for Air Quality: Existing Source Standards

401 KAR 61:036. Emission guidelines and compliance times for municipal solid waste (MSW) landfills. Melissa Duff, director, represented the division.

In response to a question by Co-Chair West, Ms. Duff stated that this administrative regulation was not more stringent than federal requirements.

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

501 KAR 6:070. Kentucky Correctional Institution for Women. 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. With-

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

LABOR CABINET: Department of Workplace Standards: Occupational Safety and Health

803 KAR 2:019. Receiving and unloading bulk hazardous liquids. Sam Flynn, general counsel; Robin Maples, occupational safety and health standards specialist; and Chuck Stribling, federal – state coordinator, represented the department.

In response to questions by Co-Chair West, Mr. Stribling stated that these administrative regulations were being amended to avoid sunseting and the department believed that these administrative regulations complied with House Bill 475 from the 2021 Regular Session of the General Assembly.

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.

803 KAR 2:021. Identification, classification and regulation of potential occupational carcinogens.

803 KAR 2:050. Scope.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY 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.

803 KAR 2:080. Advance notice of inspections.

A motion was made and seconded to approve the following amendments: to amend Sections 1 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 2:090. Complaint inspections.

A motion was made and seconded to approve the following amendments: to amend Sections 1 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 2:096. Repeal of 803 KAR 002:095 and 803 KAR 002:430.

803 KAR 2:100. Imminent danger.

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.

803 KAR 2:115. Penalties.

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.

803 KAR 2:120. Citations.

A motion was made and seconded to approve the following amendments: to amend Sections 1 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 2:240. Time for filing discrimination complaint.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 2 to make technical changes. Without objection, and with agreement of the agency, the amendments were approved.

803 KAR 2:309. General environmental controls.

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.

803 KAR 2:314. Machinery and machine guarding.

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

803 KAR 2:320 & E. Toxic and hazardous substances.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 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.

803 KAR 2:401. General interpretations.

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.

803 KAR 2:405. Fire protection and prevention.

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.

803 KAR 2:408. Tools – hand and power.

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.

803 KAR 2:409. Welding and cutting.

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.

803 KAR 2:410. Electrical.

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.

803 KAR 2:413. Helicopters, hoists, elevators, and conveyers.

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.

803 KAR 2:414. Motor vehicles, mechanized equipment, and marine operations.

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.

803 KAR 2:415. Excavations.

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.

803 KAR 2:416. Concrete and masonry work.

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.

803 KAR 2:417. Steel erection.

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.

803 KAR 2:420. Blasting and use of explosives.

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.

803 KAR 2:424. Diving.

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.

803 KAR 2:600. Occupational safety and health standards for agriculture.

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.

PUBLIC PROTECTION CABINET: Department of Insurance: Administration

806 KAR 2:060. Complaints. Abigail Gall, regulation coordinator, and DJ Wasson, deputy 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 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.

Insurance Contract

806 KAR 14:005. Rate and form filing procedures for life insurers, life settlement providers, and life settlement brokers.

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.

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

A motion was made and seconded to approve the following amendments: to amend Sections 1, 2, 4, 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.

806 KAR 14:090. Grouping for preferential treat-

ment prohibited.

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.

806 KAR 14:110. Dividend plans; filing, participation.

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 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Life Insurance and Annuity Contracts

806 KAR 15:060. Universal life insurance.

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, 4, 5, 7, and 8 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

806 KAR 15:070. Annuity nonforfeiture.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 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.

Credit Life Insurance and Credit Health Insurance

806 KAR 19:050. Combined health and dismemberment restrictions.

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.

806 KAR 19:060. Joint lives.

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.

Motor Vehicle Repairs (No fault)

806 KAR 39:050. Self-Insurance.

In response to a question by Co-Chair Hale, Ms. Wasson stated that self-insurance allowed for funds to be set aside on a regular basis to provide for a pool from which remuneration would be made, rather than associating with a traditional insurance company.

In response to a question by Co-Chair Hale, Ms. Wasson stated that self-insurance provisions were for corporations, not individuals.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs; Sections 1, 2, 4 through 8, 11, 13, and 14; and 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.

Healthcare Malpractice

806 KAR 40:020. Charitable health care provider registration.

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 4 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: Department for Community Based Services: Supplemental Nutrition Assistance Program

921 KAR 3:025 & E. Technical requirements. Laura Begin, regulation coordinator; Jason Dunn, director, Division of Family Support; and Dr. Sarah Vanover, director, Division of Child-care, represented the department.

In response to questions by Co-Chair West, Ms. Begin stated that the department's agency amendment reinstated the language to establish that a noncustodial parent with outstanding child support due, shall not be eligible to participate in SNAP. Exceptions were established, including if children under the age of eighteen (18) resided with the noncustodial parent and exceptions related to incarceration.

Co-Chairs West and Hale thanked the department for compromising with the subcommittee.

In response to questions by Co-Chair Hale, Ms. Begin stated that the department believed that Senate Bill 65 from the 2021 Regular Session of the General Assembly would have the effect of nullifying, effective June 2021, the department's 2020 amendment to this administrative regulation. This amendment was filed in January and would remain in place. This amendment complied with Senate Bill 65's prohibition

against a substantially similar administrative regulation being filed because this amendment reinstated the SNAP prohibition for noncustodial parents with outstanding child support due.

Senator Yates thanked the department for proposing an amendment that would protect children residing with a noncustodial parent with outstanding child support due.

A motion was made and seconded to approve the following amendments to this emergency and ordinary administrative regulation: to amend Section 3 to insert language specifying that a noncustodial parent of a child under the age of eighteen (18) shall not be eligible to participate in SNAP if delinquent in payment of court-ordered support, except in certain circumstances, such as: (1) enrollment in a drug treatment program; (2) participation in an employment training program; (3) qualification under good cause for nonpayment; (4) having a child in the individual's household who is under the age of eighteen (18); (5) having a person in the individual's household who is pregnant or three (3) months post-partum; and (6) (a) being within twelve (12) months of incarceration for a period of thirty (30) days or more; and (b) cooperating with the department of Income Support, Child Support Enforcement. Without objection, and with agreement of the agency, the amendments were approved.

921 KAR 3:035. Certification process.

The following amendments were approved by the subcommittee at the January 13, 2021 meeting: to amend Section 8 and material incorporated by reference to make technical corrections.

A motion was made and seconded to approve the following amendment: to amend Section 5(4) to reinstate the following language, previously designated for deletion: "delinquency in payment of court-ordered child support through the Department of Income Support, Child Support Enforcement Program in accordance with 921 KAR 3:025, Section 3(11)." Without objection, and with agreement of the agency, the amendment was approved.

OTHER BUSINESS: Senator Yates made a motion, seconded by Senator Raque Adams, that Senator West be nominated for Senate Co-Chair. Senator West accepted the nomination. Senator Yates made a motion, seconded by Senator Raque Adams, to end Senate Co-Chair nominations. Senator West was endorsed by acclamation as Senate Co-Chair of the subcommittee.

Representative Frazier made a motion, seconded by Representative Marzian, that Representative Hale be nominated for House Co-Chair. Representative Hale accepted the nomination. Representative Bridges made a motion, seconded by Representative Marzian to end House Co-Chair nominations. Representative Hale was endorsed by acclamation as House Co-Chair of the subcommittee.

The following administrative regulations were deferred or removed from the April 13, 2021, subcommittee agenda:

mittee agenda:

GENERAL GOVERNMENT CABINET: Kentucky Infrastructure Authority

200 KAR 17:100. Guidelines for Broadband Deployment Account.

BOARDS AND COMMISSIONS: Board of Pharmacy

201 KAR 2:380. Board authorized protocols.

Board of Licensure of Marriage and Family Therapists

201 KAR 32:030. Fees.

201 KAR 32:035. Supervision of marriage and family therapy associates.

201 KAR 32:060. Continuing education requirements.

TRANSPORTATION CABINET: Department of Vehicle Regulation: Administration

601 KAR 2:231. Repeal of 601 KAR 002:030.

PUBLIC PROTECTION CABINET: Department of Workers' Claims

803 KAR 25:091. Workers' compensation hospital fee schedule.

803 KAR 25:092. Workers' compensation pharmacy fee schedule.

803 KAR 25:170. Filing of claims information with the Office of Workers' Claims.

803 KAR 25:175. Filing of insurance coverage and notice of policy change or termination.

803 KAR 25:185. Procedure for email notification of cancellation or removal of location of specific workers' compensation coverage.

Department of Insurance: Agents, Consultants, Solicitors, and Adjustors

806 KAR 9:025. Licensing process.

Trade Practices and Frauds

806 KAR 12:120. Suitability in annuity transactions.

Insurance Contracts

806 KAR 14:121. Minimum standards for the readability and intelligibility of insurance contracts.

Life Insurance and Annuity Contracts

806 KAR 15:050. Reporting and general requirements for settlement providers and brokers.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of the Inspector General: Certificate of Need

900 KAR 6:030. Certificate of need expenditure minimums.

900 KAR 6:055. Certificate of need forms.

900 KAR 6:060. Timetable for submission of certificate of need applications.

900 KAR 6:065. Certificate of need application process.

900 KAR 6:080. Certificate of need emergency circumstances.

900 KAR 6:090. Certificate of need filing, hearing, and show cause hearing.

900 KAR 6:095. Certificate of need administrative escalations.

900 KAR 6:100. Certificate of need standards for implementation and biennial review.

900 KAR 6:105. Certificate of need advisory opinions.

900 KAR 6:110. Certificate of need notification requirements.

900 KAR 6:115. Certificate of need requirements for critical access hospitals, swing beds, and continuing care retirement communities.

Department for Public Health: Communicable Diseases

902 KAR 2:211E. Covering the face in response to declared national or state public health emergency.

Department for Public Health: Radon

902 KAR 95:040. Radon Contractor Registration Program.

Department for Community Based Services: Child Welfare

922 KAR 1:490E. Background checks for foster and adoptive parents and relative and fictive kin.

The subcommittee adjourned at 1:45 p.m. The next meeting of this subcommittee is tentatively scheduled for May 11, 2021, at 1 p.m.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes

May 11, 2021

Call to Order and Roll Call

The Government Contract Review Committee met on Tuesday, May 11, 2021, at 9:00 AM, in Room 171 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 Paul Hornback, Adrienne Southworth, and David Yates; Representatives Mark Hart, and Patti Minter.

Guests: Jay Hartz, Marta Miranda-Straub, Lesa Dennis, Toby Smith, Julie Curry, Whitney Crowe, Anthony Ellis, Allyson Smith, Donald Wilson, Amber Brewer, Beth Ward, Jackie Dudley, Dr. Bob Jackson, Michael Wade Smith, Mary Elizabeth Miles, John Drees, Andrea Anderson, Steve Bechtel, Amy Richardson, Kevin Rader, Deaira Douglas, Kerrie Dehorty, Katie Marks, and Eric Friedlander.

LRC Staff: Kim Eisner and Jarrod Schmidt.

A motion was made by Representative Hart to approve Minutes of the April 2021, meeting of the committee. Representative Koch seconded the motion, which passed without objection.

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 Hart 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 Hart 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 Hart 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 Hart seconded the motion, which passed without objection.

A motion was made by Representative Koch to consider as reviewed the Correction List. Representative Hart seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

BOARD OF EXAMINERS OF PSYCHOLOGISTS

Multi, 2100002014.

COUNCIL ON POSTSECONDARY EDUCATION

Sova Solutions, LLC, 2100002012.

DEPARTMENT FOR INCOME SUPPORT
Blue & Company, LLC, 2100001646; Dean Dorton Allen Ford, PLLC, 2100001658.

DEPARTMENT OF AGRICULTURE
RDP Consulting, LLC, 2100001622.

DEPARTMENT OF EDUCATION

Cn Resource, LLC, 2100001823; Chris Rippy, 2100002101; Joan Anderson, 2100002102; Roger Kerns, 2100002103; Brian P. White, 2100002104; Sign Language Network, Inc., 2100002108; Dana L. Collins, 2100002113; Embry Merritt Shaffar Womack, PLLC, 2100002114; Roland P. Merkel, 2100002115; DPJ Consulting, LLC, 2100002116; Hands On Therapy, PSC, 2100002198.

DEPARTMENT OF HIGHWAYS

Bacon Farmer Workman Engineering & Testing, Inc., 2100002278.

DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

Code Administrative Association of Kentucky, 2100002137.

EASTERN KENTUCKY UNIVERSITY

Mindpower, Inc., 744-2021.

KENTUCKY EMPLOYERS MUTUAL INSURANCE

Ametros, 22-AMT-001; Conning, Inc., 22-CON-001; Dean, Dorton, Allen, Ford, PLLC, 22-DDF-001; Direct Express Delivery, 22-DED-001; ISO Claims Partners, Inc., 22-ISO-001; Lexington Financial Center, 22-LFC-001; MCF Advisors, 22-MCF-001; Milliman, Inc., 22-MIL-001; Occupational Managed Care Alliance, Inc., 22-OMC-001; Overland Solutions, Inc., 22-OSI-001; Pharmacy Investigators & Consultants, LLC, 22-PIC-001; ReEmployAbility, Inc., 22-REA-001; SpeakWrite, LLC, 22-SPK-001; TEKSystems, Inc., 22-TEK-001; TowerHunter, Inc., 22-THI-001; Watchpoint, LLC, 22-WCH-001.

KENTUCKY FISH AND WILDLIFE RESOURCES

Richard M. Storm, 2100002369.

KENTUCKY LOTTERY CORPORATION

Smartplay International, Inc., 22-12-011; Kizan Technologies, LLC, 22-19-069.

KENTUCKY RETIREMENT SYSTEMS

Ice Miller, 2000001790-1; Reinhart Boerner Vandeuren SC, 2000002111-1; Stoll Keenon Ogden, PLLC, 2000002114-1; Michael McClain, PLLC, 2000002119-1; Kentucky Orthopedic Rehabilitation, LLC, 2000002152-1; Samantha T. Nance, 2000002516-1; Umberg Zipser, LLP, 2100000975-1; Calcaterra Pollack, LLP, 2100001025-1; Blue & Company, LLC, 2100001732; Otto Daniel Wolff, 2100001832.

KENTUCKY STATE POLICE
Jeremy Marcus Devasher, 2100002277; Mark T. Johnson, 2100002279; Anthony Gatson, 2100002411; Billy P. Hall, 2100002414; Bramlett Joe Burton, 2100002416; Bruce Kelley, 2100002417; Chris Collins, 2100002418; Christopher Crockett, 2100002419; Donald L. Perry, 2100002421; Edwin D. Botkin, Jr., 2100002422; Gary Travis, 2100002423; George Atwood, 2100002424; Gerald A. Fieger Jr., 2100002425; Daniel Jason Propes, 2100002440; Henry St. George Carmichael IV, 2100002444; Jack H. Riley, 2100002446; James Arther Nolte, 2100002447; James B. Luckett, 2100002448; James Don Trosper, 2100002449; James Glenn Reed, 2100002450; James Gregory Jones, 2100002451; Jason McCowan, 2100002452; Jermaine Maurice Savage, 2100002453; Jody Paul Sims, 2100002454; Jonathan McChesney, 2100002455; Joseph Clayton Lucas, 2100002456; Keith Baker, 2100002457; Kelley Farris, 2100002458; Kevin B. Guier, 2100002469; Toney Gene Allen, 2100002473; Marc H. Carter, 2100002474; Mark L. Combs, 2100002475; Michael S. Dubree, 2100002476; Kevin Drew Flick, 2100002478; Michael Fogleman, 2100002481; Michael Hatler, 2100002482; Mitchell D. Holliman, 2100002483; Timmy J. Jewell, 2100002484; Matthew Jordan, 2100002487; Ronald E. Long II, 2100002490; Robert A. Maxwell, 2100002491; Robert Curtis Mouser, 2100002493; Tommy Wesley Prather, 2100002494; Michael Ray, 2100002495; Ronnie R. Reynolds, 2100002496; Millard R. Root III, 2100002497; Virgil Rucker, 2100002498; Trevor A. Scott, 2100002499; Samuel O. Shacklette, 2100002500; Todd C. Simon, 2100002501; Ryan Sizemore, 2100002502; Mark Treadway, 2100002503; Luther Vanhoose, 2100002504; Lawrence Uriah Walker, 2100002505; Steve Walker, 2100002506; Thomas J. Williams, 2100002507; Michael A. Woodrum, 2100002508; Kelly Anderson, 2100002510; Anthony C. Blakemore, 2100002512; Jonathan Blevins, 2100002513; Paul Doublin, 2100002514; James D. Heller, 2100002515; Jeffrey L. Jacobs, 2100002516; Steven L. Oliver, 2100002517; Kevin Rogers, 2100002518; Casey N. Tooley, 2100002519.

KY COMMUNITY TECHNICAL COLLEGE SYSTEM
Economic Modeling, LLC (EMSI), 837.

KY HOUSING CORPORATION
Regulatory Solutions, LLC, 2022-11; Septtimous Tayler PSC, 2022-12; Stierle and Rettig, PLLC, 2022-13; Multi, 2022-14-45; Crowe LLP, f/k/a Crowe Horwath, 2022-46; Hanna Resource Group, 2022-8.

KY PUBLIC SERVICE COMMISSION
Browne Bortz & Coddington, Inc., 2100001910; Harvey Economics Company, 2100001912; Wells Engineering, PSC, 2100001913; Strategen Consulting, LLC, 2100002159.

MOREHEAD STATE UNIVERSITY
Dean Dorton Allen Ford, PLLC, 21-026.

MURRAY STATE UNIVERSITY
Owen Technologies, LLC, 022-21.

UNIVERSITY OF KENTUCKY
CMTA Inc., A211170; CMTA, Inc., A211180; APAX Software, K21-216.

UNIVERSITY OF LOUISVILLE
Willis Towers Watson, 21-110.

WESTERN KENTUCKY UNIVERSITY
Multi, 2022-12; Multi, 2022-13; Multi, 2022-14; Multi, 2022-15; Multi, 2022-16; Multi, 2022-17; Multi, 2022-18; Multi, 2022-19; Multi, 2022-20; Multi, 2022-21; Multi, 2022-22; Encompass Digital Media, Inc., 2022-23.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS
Dentons Bingham Greenebaum LLP, 2100001162.

BOARD OF EXAMINERS OF SOCIAL WORK
Scanlan Associates, LLC, 2000004055.

CHFS - OFFICE OF THE SECRETARY
Susan Gormley Tipton, 2100000900; Thomas J. Hellmann Attorney-At-Law, PLLC, 2100000901; Tilford Dobbins & Schmidt, PLLC, 2100000902.

DEPARTMENT FOR INCOME SUPPORT
Russell Lee Travis, 2100001753.

DEPARTMENT FOR PUBLIC ADVOCACY
Alt Productions, Inc., 2100000810.

DEPARTMENT FOR WORKFORCE INVESTMENT
Western Kentucky Food Service, 2100001627.

DEPARTMENT OF EDUCATION
Hands On Therapy, PSC, 2000003179.

DEPARTMENT OF HIGHWAYS
Stantec Consulting Services, Inc., 1300001775; EA Partners, PLC, 1300002466; Parsons Brinckerhoff, Inc., 1600000993; EA Partners, PLC, 1700002782; Leslie M. Haney & Albert W. Gross Partners, 1900003981; J.M. Crawford & Associates, Inc., 1900004970; H. W. Lochner, Inc., 2000000469; Aecom Technical Services, Inc., 2000004278; Parsons Transportation Group, Inc., 2100000994.

EASTERN KENTUCKY UNIVERSITY
CAP Financial Partners, LLC d/b/a CAPTRUST Financial Advisors, 22-032.

FACILITIES & SUPPORT SERVICES
Sustainable Streams, LLC, 1800001506; Wood Environment & Infrastructure Solutions, Inc., 1900003530; Stantec Consulting Services, Inc., 1900004505; Architectural Investments, 2000000358.

FINANCE - OFFICE OF THE SECRETARY
Smith Cashion & Orr, PLC, 2000004397.

KENTUCKY EMPLOYERS MUTUAL INSURANCE
Hassman & Fitzhugh, PLLC, 21-HMF-001; Occupational Managed Care Alliance, Inc., 21-OMC-001; Stoll Keenon Ogden, PLLC, 21-SKO-001.

MURRAY STATE UNIVERSITY
Ross-Tarrant Architects, 018-21.

NORTHERN KENTUCKY UNIVERSITY
Intelli ERP Software, LLC, 2021-130; Underscore Branding, LLP, 2021-133.

UNIVERSITY OF KENTUCKY
GBBN, A161200; GBBN, A171200; Omni Architects, A181090; Stites & Harbison, K21-189.

UNIVERSITY OF LOUISVILLE
Breakpoint Technology, 21-061.

WESTERN KENTUCKY UNIVERSITY
Multi, 202003; Ruffalo Noel Levitz, 202108; Kentucky Lithic Analysis Services, 202124.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES
Western Kentucky Regional Mental Health & Retardation Advisory Board, 2100001841; Pennyroyal Regional Mental Health Mental Retardation Board, 2100001842; Communicare, Inc., 2100001844; Northern Kentucky Regional Mental Health Mental Retardation Board, 2100001846; Pathways, Inc., 2100001848; Lake Cumberland Mental Health Mental Retardation Board d/b/a The Adanta Group, 2100001852; Multi, 2100001871.

DEPARTMENT FOR COMMUNITY BASED SERVICES
Community Action Kentucky, Inc., 2100001642; mRelief, Inc., 2100001762; Seven Counties Services, Inc., 2100001827.

DEPARTMENT FOR LIBRARIES & ARCHIVES
Marion County Public Library, 2100002572; Larue County Public Library, 2100002576; Menifee County Public Library, 2100002577; Spencer County Public Library, 2100002594; Henry County Public Library, 2100002608.

DEPARTMENT FOR LOCAL GOVERNMENT
Hancock County Fiscal Court, 2100001794; City of Somerset, 2100001831; Union County Fiscal Court, 2100001904; Union County Fiscal Court, 2100001905; Union County Fiscal Court, 2100001906; City of Morganfield, 2100001953; Louisville Jefferson County Metro Government, 2100001962; City of Bedford, 2100001990; Elliott County, 2100002131; Wolfe County, 2100002142; Wolfe County, 2100002144; Union County Fiscal Court, 2100002212; Pike County Fiscal Court, 2100002621.

DEPARTMENT FOR WORKFORCE INVEST-

MENT

Kentucky Transportation Cabinet, 2100001979; Kentucky Department of Education, 2100002295; KET Foundation, 2100002403; Kentucky Transportation Cabinet, 2100002521.

DEPARTMENT OF AGRICULTURE

Northern Kentucky Area Development District, 2100001987; Feeding America, Kentucky's Heartland, 2100001991; Dare To Care, Inc., 2100001992; Gods Pantry Food Bank, Inc., 2100001993; Tri State Food Bank, Inc., 2100001994; Purchase Area Development District, Inc., 2100001995.

DEPARTMENT OF EDUCATION

Ashland Board of Education, 2100001879; Western Kentucky University, 2100001919; Anderson County Board of Education, 2100001973; University of Kentucky Research Foundation, 2100002109; University of Kentucky Research Foundation, 2100002110; Bullitt County Board of Education, 2100002170; Covington Independent School District, 2100002181; Elliott County Board of Education, 2100002185; Grayson County Board of Education, 2100002236; Harlan County Board of Education, 2100002238; Bourbon County Board of Education, 2100002267; Henderson County Board of Education, 2100002288; Warren County Board of Education, 2100002289; Larue County Board of Education, 2100002323; Logan County Board of Education, 2100002340; Marshall County Board of Education, 2100002342; Martin County Board of Education, 2100002343; Owensboro Independent School District, 2100002347; Scott County Board of Education, 2100002351.

DEPARTMENT OF MILITARY AFFAIRS

Louisville & Jefferson MSD, 2100001886; Louisville & Jefferson, MSD, 2100001901.

EDUCATION - OFFICE OF THE SECRETARY

Kentucky Entrepreneurship Education Network, Inc., 2100002117.

KENTUCKY DEPARTMENT OF PARKS

McCreary County Water District, 2100001911.

PUB PROTECTION - OFFICE OF THE SECRETARY

Kentucky Labor Cabinet, 2100002247.

STATE TREASURER

University of Kentucky Research Foundation, 2100002203; Center for Accessible Living, Inc., 2100002213; University of Kentucky Research Foundation, 2100002294.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Centerstone of Kentucky, Inc., 2000001587; Louisville Jefferson County Metro Government, 2000001599; Department of Corrections, 2000001695; Eastern Kentucky CEP, Inc., 2000001703; Ken-

tucky Coalition Against Domestic Violence, Inc., 2000001739; Uspiritus, Inc., 2100000118.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 2000002603; Multi, 2000002714; Multi, 2000002717; Multi, 2000002839; Multi, 2000002888; University of Kentucky Research Foundation, 2000002955.

COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS

Orchid House, 2000002633; Cerebral Palsy Kids Center, 2100000261.

DEPARTMENT FOR COMMUNITY BASED SERVICES

University of Kentucky Research Foundation, 2000001835.

DEPARTMENT FOR FAMILY RESOURCE CENTERS & VOLUNTEER SERVICES

American Association of State Service Commissions, 2000002519.

DEPARTMENT FOR INCOME SUPPORT

Treasurer State of Mississippi, 2000001659; University of Louisville Research Foundation, 2100000919.

DEPARTMENT FOR LOCAL GOVERNMENT

Union County Fiscal Court, 2100000481.

DEPARTMENT FOR MEDICAID SERVICES

University of Kentucky Research Foundation, 2000002586.

DEPARTMENT FOR NATURAL RESOURCES

Bell County Forestry Camp, 2000003129; Little Sandy Correctional Complex, 2000003141; University of Kentucky Research Foundation, 2100000238.

DEPARTMENT FOR PUBLIC HEALTH

University of Louisville Research Foundation, 2100000629; Kentucky Mountain Health Alliance, Inc. d/b/a Little Flower Clinic, 2100000702.

DEPARTMENT FOR WORKFORCE INVESTMENT

University of Kentucky Research Foundation, 2100000041.

DEPARTMENT OF AGRICULTURE

Multi, 2100001484; Multi, 2100001485.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING

University of Louisville, 2100000733.

DEPARTMENT OF EDUCATION

Arts for All Kentucky, Inc., 2000002388; University of Kentucky Research Foundation, 2000002522; Bourbon County Board of Education, 2000002692; Berea Independent Board of Education, 2000002723; Jefferson County Board of Education, 2000002869; Eastern Kentucky University, 2000003446; Indiana

University, 2000003452; Scott County Board of Education, 2100000011; Bath County Board of Education, 2100000316; Casey County Board of Education, 2100000317; Garrard County Board of Education, 2100000318; Johnson County Board of Education, 2100000319; Lewis County Board of Education, 2100000321; Morgan County Board of Education, 2100000322; Pulaski County Board of Education, 2100000323; University of Kentucky Research Foundation, 2100001909.

OFFICE OF KY NATURE PRESERVES

Eastern Kentucky University, 2000004090.

TRANSPORTATION - OFFICE OF THE SECRETARY

Kentucky Division of Forestry, 2100001088.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR COMMUNITY BASED SERVICES

BKP Strategies, LLC, 2100001706. Marta Miranda-Straub, Lesa Dennis, and Toby Smith discussed the contract with the committee. A motion was made by Senator Southworth to disapprove the contract. Representative Minter seconded the motion, which passed with Senator Yates and Representative Minter voting no. A motion was made by Representative Minter to reconsider the vote. Senator Yates seconded the motion, which passed with Senator Hornback and Representative Koch voting no. A motion was made by Senator Hornback to disapprove the contract. Senator Southworth seconded the motion, which passed with Senator Yates and Representative Minter voting no.

EASTERN KENTUCKY UNIVERSITY

EAB Global, Inc., 661-2021. Julie Curry and Whitney Crowe 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.

ECON DEV - OFFICE OF THE SECRETARY

Eva Garland Consulting, LLC, 2100002296. 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 EMPLOYERS MUTUAL INSURANCE

Millennium Learning Concepts, 22-MLC-001. Allyson Smith discussed the contract with the committee. A motion was made by Senator Hornback to consider the contract as reviewed. Representative Koch seconded the motion, which passed with Senator Southworth voting no.

KENTUCKY STATE POLICE

Derris Mitchell Hedger, 2100002274. Donald Wilson and Amber Brewer discussed the contract with the committee. A motion was made by Senator

Hornback to consider the contract as reviewed. Representative Koch seconded the motion, which passed.

LEGISLATIVE RESEARCH COMMISSION

Hanna Resource Group, LLC, 20/21-44. Jay Hartz 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.

MURRAY STATE UNIVERSITY

Brailsford & Dunlavy, 021-21. Beth Ward, Jackie Dudley, and Dr. Bob Jackson discussed the contract with the committee. A motion was made by Representative Koch to consider the contract as reviewed. Senator Hornback seconded the motion, which passed.

UNIVERSITY OF LOUISVILLE

Korn Ferry, 21-096; SP&A Executive Search, 21-106. Michael Wade Smith and Mary Elizabeth Miles discussed the contracts with the committee. A motion was made by Representative Hart to defer the contracts to the June 8, 2021, meeting of the committee. Senator Southworth seconded the motion, which passed with Senator Yates and Representative Minter voting no.

UNIVERSITY OF LOUISVILLE

Isaacson Miller, Inc., 21-097; Greenwood/Asher & Associates, Inc., 21-101; AGB Search LLC, 21-102; Kaye Bassman International Corporation, 21-107; Spelman Johnson, 21-108; R. William Funk & Associates, 21-109. Michael Wade Smith and Mary Elizabeth Miles discussed the contracts with the committee. A motion was made by Representative Koch to consider the contracts as reviewed. Senator Hornback seconded the motion, which passed with Senator Southworth voting no.

UNIVERSITY OF LOUISVILLE

The Segal Company, 21-104. Michael Wade Smith and Mary Elizabeth Miles 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 with Senator Southworth voting no.

WESTERN KENTUCKY UNIVERSITY

Frost, Brown, Todd, PLLC, 2022-24. Andrea Anderson 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 Hornback and Senator Meredith voting no.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

DEPARTMENT FOR MEDICAID SERVICES

Milliman, Inc., 2000003994. Steve Bechtel and Amy Richardson discussed the contract with the committee. A motion was made by Senator Hornback to consider the contract as reviewed. Representative Koch seconded the motion, which passed.

DEPARTMENT OF CRIMINAL JUSTICE TRAINING

Baptist Health Medical Group, Inc., 2000002949. Kevin Rader, Deaira Douglas, and Kerrie Dehorty 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 Senator Hornback and Senator Southworth voting no.

UNIVERSITY OF LOUISVILLE

Birdsall, Voss & Associates, Inc. d/b/a BVK, 21-003. John Drees discussed the contract with the committee. A motion was made by Representative Hart 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

University of Louisville Research Foundation, 2100001837. Marta Miranda-Straub, Lesa Dennis, and Toby Smith discussed the contract with the committee. A motion was made by Senator Southworth to disapprove the contract. Senator Hornback seconded the motion, which passed with Senator Yates and Representative Minter voting no.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE SELECTED FOR FURTHER REVIEW:

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Isaiah House, 2000001749; Kentucky Hospital Research & Education Foundation, 2000001758; Federation of Appalachian Housing Enterprises, Inc., 2000001833; Kentuckiana Health Collaborative, 2000001839; Kentucky Pharmacy Education and Research Foundation, Inc., 2000001865; Department of Corrections, 2000001975; Seven Counties Services, Inc., 2000002108; St. Elizabeth Medical Center, 2000002209; Volunteers of America Mid-States, Inc., 2000002227; Chrysalis House, Inc., 2000002774. Katie Marks 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 with Senator Hornback voting no and Senator Southworth voting pass.

DEPARTMENT FOR PUBLIC HEALTH

Multi, 2000002245. Eric Friedlander 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 with Senator Southworth voting no.

EXEMPTION REQUESTS:

DEPARTMENT OF EDUCATION:

The Department of Education requests 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 Representative Hart to grant the request to September 30, 2022. Representative Koch seconded the motion, which passed.

COUNCIL ON POSTSECONDARY EDUCATION:

The Council on Postsecondary Education requests an exemption from Committee Policy Statement #99-4 which prohibits contracts and agreements from extending beyond the biennium for MOAs issued using the following funding sources: James Graham Brown Foundation (JGBF) Funds to launch the Kentucky Student Success Collaborative and Governor's Emergency Education Relief Fund (GEERI and GEERII) grants. A motion was made by Representative Hart to grant the request to June 30, 2024. Representative Koch seconded the motion, which passed.

There being no further business, the meeting adjourned at 11:53 a.m.

PUBLIC PENSION OVERSIGHT BOARD

Minutes of the 2nd Meeting of the 2021 Interim

April 26, 2021

Call to Order and Roll Call

The 2nd meeting of the Public Pension Oversight Board was held on Monday, April 26, 2021, 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 Christian McDaniel, Robby Mills, Dennis Parrett, and Mike Wilson; Representatives Derrick Graham, Jerry T. Miller, Jason Petrie, James Tipton, Russell Webber, and Buddy Wheatley; John Chilton, Joseph Fawns, Mike Harmon, John Hicks, James M. "Mac" Jefferson, and Sharon Mattingly.

Guests: David Eager, Executive Director, Kentucky Public Pensions Authority; Kathy Rupinen, Executive Director, Office of Legal Services, Kentucky Retirement Systems; Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System.

LRC Staff: Brad Gross, Jennifer Black Hans, and Angela Rhodes.

Approval of Minutes

Senator Parrett moved that the minutes of the February 22, 2021, meeting be approved. Representative Wheatley seconded the motion, and the minutes were approved without objection.

Update on HB 484 (2020 RS) Implementation

David Eager, Executive Director, Kentucky Public Pensions Authority (KPPA), began his presentation with some good news. Since June 30, 2020, investments are up around 20 percent, and assets grew from \$18.3

billion to \$22.1 billion. This gives the investment team the opportunity to de-risk and make some changes in the investment allocation in the coming year.

Mr. Eager discussed the implementation of HB 484, and stated that KPPA staff has worked diligently and over extended hours to address the transition to two new boards as well as addressing all other duties, including those relating to the 2021 General Assembly. For the reorganization, there are two common objectives: 1) To vest governance control of the County Employees Retirement System (CERS) pension and health care systems with a board of CERS elected members and gubernatorial appointed trustees; and 2) To establish and maintain the new structure with the least amount of disruption and added expense. KPPA staff has made a lot of progress in keeping the complexity and duplication low.

Mr. Eager provided more detail regarding the implementation of HB 484 and HB 9 (2021 RS). There are two new governance boards: the CERS board and the Kentucky Retirement Systems (KRS) board, which governs the Kentucky Employees Retirement System (KERS) and State Police Retirement System plans. Under HB 9, there was no need to establish new pension and health trusts just for CERS. Rather, the statutes have been amended to reflect the appropriate governance for the trust assets (C-assets and K-assets), while the KRS Trust remains intact, thereby saving money and avoiding a wholesale rewriting of contracts.

Mr. Eager discussed the new KPPA, stating that it has 250 employees with himself being the Executive Director. KPPA is responsible for benefit administration, employer reporting, investments, legal, actuarial, legislative liaison for KPPA issues, accounting and audit, communications, and CERS and KRS board and committee support. KPPA will select the actuary, investment consultant, custodian, outside legal counsel, accountant, and other service providers, which will avoid duplicative responsibilities and expenses.

Mr. Eager discussed tasks and issues. Planning for the CERS separation began in earnest following the passage of HB 484 (2020 RS). At that time, there were 104 separate tasks/issues originally identified that needed to be resolved for a successful transition, 74 of which have been completed, 30 which are still in process, including the investment procurement, which is 80 percent complete. Additional tasks/issues include the election of trustees, finalizing bylaws and numerous policies, form revisions, establishing new contracts, deciding on fiduciary insurance, retaining CEOs and legal counsel, and changing literature. Further, staff is beginning a list for a housekeeping bill in 2022.

Next, Mr. Eager discussed the board membership structure for KPPA, CERS and KRS, including elected and appointed board members and current vacancies. The current chairs are Betty Pendergrass for the CERS board and Keith Percy for the KRS board. Mr. Percy will chair and Ms. Pendergrass will serve as vice-chair for the KPPA board. Mr. Eager also provided the names and short bios for the other members of the respective boards.

In response to a question from Representative Wheatley regarding whether the legal office has expressed any concerns regarding the fiduciary duties of trustees serving on multiple boards, Ms. Kathy Rupinen, Executive Director, Office of Legal Services, KPPA,

stated KRS 61.505 specifically provides that while the trustees are serving on the KPPA board or on joint committees, the trustees are to act in the best interest of both systems.

In response to questions from Representative Miller, Mr. Eager stated that there are two actuarial committees, but one actuary that is selected by KPPA. In response to a follow up question, Mr. Eager stated that each board will draft its own investment policies.

Lastly, Mr. Eager provided an update on HB 8 (RS 2021) regarding agency cessation of participation. As it relates to this bill, both Northern Kentucky University and the Kentucky Housing Corporation (tentative) are leaving KERS nonhazardous, 47 quasi-governmental employers have requested HB 8 liability data for comparison purposes, 19 quasi-governmental employers have completed their comparisons, none have yet appealed, and training has been conducted for agencies.

In response to a question from Mr. Chilton, Mr. Eager stated that the trust that holds the assets for the KRS and CERS plans maintains the assets in separate accounts.

In response to questions from Representative DuPlessis regarding provisions for a member that commits a felony in their line of work and how KPPA receives notification of the felony, Ms. Rupinen stated that KRS 61.535, which now has parallel legislation for CERS, provides that, for individuals hired before August 2000, termination as a result of a felony related to some kind of malfeasance or theft from their employment results in loss of retirement benefits; for individuals hired after August 1, 2000, the forfeiture of retirement benefits occurs if the individual is convicted of felony "related to their employment" in a court competent jurisdiction. Since February 2019, KPPA (formerly KRS) has had 8 individuals who have had their membership terminated as a result of a conviction under the statute. Ms. Rupinen described the process conducted by the retirement system in these cases. Although employers have a duty to report a felony conviction, a felony conviction of a member is mostly discovered through the media or via law enforcement or sometimes from co-workers. KPPA has an investigator on staff who is building relationships with several federal prosecutors and law enforcement agencies who have started to report back to KPPA.

In response to a question from Senator Higdon regarding if new legislation needs to be passed, Ms. Rupinen stated that the legislation is clear that an employer shall notify the retirement systems when an employee is convicted of a felony related to their employment, but possibly a regulation clarifying how the notification is given could be helpful.

In response to a question from Representative Tipton requesting an update on the 2018 assumption rate changes that were capped at no more than a 12 percent increase per year for CERS, Mr. Eager stated that he would have to report back. In response to a follow up regarding an update of the adjusted percentage of funding level with the increase in asset allocation, Mr. Eager stated he would have to report back.

In response to a question from Representative Tipton regarding the judge's ruling in the Mayberry et al v. KKR et al case as reported in the Lexington Herald, Ms. Rupinen stated that KPPA has retained a

law firm that is based in New York City to conduct the investigation. The contract is broad in that it requests that the firm look at investment actions but with an emphasis on the matters before the court. The board's intention is to have a report available pursuant to and in compliance with Judge Shepherd's orders, which require the investigative report be provided to the Attorney General.

Update on HB 258 (2021 RS) Implementation and Actuarial Experience Study Progress

Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System (TRS) began his presentation with good news on investment returns as of March 31, 2021. The fiscal-year-to-date returns are at 23 percent with the 1-, 3-, 5-, 10- and 30- year returns above the 7.5 percent assumed rate at 8.54 percent. The 20-year period, which includes the Tech.com bubble and the 2008 great recession, are still below the 7.5 percent assumed rate at 7.4 percent.

Mr. Barnes discussed the updates on HB 258 (RS 2021). HB 258 provides a new retirement tier for new members joining TRS on or after January 1, 2022. The new tier is a social security replacement plan and creates a new hybrid plan. The new tier will increase the minimum retirement age to 57 and it shifts risk of any developing unfunded liability from the Commonwealth to the members. The new tier is established as a 100 percent funded plan with excess contributions going to a stabilization reserve account. If funding goes below 90 percent, the board is required to take action to maintain the funding level by using reserve funds and/or reducing benefits.

Mr. Barnes stated that TRS started implementing HB 258 before the General Assembly adjourned by preparing summaries with questions and answers to educate and prepare staff for inquiries from members. TRS staff is having daily meetings to ensure that HB 258 will be implemented by January 1, 2022. The summary plan description for the new tier, law books, and related publications for all members are being updated. TRS is creating training content, including a video for members, to be posted on the website.

In response to a question from Senator Higdon, Mr. Barnes stated that an actuarial analysis was performed, filed, and updated for HB 258. The analysis shows the cost and savings projections and is available on the LRC website.

In response to a question from Representative Wheatley, Mr. Barnes stated that the five-year vesting requirement is still in place for the new tier. If someone leaves employment prior to the five year period, they would be entitled a refund of their contributions with interest only. In response to a follow up question regarding there being anything less than 100 percent funding until five years after January 1, 2022, Mr. Barnes stated that anything is possible, but a member with less than five years vested in the system would still be entitled to their contributions with interest upon leaving employment. Mr. Barnes explained how the structure of the new tier would maintain 100 percent funding under such a scenario.

Mr. Barnes discussed the experience study that will be concluded June 2021. He stated that TRS does a five year experience study, which is a look back over the last five year period of assumptions compared to

what actually happened. In response to a question from Senator Higdon, Mr. Barnes stated that the TRS board will make decisions regarding assumptions based on the experience study in June 2021.

In response to a question from Senator Higdon regarding the provisions for a member that commits a felony in their line of work and how TRS receives notification of the felony, Mr. Barnes stated TRS has a similar statute as KPPA, under which members or any individuals who become members of TRS on or after August 1, 2000, who are convicted of a felony related to their employment, forfeit all rights to pension benefits except for the return of their contributions plus interest. It is rare that a member has a felony conviction related to their employment, and Mr. Barnes could only recall a handful of members whose retirement benefits had been forfeited under such circumstances. As far as reporting methods, when a teacher or school administrator is convicted of a felony that is usually big news with the media. TRS monitors state and local media.

In response to a question from Representative DuPlessis regarding the interest received despite the forfeiture of pension benefits, Mr. Barnes stated that a member is entitled to a set amount of interest accrued on the member's own contributions. If an individual became a member before July 1, 2008, the interest is a fixed rate of 3 percent; for individuals who became a member on or after July 1, 2008, the interest is 2.5 percent. In response to follow up questions, Mr. Barnes stated that TRS will look into a way to have better reporting of these felony convictions and will provide that change as part of a housekeeping bill.

In response to a question from Senator Higdon, Mr. Barnes stated that the returns presented were combined returns, and returns on the health care trusts were slightly lower than the pension side but still strong.

With no further business, the meeting was adjourned.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 2nd Meeting of the 2021 Interim

April 20, 2021

Call to Order and Roll Call

The 2nd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Tuesday, April 20, 2021, at 10:30 AM, in Room 129 of the Capitol Annex. Senator C.B. Embry Jr., 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 Paul Hornback, Dennis Parrett, Robin L. Webb, and Whitney Westerfield; Representatives Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Dr. Ryan Quarles, Commissioner, Kentucky Department of Agriculture (KDA); Keith Rogers, Chief of Staff, KDA; Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); and Bill McCloskey, Deputy Executive Di-

rector, KOAP.

LRC Staff: Stefan Kasacavage, Nathan Smith, Kelly Ludwig, and Rachel Hartley.

Introduction of Executive Director and Discussion on the Transition of the Agricultural Development Board to the Kentucky Department of Agriculture

Dr. Ryan Quarles stated there will be a smooth transition of the Agricultural Development Board (ADB) to the Kentucky Department of Agriculture (KDA) due to passage of Senate Bill 3 in the 2021 Regular Session.

Dr. Quarles stated there are two new ADB members and introduced the executive director of Kentucky Office of Agricultural Policy (KOAP), Brian Lacefield.

Brian Lacefield provided a brief summary of his background and stated he is committed to serving in his new role.

Keith Rogers stated the transition is 30 days ahead of schedule. Senate Bill 3 was enacted on March 12 and the transition began on March 15.

In response to Representative Roberts, Mr. Rogers stated the reorganization will not affect the monthly reports to the committee. The commissioner spoke to Dorsey Ridley after enactment of Senate Bill 3 and stated his preference to move in a different direction. Mr. Ridley accepted a new position within the Beshear administration. Mr. Rogers stated there are plans to move all KOAP staff to the KDA campus.

Kentucky Office of Agricultural Policy Report

Bill McCloskey described the Agricultural Development Board's projects for February and March under the program. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Deceased Farm Animal Removal, Next Generation Farmer, Shared-Use Equipment Program, and Youth Agriculture Incentives Program.

The requested program amendments discussed included:

Green River Area Beef Improvement Group requested an additional \$20,000 in McLean County funds for CAIP. The board recommended approval, which would bring the program total to \$71,480.

Jessamine County Future Farmers of America Alumni requested an additional \$60,000 for CAIP. The board recommended approval, which would bring the program total to \$240,000.

Christian County requested all investment areas be changed to a Primary Focus. The board recommended approval.

Barren County Conservation District requested an additional \$29,520. The board recommended approval, which would bring the program total to \$375,812.

Northern Kentucky Cattle Association requested an additional \$15,462 in Boone County funds for CAIP. The board recommended approval, which would bring the program total to \$111,333.

The projects discussed included:

Patterson's Butcher Shop was approved for \$250,000 in state funds and \$500 in Allen County funds to build a new processing facility in Monroe

County.

William M. Kuegel, Jr. was approved for \$250,000 in state funds and \$2,500 in Daviess County funds to renovate Beef and Bacon Custom Processing in McLean County.

JSW Farm Chop Shop received \$250,000 in state funds through the Meat Processing Investment Program to purchase a new integrated X-ray analyzer for the processing facility in Wolfe County.

James K. Aud, Jr. was approved for \$5,000 in Daviess County funds for the purchase and installation of an energy efficient rotary composting system.

Cecil Farms Produce was approved for \$16,071 in Daviess County funds for the purchase and installation of a temperature controlled environment and walk-in cooler.

Kentucky State University was approved for \$39,719 in state funds to construct a permanent processing facility in conjunction with its mobile processing unit.

Pulaski County 4-H Council was approved for \$2,868 in Pulaski County funds to purchase a ham house.

The University of Kentucky Research Foundation was approved for \$75,000 in state funds for a feasibility study focused on controlled growing environments in Kentucky.

Summit Holdings was denied \$20,000 in state funds. The Meat Processing Expansion Committee recommended not funding the project because the application was received after the 2020 guidelines had sunset.

Ken Maur Farm was denied \$10,150 in state funds. The On-Farm Energy Committee recommended not funding the project due to the payback being longer than 25 years.

Woodford County Conservation District was denied \$60,000 in state funds to hire a district technician. The Red Committee recommended denying the request due to the cost of a recurring salary.

The Pulaski County Extension District Board was approved for \$1,988 in Pulaski County funds to collect forage samples to test for educational purposes.

Community Farm Alliance was approved for up to \$270,102 in state funds to continue support for its Farmers Market Support and Kentucky Double Dollars Program.

The Bluegrass Lamb Company was approved for \$250,000 in state funds to purchase a processing facility in Hardin County.

Glen Dean Farms was approved for up to \$30,872 in state funds to harvest rainfall from tobacco barns for crop irrigation.

Lincoln County 4-H Council was approved for up to \$1,000 in Lincoln County funds to purchase a building to serve as a ham house.

In response to Senator Webb, Mr. McCloskey stated there are 13 applications pending with the Meat Processing Expansion Committee and provided a brief overview of the process for approval.

There being no further business, the meeting was adjourned.

2021 Interim
**LEGISLATIVE
RECORD**

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2021 Interim

**LEGISLATIVE
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KENTUCKY GENERAL ASSEMBLY

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